
BUSINESS

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

BUSINESS

focus on long-lasting, premium fragrance. According to Frost & Sullivan, based on the CAGR of 72.6% of retail sales from 2022 to 2024, LYCOCELLE is the fastest-growing scaled brand in China’s household care industry. Additionally, 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 the same source.

- ***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. For the year ended December 31, 2025, FineNutri’s total GMV reached RMB1,159.1 million.
- ***NuiBay* (紐益倍):** NuiBay is designed for the mass market, addressing consumers who value 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 full spectrum capabilities to create, incubate and scale proprietary brands. We have built a replicable brand building system, grounded in our deep insight into the evolving needs of Chinese consumers. As demographic shifts and evolving consumer values continue to reshape the market, we observe a growing emphasis among consumers not only on whether a product is effective, but also on whether it aligns with their personal preferences, aesthetic expectations, and lifestyle context. This structural shift has created significant market opportunities, propelling us from introducing global brands to China to building proprietary brands for China’s new consumers, addressing their needs.

Our ability to rapidly build widely recognized brands such as LYCOCELLE and FineNutri stems from a strong talent base and the continuous evolution of our core capabilities. These strengths are rooted in years of experience serving global consumer brands through our e-commerce operation services business. We have assembled a multi-disciplinary team with expertise across categories, such as household care, beauty & personal care, maternal & infant care and health & wellness, and more, allowing us to flexibly navigate across categories and quickly capture the preferences of our target consumers.

We have developed a systematic brand-building capability. Horizontally, we possess cross-category consumer insight, enabling us to precisely decode decision-making mechanisms and emotional drivers across different product types. For example, with FineNutri, we combined the visual appeal of beauty products with the credibility of nutritional supplements to precisely address consumers’ dual expectations for nutricosmetics. Vertically, we have built a full spectrum approach, from trend identification and product creation to content amplification and channel integration, allowing us to efficiently build high-potential brands tailored to diverse consumer needs.

BUSINESS

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.

- ***Omnichannel Resonance:*** On the channel front, we have built an integrated ecosystem with Douyin at its core. With its massive traffic scale, high communication efficiency, and strong brand affinity, Douyin serves not only as a high-performance platform for product discovery and conversion, but also as a superhub for brand building and traffic distribution. Leveraging Douyin’s “product-finds-consumer” algorithm, we deliver scenario-rich, brand-aligned content directly to target audiences, generating strong resonance that extends across platforms such as Tmall, JD.com, Xiaohongshu, and offline retail. This resonance forms a powerful growth loop: we stimulate demand through short videos on Douyin, deploy precise marketing based on our profound understanding of China’s new consumers and algorithm, and drive sustained conversion across other platforms. Each channel plays a distinct yet synergistic role, enabling us to reach tens of millions of relevant consumers in record time and elevate brands to mainstream. Backed by years of digital service experience, we have developed a omnichannel DTC-driven growth model, where the rise of self-operated channels fuels healthy expansion across KOL/KOC channels, rapidly accumulating brand audience assets (人群資產)* and achieving true omnichannel resonance through refined traffic operations across the ecosystem.
- ***Content-Driven Engagement:*** Leveraging robust in-house content capabilities, we embed shareable visual and emotional elements at the product design stage, consistently produce high-quality images and short videos, and operate a matrix of livestream studios to generate a steady stream of high-conversion content assets. These assets fuel demand generation and rapid scaling on Douyin, while driving sustained conversion across other platforms. We also excel at integrating external resources — including IP cross-over collaborations, multi-tiered KOL partnerships aligned with brand image, and user-generated content — to amplify content impact. This integrated content system has enabled the successful establishment of recognizable product features that are widely shared and recalled by consumers across platforms. For example, FineNutri’s “Little Purple Bottle” gained traction on social platforms through its distinctive packaging and ingredient messaging, inspiring creation of product nicknames and derivative content that quickly established its positioning in anti-aging. LYCOCELLE’s fragrance laundry detergent leveraged IP-driven storytelling across lifestyle scenarios to drive long-term brand exposure and repeat purchases.

Our model of omnichannel resonance combined with content-driven engagement has delivered strong results. In 2025, GMV from our proprietary brands through Douyin channel reached RMB1.7 billion, representing approximately 66.0% of their total GMV generated from our proprietary brands. This momentum also accelerated KOL collaborations and improved operational efficiency. As of the Latest Practicable Date, LYCOCELLE and FineNutri had accumulated 214.9 million and 128.7 million brand audience assets on Douyin, continuously feeding high-intent traffic and conversion into other channels. Tmall, as our flagship brand platform, has been a core channel since our early development, with over a decade of accumulated capabilities and resources. It now supports a full spectrum system covering brand building, sales conversion, and lifecycle user management. With growth engines such as Douyin and synergy across multiple platforms, LYCOCELLE’s GMV doubled year-over-year in 2025. FineNutri’s cumulative GMV reached RMB1,159.1 million in 2025, and its GMV increased by 206.9% in the second half of 2025 compared with the first half of the year, demonstrating the rapid growth empowered by our omnichannel operations.

BUSINESS

Market Opportunities

We focus our proprietary brand development on two categories — household care and nutritional supplements. These categories are undergoing a structural transformation, driven by accelerated online penetration and increasingly refined segmentation of consumer groups and usage scenarios. Consumer shopping habits are rapidly shifting from offline to online, and content-driven e-commerce is gaining traction, particular in categories that require more consumer education. Platforms such as Douyin and Xiaohongshu have become key touchpoints for product discovery and conversion, enabling emerging brands to leverage their massive traffic to reach the mass market, target corresponding consumer segments more precisely and achieve rapid engagement, receive feedback from consumers and iterate quickly. This trend is not only reshaping channel dynamics but also redefining how brands connect with consumers and express product value.

Additionally, as consumer segmentation and lifestyle diversification deepen, traditional categories are evolving along dimensions such as usage scenarios, aesthetic preferences, and value propositions. The household care industry is moving beyond basic hygiene toward fragrance-driven self-care, visual appeal, and scenario-specific solutions. Nutritional supplements are shifting from general nutritional support to precise ingredient management focused on anti-aging and beauty, with nutricosmetics emerging as the fastest-growing subcategory. High-potential ingredients like ergothioneine are gaining popularity, supported by advances in synthetic biology that have significantly improved bioavailability and reduced raw material costs, enabling emerging concepts to scale into mainstream.

With deep insight into consumers and usage scenarios, along with strong capabilities in rapid brand creation, incubation and scale-up, we are well-positioned to expand our market share in these core categories and accelerate brand momentum.

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.

STRENGTHS

Proven Capabilities in Building Widely Recognized Brands and Differentiated Products

We are a consumer-driven new brand company with proven capabilities in building and scaling brands. Across diverse categories and consumer segments, we consistently launch widely recognized brands, validated through both proprietary brand development and brand management partnerships. By integrating functionality, scenario-based experiences, and aesthetic appeal, we create product portfolios that meet core needs while offering differentiated value and premium potential, continuously driving the market trends. Our keen ability to identify needs across diverse usage scenarios allows us to capture opportunities early and build strong competitive moats. This enables a product strategy centered on high-performing SKUs and matrix expansion, driving profitable growth. Our proprietary brands, including LYCOCELLE, FineNutri, and NuiBay, have each achieved rapid traction and sustained penetration.

BUSINESS

- **LYCOCELLE:** In the household care category, LYCOCELLE targets a premium market by addressing needs in usage scenarios such as “dedicated care for specific garments” (專衣專護) and “fragrance-infused cleaning” (香氛清潔). The brand has cultivated a premium image through salon-grade fragrance design and a diverse scent matrix. In its core laundry care line, we leverage our fragrance expertise to develop a series of laundry detergents that combine dynamic headspace analysis and dual-layer microcapsule fragrance technology. This achieves both authentic scent reproduction and long-lasting fragrance, redefining consumer perceptions. To solidify its brand positioning, the product line has expanded from lingerie detergent to include fabric sprays, floor cleaners, laundry pods, and fragrance laundry detergents, forming a multi-SKU, high-value matrix that strengthens LYCOCELLE’s presence in the premium fragrance cleaning segment. LYCOCELLE has delivered measurable success, as outlined below:
 - Cumulative GMV reached RMB2.4 billion from 2023 to 2025, growing at a CAGR of 94.7% from 2023 to 2025.
 - According to Frost & Sullivan, LYCOCELLE fragrance laundry detergent ranked 4 in the standard laundry detergent category on Tmall, in terms of its GMV for the year ended December 31, 2025.
 - During the 2025 618 shopping festival, LYCOCELLE’s GMV grew over 170% year-over-year across all platforms, with Tmall, Douyin, Xiaohongshu, and JD all doubling. It ranked Top 1 in Tmall’s “618 Treasure New Brand” list for household care and Top 2 in the fast-moving consumer goods (FMCG) new brand list. During the 2025 Double 11 shopping festival, LYCOCELLE’s GMV grew by an average of over 80% year-over-year across all platforms, ranking No. 2 on Tmall’s apparel, footwear and bag care store leaderboard and No. 1 on Xiaohongshu’s home care store red list. Several high-performing SKUs continue to lead their respective specialized market segments.
 - Recognized as one of the “Top 100 High-Quality Consumer Brands of 2025 — Aesthetic Economy Category” (2025高品質消費品牌TOP100 — 顏值經濟類), “Emerging Trend Brand of the Year – 2024” (2024年度年度新趨勢品牌) and “2024 Leading Creative Brand under Shanghai’s First-Launch Economy Initiative” (2024年上海市首發經濟引領性創意品牌).
- **FineNutri:** In the nutritional supplement category, FineNutri focuses on science-backed anti-aging nutricosmetics, targeting ingredient-conscious women and consumers with precise needs for nutritional benefits. The brand has built a multi-SKU product matrix centered around key ingredients such as ergothioneine and Calanus oil. We have made strategic investments in raw material sourcing: leveraging synthetic biology to significantly improve the bioavailability and reduce the cost of ergothioneine and achieve early commercialization, while securing exclusive rights to procure and commercialize Calanus oil in Greater China, ensuring supply chain stability and control over the brand value chain. Building on ingredient advantages and brand positioning, FineNutri’s breakout product, the anti-aging “Little Purple Bottle,” has catalyzed strong growth across its broader portfolio, including the “Whitening Photon Bottle” and “Calanus Oil Capsules.” FineNutri has delivered measurable success, as outlined below:
 - In its first year since launch in September 2024, FineNutri has achieved a cumulative GMV of RMB517.0 million, making it the fastest beauty-focused nutritional supplement brand to surpass RMB500 million in retail sales in China since inception, according to Frost & Sullivan.

BUSINESS

- For the year ended December 31, 2025, FineNutri’s GMV reached RMB1,159.1 million. In the second quarter of 2025, GMV increased by 206.9% compared with the first half of the year.
- During the 2025 618 shopping festival, FineNutri’s GMV ranked No. 1 across Tmall’s nutritional supplement content, traffic, and transaction leaderboards, and No. 1 in Douyin’s overseas nutritional supplement category. During the 2025 Double 11 shopping festival, FineNutri ranked No. 1 in Douyin’s overseas nutritional supplement store leaderboard, within just over a year since launch.

In brand management, we have helped multiple partner brands achieve market breakthroughs. For Kangwang, we supported the launch of new product lines by refining positioning, upgrading visuals, and highlighting core functional ingredients to meet evolving consumer needs in scalp care. We developed targeted content across Xiaohongshu and Douyin to build brand awareness and trust, while aligning sales execution on Tmall and JD.com to enhance conversion. These efforts strengthened Kangwang’s leadership in professional scalp care and led to a 152.7% year-over-year increase in online GMV in 2025. To date, we have helped over 100 domestic and international brands across household care, beauty & personal care, maternal & infant care, and health & wellness achieve category breakthroughs and sustained growth.

In addition, we are a DTC-driven company, with revenue from DTC business accounting for approximately 72.2% of our total revenue in 2025. This model allows us to directly engage with consumers, capture evolving needs and emotional shifts in real time, and rapidly translate insights into product creation and content amplification, enabling fast and sustainable brand scale-up across multiple categories.

Omnichannel Resonance with Douyin at Core

We have built a Douyin-centered omnichannel ecosystem that fully leverages the value of both traditional and content-driven e-commerce platforms. By aligning product strategy, content design, and operation methodology with each platform’s characteristics, we unlock platform efficiency while maintaining brand image. Our content-driven, digitally empowered marketing strategy places Douyin platform at the heart of brand building, potential demand identification, and cross-channel scale-up. Douyin plays a pivotal role, enabling us to unlock brand potential, accelerate product launches, and break through the growth ceiling of traditional platforms. During the Track Record Period, the amount of GMV and sales made to consumers within the Douyin platform across our three business segments amounted to RMB299.6 million, RMB542.3 million and RMB2,314.3 million. Its “product-finds-consumer” algorithm allows us to deliver scenario-rich, brand-aligned content directly to target audiences, generating strong resonance that extends across Tmall, JD.com, Xiaohongshu, and offline retail, forming a powerful growth loop.

Since 2020, we have expanded our presence on Douyin, establishing a comprehensive operational system across self-operated livestreams, KOL collaborations, and short video distribution. Self-operated livestreaming holds exceptional strategic value, offering high margins, strong operational control, and direct consumer engagement. We’ve built a livestream base with over 30 studios and five themed sets, supported by over 200 signed hosts and a professional content team of over 300 members covering product planning, visual design, and scenario-based storytelling, ensuring high consistency between content and brand image. Leveraging our content team and consumer insights, we are able to achieve efficient conversion.

Leveraging Douyin’s massive traffic and powerful algorithm, we have been able to target consumers more precisely, build a loyal customer base, and achieve unprecedented brand scaling and product iteration. For example, FineNutri’s brand audience assets amounted to 33.8 million within just 12 months since its inception, reaching a broad and relevant audience that would take years to build via traditional channels. Douyin’s rapid content refresh cycle and real-time feedback loop empower us to test, launch, and scale new products within weeks. For example, a new supplement under the FineNutri brand can move from concept to full launch in less than a month, driven by short videos, livestreams, and KOL engagement.

BUSINESS

Beyond Douyin, we have established a strong presence on platforms such as Tmall, JD.com, and Xiaohongshu. Tmall supports our full spectrum brand building, conversion, and lifecycle management. JD.com, with its logistics and service advantages, enables efficient conversion and repeat purchases. Xiaohongshu, as a lifestyle inspiration community, fosters emotional connections through sharing and interaction, deepening consumer engagement, cultivating brand audience assets, and driving cross-platform conversion.

We have built a full-spectrum growth model centered on self-operated channels. In 2025, for LYCOCELLE and FineNutri, GMV from Douyin without considering KOL/KOC promotions accounted for approximately 69.4% and 84.4% of their respective GMV on this platform. The total GMV of LYCOCELLE and FineNutri reached RMB2.5 billion in 2025, up 269.2% as compared to 2024. Self-operated channels not only drive immediate sales but also accumulate brand momentum, boost KOL traffic, and ensure healthy profitability.

As of the Latest Practicable Date, LYCOCELLE had accumulated over 214.9 million brand audience assets on Douyin, while FineNutri had reached 128.7 million. The migration of such high-intent users from Douyin to other platforms and their repeat purchases fuel conversion on Tmall and beyond, leading to omnichannel resonance. In 2025, LYCOCELLE’s total GMV doubled year-over-year, with triple-digit GMV growth across Douyin and JD.com. FineNutri’s cumulative GMV reached RMB1,159.1 million in 2025, and its GMV increased by 206.9% in the second half of 2025 compared with the first half of the year, demonstrating the exponential growth empowered by our omnichannel operations.

Content-Driven Brand Building Capabilities

In China’s new consumer era, shopping habits are rapidly shifting from offline to online. Content-driven e-commerce is gaining traction, especially in categories that require consumer education. Platforms such as Douyin and Xiaohongshu are becoming key touchpoints for product discovery and conversion. The consumer journey is evolving from “search-compare” (“搜索-比價”) to “content-engagement-purchase” (“內容-互動-下單”), with livestreams, short videos, as well as visual and textual content forming a multi-touchpoint decision chain. This trend not only reshapes channel dynamics but also redefines how brands connect with consumers and express products, requiring content-led product development and visual storytelling. With keen insight into this transformation, we leverage content as a strategic asset to build an efficient and sustainable brand growth system.

Strong Internal Content Leverage

We integrate product development and content distribution under the philosophy of “*Product-as-Content*” (產品即內容), ensuring that products are inherently shareable, memorable, and aligned with brand image. For example, LYCOCELLE’s laundry pods combine natural antibacterial ingredients and long-lasting fragrance microcapsules to deliver both powerful cleaning and premium scent experiences. Their crystal-like appearance and streamlined packaging design have sparked user-generated content and discussions on platforms such as Xiaohongshu.

FineNutri uses a “color-coded” visual strategy to embed memory anchors into packaging: white bottles represent whitening, red bottles highlight antioxidant benefits centered on Calanus oil, and purple bottles focus on anti-aging with ergothioneine, earning the nickname “Little Purple Bottle” due to its high recognizability. This visual system ensures that product benefits are intuitively perceived across livestreams, short videos, shelf displays, and social posts, reinforcing brand recall and improving decision efficiency.

We deeply integrate brand positioning with platform characteristics, consistently publishing high-quality images, short videos, and livestream content through official accounts. These materials convey product benefits, usage scenarios, and brand stories in a unified manner, enabling precise targeting and deep engagement with core consumers while building brand assets and strengthening

BUSINESS

brand perception. For example, LYCOCELLE addresses premium household care needs with a refined and recognizable visual system, from fragrance ingredient sourcing to immersive usage scenarios, reinforcing its fragrance identity. FineNutri focuses on women’s oral anti-aging needs and their underlying psychologies, highlighting the scientific rationale behind its positioning and using multi-dimensional storytelling, encompassing ingredients, benefits, and needs, to create immersive marketing experiences that drive consistent content creation, achieve conversion and accelerate brand momentum.

In addition, we are committed to exploring optimal strategies balancing operational efficiency and brand building, supported by content amplification. On Douyin, we have adopted a matrix model combining “brand livestream rooms” and “segmented product livestream rooms” to efficiently attract and convert traffic. For example, LYCOCELLE has added IP cross-over livestream rooms on top of its brand livestream room. Similarly, FineNutri has built a livestream matrix around its core products, with dedicated rooms for its anti-aging Little Purple Bottle, Whitening Photon Bottle, and Calanus oil. This approach breaks the limitations of relying on a single livestream room, enabling efficient conversion through coordinated account management and differentiated content strategies.

IP Cross-over: Unique Storytelling

In March 2025, we partnered with “Intimate Audrey Hepburn” to launch our first IP cross-over series, integrating the timeless elegance of this cultural icon into our products. The collection features four exclusive fragrances, “*Classic Little Black Dress*,” “*Petal Dance Dress*,” “*Evening Gown*,” and “*Ballet*,” inspired by Hepburn’s iconic looks and life moments. The scents range from pure and graceful to rich and romantic floral-woody notes, transforming fragrance into a medium for emotional resonance across time. With its unique cultural storytelling and immersive fragrance experience, the series received an enthusiastic market response upon launch: the lingerie detergent achieved GMV exceeding RMB1 million within two weeks of launch. As of December 31, 2025, the cumulative GMV of Hepburn series products amounted to RMB80.1 million. We continue to strengthen our IP cross-over strategy, developing product lines with distinctive IP elements. By reconstructing product narratives through cultural symbols, we elevate everyday consumption into cultural experiences.

Diverse KOL/KOC Collaboration

We engage in deep collaboration with KOLs and KOCs whose values align with our brand image, focusing on precise audience targeting and brand building rather than mere traffic. Content partnerships span diverse formats, including interpretations of key benefits and ingredients, usage scenarios, endorsements from experts and institutions, and emotional storytelling around scent, texture, and ritualistic use, effectively enhancing engagement and brand loyalty among target consumers.

In terms of collaboration resources, we have built a diverse KOL network. By leveraging such network’s market penetration and audience base, we continuously maximize and amplify the value of our content. LYCOCELLE has established a diverse KOL matrix spanning fashion, home living, celebrities, food, and parenting, enabling deep brand penetration across various consumer segments. FineNutri, on the other hand, has developed a multi-faceted collaboration matrix that integrates media seeding (媒介种草), KOL/KOC partnerships, and celebrity endorsements. This approach not only drives efficient growth but also reinforces its scientific and professional image in the oral anti-aging sector. As of the Latest Practicable Date, we have partnered with thousands of KOLs and KOCs across the internet for our proprietary brands, with a well-distributed resource base.

BUSINESS

User-Generated Content Operations

We encourage UGC and content sharing by consumers and communities through review campaigns and interactive topics. By actively monitoring user feedback across major platforms and leading the discussions under high-quality content on e-commerce platforms, we amplify the impact of high-quality UGC. This creates a feedback loop rooted in consumer insights, driving continuous product and content optimization and iteration.

AI-Enabled Smart Mid-End Module and Supply Chain Quality Control System

We have built an AI-powered operational framework centered on a smart mid-end module, a digital infrastructure integrating proprietary BI, OMS, and SCM systems and externally sourced AI technologies. This module is supported by a flexible supply chain and anchored in end-to-end quality control, empowering multi-brand and multi-category expansion with operational excellence and seamless omnichannel delivery. BI, SCM, and OMS systems are deeply integrated with data assets across our supply chain, promotion, and sales activities, enabling seamless data flow from procurement and inventory management, to order capture and fulfillment, and finally to analytics and decision-making, creating a unified operational backbone that supports real-time insights and end-to-end process optimization. Combining these systems with locally deploying mainstream large models and deeply incorporating technologies such as AI-generated content (AIGC) and multimodal agents, we have created a real-time closed-loop system covering market insights, product management, and fulfillment coordination. Through these efforts, we significantly improve operational efficiency, responsiveness, and resource utilization.

In our pursuit of AI empowerment, we have built a smart system that supports critical phases of the brand lifecycle, from product development and operational execution to marketing conversion and back-end management. A multimodal AIGC hub has been built using mainstream large models, and a digital workforce system has been established using various AI agents to empower the entire business process, achieving breakthroughs in both efficiency and innovation. Key application scenarios include:

- ***R&D (AI-Driven Formulation Design):*** In collaboration with AI ingredient developer MetaNovas and our in-house R&D teams, we simulate synergistic and antagonistic interactions between ingredients based on molecular structures and mechanisms of action. Leveraging a large-scale biological knowledge graph, we efficiently develop synergistic formulations. Following screening, efficacy and safety are validated through a multi-tiered testing framework encompassing *in vitro* cell studies, *in vivo* animal trials, and human clinical evaluations.
- ***Operations & Marketing:*** Our AI analytics platform analyzes data generated from stores, products, logistics, and promotions to issue reports that support strategy making. Our intelligent ad delivery system monitors performance in real time and dynamically optimizes our strategies. The product recommendation and marketing prediction system aligns with campaign needs to suggest products and forecast outcomes, boosting conversion.
- ***Content Creation:*** The content generation system efficiently produces short videos, livestream scripts and Xiaohongshu notes. Our smart system is capable of identifying and distilling key value points from products, enabling us to create higher-quality marketing content at a faster pace.
- ***User & Compliance:*** Our smart system deeply analyzes audience feedback to reverse-engineer user profiles, laying the foundation to refine our operations. The contract review assistant uses intelligent risk control logic to quickly identify contract risks, ensuring compliance and improving the efficiency of our legal team.

BUSINESS

In supply chain management, we have established a flexible supply system for our proprietary brands in categories such as household care and nutritional supplements. This system supports demand-driven production arrangement, rapid response, and inventory optimization, with cross-border and domestic warehouse networks that reduce fulfillment time and inventory risk.

In quality control, we have built a comprehensive system covering raw material sourcing, manufacturing, finished product testing, and post-sale tracking. This system also includes protocols to strictly validate the function benefits of the ingredients in our products. In the nutritional supplement sector, we have established a digital platform capable of tracing our products through their life cycle, enhancing safety, efficacy and compliance.

We have adopted a flat, networked organizational structure that eliminates boundaries between business and functional teams, enhancing cross-team collaboration. Standardization and modularization of middle platform components provide scalable and executable capabilities for brand and category expansion, forming an efficient, replicable, and intelligent growth engine.

A Young, Driven Management Team with Strategic Vision and Deep Talent Reserves

We are led by a young, ambitious, and strategically minded management team that has played a pioneering role in shaping China’s new consumer brand landscape and setting industry benchmarks. With deep insight into the evolving psychology of modern consumers, from functional needs to self-care and value alignment, the team is adept at identifying high-potential segments and emerging trends. Drawing on years of experience in localizing international brands, the team has developed a unique methodology for brand building and scale-up, capable of systematically creating and scaling popular products. This enables rapid product validation and scalable replication, helping us maintain our leadership in our industry.

The management team combines youthful energy with extensive industry experience. As of the Latest Practicable Date, the senior management team had an average age of approximately 40 years and over 13 years of relevant industry experience. Under the leadership of founder and CEO Mr. Wang, the team demonstrates strong cohesion and execution efficiency, driving rapid growth while fostering a vibrant, people-centric corporate culture.

In parallel, we have cultivated a deep bench of talent through years of enabling international brand localization. These professionals possess strong expertise in brand architecture, market strategy, and consumer trends, and are highly aligned with our culture and operating model. They are capable of quickly forming high-performing teams to support new brand and category launches, leveraging our proven experience and resources to shorten incubation cycles, building a stable and sustainable talent base to empower multi-brand and multi-category expansion.

STRATEGIES

Strengthen Brand Development to Build a Consumer-Centric Brand Matrix

Brand building has always been a core strategic priority for us. We are committed to shaping our brands into assets that embody cultural value, emotional resonance, and lifestyle identity, with the goal of establishing a consumer brand group that satisfies evolving consumers needs, leads the industry and embraces a global vision. To realize this ambition, we build on strong functional foundations and continuously refine each brand’s core personality and value proposition through deep consumer insight, making our brands powerful vehicles for identity and self-expression among target audiences.

Our brand portfolio is structured around the core themes of “self-care,” “health,” and “quality,” spanning categories such as household care, nutritional supplements, and other high-potential consumer segments. Under this strategic framework, we apply ongoing trend analysis and consumer profiling to shape differentiated positioning and value for each brand. For example,

BUSINESS

LYCOCELLE will build on its “fragrance” and “high-efficiency cleaning” functionality to further strengthen its emotional appeal around self-care and lifestyle aesthetics, creating a dual engine of function and feeling. FineNutri, focused on anti-aging through science, will deepen its professional edge by expanding its matrix of advanced ingredients and diversified efficacy scenarios. Through this “one brand, one strategy” (一品一策) approach and synergistic brand matrix, we are enhancing cross-brand complementarity, expanding consumer penetration and usage scenarios, and shifting from product selling to identity building, ultimately creating a clear and sustainable competitive advantage.

In terms of brand communication, we are fully embracing the wave of digitalization and content-driven engagement, building a consumer-centric omnichannel communication system. By anchoring on high-quality brand content and strategically integrating short videos, social media, and interest-based communities, we aim to transform brand awareness into deep user interaction and co-created value, making our brands a natural part of consumers’ everyday lives. To this end, we will establish a multi-tiered, multifunctional account group on social platforms to enhance consumer conversion, enable algorithmic integration, and strengthen risk management.

Continue to Explore and Utilize New Technologies and Ingredients

We are prioritizing the integration of innovative technologies and high-quality ingredients as a key direction for future growth. We aim to build a sustainable and scalable innovation system that delivers richer, more diverse consumer experiences while reinforcing long-term brand competitiveness.

In terms of technology, we have successfully applied synthetic biology in the nutritional supplement category and pioneered the use of advanced techniques such as dynamic headspace analysis and dual-layer microcapsule fragrance control in home fragrance and cleaning products. Looking forward, we will continue to invest in technologies to drive product innovation and elevate consumer experience.

On the ingredient front, we have already introduced Calanus oil, a high-potential core ingredient, and will continue to explore other promising materials to expand differentiated product efficacy and meet diverse consumer needs. Our exploration will focus on natural or synthetic ingredients with scientific or clinical validation, and aligned with health management and nutricosmetics trends.

Expand Global Growth Through the Internationalization of Proprietary Brands

As China’s new consumer brands continue to gain global influence — and as markets such as Southeast Asia, Japan, and South Korea show increasing receptiveness to Chinese brands — we will accelerate the international expansion of our proprietary brands. Building on existing market exploration and channel development, we will further establish localized strategies tailored to diverse cultural contexts and consumer behaviors. These include localized product planning, differentiated brand presentation, and cross-language content dissemination.

In parallel, we will actively uphold sustainable development principles across environmental, social, and governance (ESG) dimensions, advancing green supply chains, developing sustainable products, ensuring supply chain compliance and employee rights, and strengthening corporate governance and transparency.

For channel development, we will integrate mainstream e-commerce platforms, social media, and offline retail systems to build a diversified, omnichannel sales network. In brand promotion, we will deepen collaboration with overseas KOLs, content creators, and communities, leveraging formats such as short videos and livestreaming to enhance engagement and trust. These efforts aim to accelerate brand penetration and awareness in international markets, ultimately establishing strong and lasting brand recognition in our target regions.

BUSINESS

Pursue Strategic M&A and Empower High-Quality Overseas Brands to Drive Local Growth

The global new consumer industry is undergoing a period of accelerated consolidation. Many brands with strong influence in their home markets are still in the early stages of development in China. We will proactively pursue the acquisition of high-quality overseas brands with differentiated positioning, brand equity, and long-term growth potential, either through full acquisition of their global brand entities or by acquiring their China-based brand and business operations, to enable flexible and efficient brand onboarding and local expansion.

Leveraging our years of experience in localizing international brands, we will develop tailored market entry and growth strategies for acquired or partnered brands. These strategies will include localized product adaptation and repositioning, customized content marketing, channel development, and cross-border supply chain optimization.

By integrating the legacy of overseas brands with our deep consumer insights, operational expertise, and digital capabilities in the Chinese market, we have established a dual-engine growth model, combining global brand strength with local scale-up. This approach empowers overseas brands to scale rapidly in China, serving as a key growth engine for our company while further enriching our brand portfolio.

Enhance Our AI-Driven Mid-End Module to Support Scalable Operations

We place strong emphasis on enhancing and upgrading our mid-end module based on existing foundation. Our goal is to establish an AI-driven platform that enables efficient collaboration and scalable operations across multiple brands and categories in increasingly complex market environments.

AI-Driven Efficiency and Cost Reduction: Building on our current AI applications, we will further expand their depth and breadth across key functions such as product planning, formula optimization, trend analysis, supply chain coordination, and inventory management. By broadening the use of AI tools, we aim to enhance forecasting accuracy, improve decision-making efficiency, accelerate product launch cycles, and reduce operating costs. For example, AI can be used to support routine functions such as influencer engagement, store configuration, promotional coupon distribution, message delivery, and customer service operations. These initiatives are designed to improve execution efficiency, optimize resource utilization, and strengthen our market responsiveness and scalability.

Empowering with AI Agents: We will continue to enhance the coverage and autonomous decision-making capabilities of multimodal AI agents, evolving them from execution assistants into core operational drivers. In the future, these agents will play a greater role in managing multi-brand, multi-category, and omnichannel operations. By leveraging real-time market data and business priorities, they will automatically optimize resource allocation and operational strategies, enabling rapid and precise execution across diverse market environments. Through continuous learning and iterative upgrades, these agents will improve their adaptability and decision-making efficiency in complex business scenarios, becoming a central pillar for scaled expansion and cross-market operations.

System Integration: Building on our existing self-developed BI, SCM, and OMS systems, we will further strengthen data integration and visualized management. This will form an integrated operational mechanism connecting forecasting, decision-making, and execution, while enabling real-time data support for efficient decision-making and strategic implementation by management.

BUSINESS

Strengthen Talent Pool to Enhance Global Management Capabilities

Talent is at the core of executing our strategy and sustaining growth. Centered around brand expansion and internationalization, we will continue to attract high-caliber industry talents to strengthen our expertise in key functional areas, such as R&D, cross-border regulatory affairs, intellectual property, registration and certification, and supply chain quality management.

Leveraging the talent pool accumulated through years of enabling international brand localization, we will further optimize cross-category and cross-market talent deployment mechanisms on the foundation of our existing team collaboration. This will ensure the rapid formation of efficient operational teams when launching new brands or business initiatives, shortening incubation cycles. Through a well-structured talent pipeline and incentive mechanisms, we aim to continuously enhance organizational cohesion, execution efficiency, and market responsiveness, providing a stable talent pool for our development.

PROPRIETARY BRAND DEVELOPMENT

As of the Latest Practicable Date, we mainly operated three brands, LYCOCELLE, positioned in the household care category, FineNutri, in the premium nutritional supplements category, and NuiBay, a brand-targeted mass nutritional supplemental market. All of these brands and the products under them are self-developed by us. During the Track Record Period, we mainly generated revenue from LYCOCELLE and FineNutri, both of which are widely recognized brands with differentiated products.

LYCOCELLE

LYCOCELLE is our proprietary premium household care brand anchored in fragrance innovation. In 2019, we acquired the trademark “ **LYCOCELLE** ” and, in the subsequent year, registered “ 绽家 ” in China. Under these trademarks, we launched the LYCOCELLE brand in 2020 to meet rising consumer expectations for high-efficacy and sensorially pleasing cleaning solutions, with a particular focus on under-served scenarios such as fragrance-infused cleaning and intimate apparel care. The brand’s product philosophy centers on high-quality fragrance-based formulations, supported by a commitment to scent aesthetics, product function benefits and safety standards. Under LYCOCELLE, we have established a diverse product portfolio covering four categories: fabric care, home cleaning, home fragrance and personal hygiene.



Classic Fabric Care



Specialized Fabric Care



Body Care



Home Cleaning



Home Fragrance



Cross-over Collaborations

Since its launch, LYCOCELLE has sustained strong growth momentum. Most notably, LYCOCELLE ranked 3 and 4 among flagship stores in Tmall and Douyin’s fabric care category, respectively, in terms of GMV for the year ended December 31, 2025. Its GMV increased from RMB359.9 million in 2023 to RMB662.5 million in 2024 and further to RMB1,365.3 million in 2025, representing a CAGR of 94.7%.

BUSINESS

LYCOCELLE’s Key Differentiators

LYCOCELLE distinguishes itself through the following brand attributes:

- *Targeted solutions for differentiated consumer needs.* LYCOCELLE offers finely segmented products tailored for distinct fabric types, such as linen, silk and Tencel denim, and for specific usage scenarios, including odor control and anti-static needs in winter. For example, to address the unique hygiene and fragrance demands of intimate apparel care, LYCOCELLE launched its Intimate Apparel Laundry Liquid in 2020, which quickly gained traction.
- *Fragrance-led brand image.* LYCOCELLE’s products are formulated with multiple essential oil components to deliver a refined and natural olfactory experience. Its signature scents, co-developed with leading perfumers, span nearly 20 fragrance variants and convey a sense of understated luxury and emotional warmth. Leveraging technologies such as Aromascope headspace replication technology and PopScent technology, the brand delivers long-lasting yet gentle fragrances, elevating everyday cleaning into a sensorial lifestyle experience.
- *Natural and skin-friendly formulations.* LYCOCELLE prioritizes safety without compromising function benefits. Its formulas incorporate natural and biodegradable ingredients, including saponified extracts of eucalyptus, coconut oil, palm oil and flaxseed oil, as well as multi-enzyme complexes that enhance cleaning power. Our formulations offer antibacterial, sterilizing and mite-removal functions, while remaining free from fluorescent agents and common irritants.

LYCOCELLE Series Product Offerings

Fabric Care

As the core product line under LYCOCELLE, its fabric care offerings primarily encompass laundry products with differentiated functions and laundry aids such as fabric freshener sprays and fabric softener. Guided by our product development philosophy of “dedicated care for specific garments” (專衣專護), LYCOCELLE’s fabric care product portfolio is designed to address the diverse material compositions and usage scenarios associated with modern lifestyles.

We believe that LYCOCELLE has contributed meaningfully to the evolution of the fabric care market in China by introducing scenario-specific solutions that address emerging consumer needs. Rather than adopting a one-size-fits-all approach, we focus on scenario-based innovation and formulation differentiation to enhance user experience and product efficacy. In 2020, identifying the demand for intimate apparel cleaning, we launched a dedicated detergent for undergarments, formulated to be gentle yet effectively removing bloodstains. As consumers increasingly pursue elevated aesthetic and sensory experience in daily household care, we developed our signature fragrance laundry detergent line in 2024, crafted with fine fragrance- style scent layering and upscale packaging. As of the Latest Practicable Date, LYCOCELLE has expanded its product portfolio to include laundry capsules, fabric softeners, and fragrance delicate spray. Notably, LYCOCELLE’s fragrance delicate spray ranked first in the fabric freshener spray category on the Tmall, in terms of the GMV during the 2025 618 shopping festival, according to Frost & Sullivan.

BUSINESS

Below sets forth some key fabric products of LYCOCELLE:



LYCOCELLE Four-Season
Bloom Enzyme Fragrance
Laundry Detergent
(綻家四季繁花酵素香氛洗衣液)



LYCOCELLE Perfume
Oil Fragrance
Laundry Capsules
(綻家香水油香氛洗衣凝珠)



LYCOCELLE Intimate Apparel
Laundry Liquid
(綻家內衣洗衣液)



LYCOCELLE Dual Fragrance-
Release Essential Oil 6-in-1
Laundry Capsules
(綻家雙重爆香精油、六合一洗衣凝珠)



LYCOCELLE Fabric Softener
(綻家衣物柔順劑)



LYCOCELLE Fragrance
Delicate Spray
(綻家香氛護理噴霧)

Products	Year of Launch	Key Features	Recommended Retail Price
LYCOCELLE Perfume Oil Fragrance Laundry Capsules (綻家香水油香氛洗衣凝珠)	December 2025	- First-of-its-kind perfume oil concentration - Enriched with six types of plant essential oils	RMB99.9/40 pcs
LYCOCELLE Fabric Softener (綻家衣物柔順劑)	May 2024	- Color-protecting ingredients to maintain fabric vibrancy and prevent fading - Fabric-softening formulation combining silk protein and amino acids, offering anti-static benefits - Four types of hydrolyzed proteins for enhanced fabric care and protection	RMB79.9/1,000 ml
LYCOCELLE Four-Season Bloom Enzyme Fragrance Laundry Detergent (綻家四季繁花酵素香氛洗衣液)	February 2024	- Color-protecting ingredients to maintain fabric vibrancy and prevent fading - Fragrance formulation composed of four essential oils - Delivers triple-layered cleaning performance	RMB99.9/1,700 ml

BUSINESS

Products	Year of Launch	Key Features	Recommended Retail Price
LYCOCELLE Dual Fragrance-Release Essential Oil 6-in-1 Laundry Capsules (綻家雙重爆香精 油、六合一洗衣凝 珠)	June 2022	- Formulated with dual bio-enzymes for targeted removal of stubborn stains - Triple odor-removal technology designed for effective elimination of unpleasant odor	RMB119.9/60 pcs
LYCOCELLE Fragrance Delicate Spray (綻家香氛護理 噴霧)	January 2022	- Fabric-softening formulation combining silk protein and amino acids - Plant-based deodorizing agents addressing six major odor sources - Formulated with a curated blend of botanical essential oils for a distinctive scent experience	RMB79/200 ml
LYCOCELLE Intimate Apparel Laundry Liquid (綻家內衣洗 衣液)	September 2020	- Plant-based surfactant - Protease enzyme addition - Pine leaf oil	RMB69/330 ml

Home Cleaning

We developed a diversified home cleaning product portfolio designed to elevate daily cleaning experiences with sensory enjoyment and enhanced functionality. Our current offerings span three main categories: dish detergents, floor cleaners and cleaning solutions for electric appliances. In 2023, identifying demands for floor cleaners compatible with the robot vacuum cleaner, we launched a dedicated floor cleaner tailored for such scenarios. This product offered consumers a specialized and high-performance alternative and ranked first in the floor cleaner category on Tmall, in terms of GMV during the 2025 618 shopping festival, according to Frost & Sullivan. Building on this success, we have since expanded our home cleaning range to address additional household needs, with product design that reflects modern lifestyle preferences.

Below sets forth some key home cleaning products of LYCOCELLE:



LYCOCELLE
Eucalyptus Oil Floor Cleaner
(綻家藍桉葉精油地板清潔劑)



LYCOCELLE
Marseille Soap Dishwashing Liquid
(綻家液體馬賽皂洗潔精)

BUSINESS

Products	Year of Launch	Key Features	Recommended Retail Price
LYCOCELLE Eucalyptus Oil Floor Cleaner (綻家藍桉葉精油地板清潔劑)	September 2023	- Effectively breaks down kitchen and bathroom grease to reduce surface slipperiness - Dust-attracting ions designed to effortlessly capture dust and hair - Provides intensive care for flooring with a moisturized yet non-slippery surface - Five-element botanical essential oil fragrance blend - Formulated with components that promote surface gloss while delivering quick-drying effects - Dual odor-neutralizing technology designed to effectively reduce unpleasant odors	RMB79.9/750 ml
LYCOCELLE Marseille Soap Dishwashing Liquid (綻家液體馬賽皂洗潔精)	January 2024	- Infused with Marseille soap for effective grease removal - Complies with Category A standards for food-safe detergents - Gentle hand-care formulation	RMB59/550 ml

Home Fragrance

We have developed a distinctive home fragrance product line under the LYCOCELLE brand, designed to enhance household ambiance with sensory enrichment and lifestyle appeal. In response to the growing consumer demand for products that combine functionality with emotional resonance, we introduced essential oil-based home fragrance offerings that elevate everyday living spaces. These products are designed not only to neutralize odors and refresh indoor environments, but also to serve as lifestyle accessories that align with consumers’ pursuit of quality, personalization and sensorial satisfaction in their daily lives.

Below sets forth some key home fragrance products of LYCOCELLE:



LYCOCELLE
Essential Oil Deodorizing Pods
(精油香氛除臭蛋)



LYCOCELLE
Fragrance Diffuser
(綻家藤條精油香薰)

BUSINESS

Key Products	Year of Launch	Key Features	Recommended Retail Price
LYCOCELLE Essential Oil Deodorizing Pods (精油香氛除臭蛋)	March 2025	- Odor-neutralizing agents suitable for multiple environments - Effectively removes mold	RMB49.9/7 ml
LYCOCELLE Fragrance Diffuser (綻家藤條精油香薰)	October 2024	- Aromascope headspace replication technology replicating the authentic fragrance of fresh flowers - Three fragrance technologies reduce odors in bedrooms, living rooms, kitchens, bathrooms, and from pets - Emotitech for stress relief and physical and mental relaxation	RMB99/240 ml

Personal Hygiene and Other Products

In addition to fabric care, home cleaning and home fragrance products, LYCOCELLE extends its premium fragrance philosophy and high-quality standards into daily hygiene routines. Current offerings include air freshener, body wash, hand wash and moist toilet tissue, all designed to be gentle on sensitive skin, free from harsh ingredients and suitable for a broad range of users. Product development is anchored in LYCOCELLE’s core fragrance design capabilities, delivering long-lasting and refined scents that align with the brand’s identity. For example, the LYCOCELLE Eucalyptus Fragrance Hand Washing Mousse (綻家藍桉葉香氛洗手慕斯), launched in June 2023, offers a skin-friendly formulation that combines a pleasant, refined aroma with antibacterial properties, which has been well-received by consumers. We plan to further enrich the LYCOCELLE product portfolio and better address consumer needs across diverse usage scenarios beyond fabric care and home cleaning and home fragrance.

FineNutri

FineNutri is our self-developed anti-aging nutricosmetics brand committed to advancing women’s wellness. Launched in 2024, the brand caters to the anti-aging needs of ingredient-conscious female consumers. Its formulations are built around active ingredients such as ergothioneine and Calanus oil, which support skin health, collagen production and oxidative stress defense. Balancing functional performance with an elevated consumer experience, FineNutri resonates with its core consumer base that values both visible results and ease of long-term daily use. According to Frost and Sullivan, FineNutri is the fastest-growing beauty-focused nutritional supplement brand to surpass RMB500 million in retail sales in China since inception.

Backed by strong consumer resonance, FineNutri has demonstrated robust sales growth and high consumer stickiness, with growing brand engagement. In the first 12 months since we launched FineNutri, its GMV amounted to RMB517.0 million. For the year ended December 31, 2025, FineNutri’s total GMV reached RMB1,159.1 million. FineNutri’s strong market performance has been accompanied by broad recognition. Internationally, it has won awards in 2025 such as the HKCT “Most Outstanding Anti-Aging Health Brand of the Year” (HKCT年度最傑出抗衰保健品牌) and “iSEE Global Award — Innovative Brand TOP100” (iSEE全球獎 — 創新品牌TOP100), building a strong reputation overseas. Within the industry, it has been recognized with the “Health Insight Award — 2025 Health Cross-border Brand” (健觀獎2025年度健康跨境品牌) and “CGO Emerging Brand of the Year 2024” (CGO2024年度新銳品牌).

BUSINESS

FineNutri’s Key Differentiators

FineNutri stands out with its evidence-backed formulation and a deep understanding of women’s wellness needs. The brand appeals to health-conscious women, many of whom are experienced supplement users. FineNutri’s brand strength lies in the following core attributes:

- *Purpose-built solutions for core aging concerns.* FineNutri is designed to provide reliable solutions to address functional aging concerns that affect women across different life stages, including energy depletion, hormonal imbalance, oxidative stress, collagen loss, and skin tone unevenness. The brand adopts a development principle emphasizing targeted functionality, simplified formulations and sufficient potent ingredients, avoiding unnecessary complexity in formulation design, instead aiming to ensure ingredient efficiency, safety and clarity of function. Each product is designed with a clearly defined usage scenario, supported by the selected high-purity active ingredients. Its existing product portfolio covers a range of aging-related scenarios, including support for metabolic regulation, hormonal stability, skin health and stress relief. Meanwhile, we are continuously expanding and diversifying the FineNutri product portfolio to respond to broader and evolving aging-related needs, with the aim of delivering comprehensive solutions across multiple aging-related dimensions.
- *Advanced ingredients with enhanced bioavailability.* According to Frost & Sullivan, FineNutri is among the first in China to incorporate marine-sourced Calanus oil and ergothioneine, both recognized for their superior antioxidant and anti-aging properties. To further solidify its advantage in the upstream supply chain, FineNutri has secured an exclusive distribution agreement with Zooca, the Norwegian producer of Calanus oil, covering the Greater China region. These ingredients are supported by FineNutri’s in-house formulation technologies that enhance stability, absorption and bioavailability. The brand collaborates with interdisciplinary academic partners to develop streamlined and high-performance formulas. Notably, FineNutri entered into a strategic partnership with MetaNovas, an AI-driven ingredient research platform, to enhance formulation capabilities and maintain product differentiation. This integration of science rigor and exclusive raw material access enables FineNutri to obtain trust from its growing consumer base.

FineNutri Series Product Offerings



FineNutri PQQ
Anti-aging Purple
Bottle (斐萃PQQ抗衰
小紫瓶)



FineNutri
L-Ergothioneine Blue
Bottle (斐萃麥角硫因
小藍瓶)



FineNutri Glow
Whitening Bottle (斐
萃美白光子瓶)



FineNutri Arctic
Calanus Oil (斐萃紅
寶石油)

BUSINESS

Below sets forth some key products of FineNutri:

Key Products	Year of Launch	Positioning	Recommended Retail Price
FineNutri PQQ Anti-aging Purple Bottle (斐萃PQQ抗衰小紫瓶) . . .	September 2024	- Support skin health - Support ovarian wellness - Support cell renewal	RMB698/60 capsules
FineNutri L-Ergothioneine Blue Bottle (斐萃麥角硫因小藍瓶)	August 2024	- Cell protection from ROS - Brightening - Anti-oxidant	RMB714/60 capsules
FineNutri Glow Whitening Bottle (斐萃美白光子瓶) . . .	March 2025	- Support skin recovery after UV exposure - Support brightening - Support skin clarity	RMB617/60 capsules
FineNutri Arctic Calanus Oil (斐萃紅寶石油) . . .	May 2025	- Support metabolism - Support brightening - Support anti-oxidant	RMB698/60 capsules

Brand Incubation Capabilities

We have established a scalable brand incubation model that integrates consumer-centric product development, content-driven brand storytelling and platform-specific sales strategies. At the product development stage, we adopt a “product-as-content” approach, actively incorporating consumer feedback to ensure our products reflect real-life usage scenarios and evolving consumer preferences. To engage consumers across major social platforms, we blend ingredient education, lifestyle demonstration and real-user feedback to convey product value in a credible and emotionally resonant way. Centering around Douyin and synergizing with Tmall, Xiaohongshu, and other digital and offline channels, we are able to maximize sales performance and brand reach through a full-funnel, omnichannel strategy.

Under this model, we have successfully launched LYCOCELLE and FineNutri, our flagship proprietary brands built on premium positioning, as well as NuiBay, a self-developed brand targeting the accessible and value-for-money segment within the nutritional supplement market. NuiBay’s products are designed to provide a simplified, everyday supplementation option at an accessible price. For example, NuiBay L-Ergothioneine is priced at RMB99 per 30 capsules. Since its launch in June 2025, NuiBay achieved significant GMV growth. As of the Latest Practicable Date, NuiBay’s accumulated GMV amounted to RMB160.0 million. We do not expect NuiBay to result in material cannibalization of FineNutri because the two brands are differentiated across core dimensions, including target consumers, product positioning, formulation strategy, and pricing. Accordingly, NuiBay is intended to expand our addressable consumer base and complement FinNutri within our broader nutricosmetics portfolio.

BUSINESS

Pricing Policy

We determine the pricing of our proprietary brands, based on several key factors, including cost structure, brand positioning, competitive landscape, and channel-specific characteristics. In setting product prices, we take into account various cost components, including third-party manufacturing service fees, marketing and logistics expenses and sales commissions charged by platforms. To reduce the risk of pricing arbitrage or consumer disputes, we offer products in multiple size formats. Larger-size SKUs are typically priced with lower per-unit costs to deliver greater value to consumers, while maintaining stable pricing across product lines. Our pricing strategy also reflects each brand’s strategic position.

BRAND MANAGEMENT BUSINESS

We offer full spectrum brand management solutions to third-party brand partners, covering the entire product lifecycle, from industry analysis, brand strategies to sales execution and channel operations. At the heart of our services lies our robust sales and distribution capacity, which is center to driving commercial performance. In these partnerships, brand partners act as our product suppliers, while we take charge of marketing, channel operations and sales execution by purchasing goods and reselling them to distributors or directly to consumers. Based on our strong platform capabilities and deep consumer insights, we empower brand partners to grow efficiently and build long-term consumer loyalty in China’s fast-evolving consumer goods market.

Market and Consumer Analysis

We provide comprehensive market and consumer analysis services to support the strategic planning and operational execution of our brand partners. Drawing from our extensive experience across diverse categories and platforms, we combine structured data analytics with real-time consumer insights to help brands define their positioning, identify growth opportunities, and adapt to evolving market conditions. Our analysis covers macro trends, category dynamics, and competitive benchmarking to provide a clear view of the broader landscape. At the same time, we conduct in-depth consumer profiling based on behavioral tags such as demographics, location, income levels, and purchase preferences, enabling brands to refine their targeting and optimize product strategies. By leveraging proprietary data models and analytics tools, we help brand partners capture emerging demand, detect industry opportunities, and make informed decisions regarding product mix, pricing and sales channel rollout. This integrated approach allows brands to enter the market with confidence, respond quickly to consumer shifts, and sustain competitive edge in a highly competitive consumer goods market.

Brand Strategy and Product Planning

Leveraging our deep understanding of consumer preferences, platform dynamics and category evolution, we work closely with our brand partners to define differentiated brand positioning and advise on their new product development and launch. In parallel, we customize business development and expansion strategies based on the brand’s lifecycle stage, product attributes and market conditions, providing actionable roadmaps to assist the brand partners’ scalable and sustainable growth.

Marketing and Traffic Operations

We provide marketing solutions that combine brand storytelling with platform-specific traffic tools and user engagement strategies to drive sustained visibility and performance. Our services range from campaign planning and creative production to traffic operations, creating seamless synergy across content, channels, and consumer touchpoints. Our in-house teams use real-time analytics and performance tracking to continuously optimize traffic allocation. In addition, we work with KOLs, community influencers, and expert reviewers to build consumer trust and strengthen emotional connections with consumers. By integrating digital and physical marketing strategies, we help our brand partners scale their growth with efficiency.

BUSINESS

Product Sales and Distribution

Sales execution is our defining strength and a critical pillar of our brand management services, under which we undertake distributor functions. As brand partners increasingly focus on measurable commercial outcomes, our ability to drive consistent and scalable sell-through performance across channels has become a core differentiator.

Our sales infrastructure spans a wide range of online channels, including self-operated stores, sales to e-commerce platforms and retailers, as well as offline channels. This multi-pronged approach allows us to optimize pricing, traffic allocation and consumer targeting while maintaining operational agility. Backed by our digital systems, we conduct real-time inventory monitoring, performance analysis and channel coordination.

The following table sets for the breakdown of our revenue from brand management services by end-product categories for the years indicated:

For the Year Ended December 31,						
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Maternity & infants	116,587	72.6	345,209	68.9	417,877	46.7
Personal care	43,899	27.4	145,063	28.9	348,095	38.9
Health & wellness	—	—	10,835	2.2	129,144	14.4
Total	160,486	100.0	501,107	100.0	895,116	100.0

Pricing Policy

Our revenue generated from brand management business derives from the resale of brand partners’ products. We have the discretion to set retail prices for the products sold under our brand management business, subject to a minimum price floor set by brand partners. In determining final pricing, we consider a combination of factors, including (i) the cost structure of the product, such as procurement, logistics, warehousing, and relevant platform-related service fees and commissions; (ii) the investment ratio required for marketing and traffic acquisition across specific channels and product categories; and (iii) a reasonable level of profit that ensures sustainable operations. This pricing approach allows us to maintain flexibility in execution while ensuring alignment with the brand partner’s overall pricing strategy.

E-COMMERCE OPERATION BUSINESS

In addition to our comprehensive brand management solutions, we also provide specialized e-commerce operation services that focus exclusively on the back end of the consumer value chain, primarily store operations and product sales. Unlike brand management, which spans the entire value chain encompassing brand strategy and product development, the e-commerce operation is designed to help brand partners strengthen their digital retail presence across major platforms in China, such as Douyin, Tmall, and JD.com.

We operate online stores either in the capacity of a merchant — purchasing and reselling products — or as a service provider — offering operational support on a fee basis. Our engagement model is tailored to each brand’s commercial objectives, product characteristics and market development stage:

- *Distribution Model.* Under the distribution model, we select and purchase goods from our brand partners and/or their authorized distributors and sell goods directly to consumers through online stores operated by us or to distributors, such as e-commerce platforms. Therefore, our brand partners and/or their authorized distributors are deemed

BUSINESS

as our suppliers and we act as their distributors under the distribution model. Brand partners engage us to centralize and enhance the efficiency of their product sales by leveraging our integrated capabilities across e-commerce operations. Through this arrangement, we assist brand partners in managing both their product distribution and sales to end consumers. We primarily generate revenue from sales of products under this model. To manage inventory risk, we maintain reasonable inventory turnover levels based on sales forecasts and historical performance. In the event of cooperation termination, we are generally entitled to request brand partners to repurchase unsold inventory, designate a third-party buyer, or extend our sales authorization to facilitate sell-through and mitigate the risk of inventory obsolescence.

- *Service Fee Model.* Under the service fee model, we charge service fees for store operation services, where we operate stores across e-commerce platforms for brand partners. Our brand partners are deemed as our customers under the service fee model. We primarily generate revenue from the provision of services under this model.

Through our dual-model structure, we offer flexible and scalable e-commerce operation services that allow brand partners to efficiently penetrate digital channels, expand consumer reach, and drive sustained sales performance. As we continue to strengthen our proprietary brand and brand management segments, we intend to proactively streamline and optimize our e-commerce operation services. Accordingly, we expect revenue contribution from the e-commerce operation business to remain stable or gradually decline over time.

Pricing Policy

Our revenue under the e-commerce operation business is derived from the resale of products sourced from brand partners under the distribution model, and services fees charged for our provision of store operation and product sales services under the service fee model. We adopt different pricing strategies depending on the nature of our services and the underlying cooperation model with brand partners.

- Under the distribution model, we shall follow the pricing structure agreed with our brand partners, specifically, a baseline or suggested price range.
- Under the service fee model, we charge service fees for assisting brand partners in managing their stores and executing sales strategies. Our service fees under the service fee model are structured by either fixed service fee, commission-based service fee or a combination of the two. In determining the applicable fee structure and pricing level, we consider various factors, including the scope and intensity of service, required headcount and resource input, target GMV or absolute operating profit, as well as the brand’s current market positioning and scale, the expected workload and the targeted absolute operating profit of the marketing campaign. Our fees vary depending on the complexity, duration, and expected outcome of each campaign, and are aligned with industry benchmarks.

The following table sets forth the key differences between our brand management business and e-commerce operation business:

	Brand Management	E-commerce Operation
Authorization scope	Brand partners’ online business (exclusive)	Brand partners’ online sales channels (non-exclusive)
Services provided	Full spectrum of services, including market analysis, brand strategy, product planning and pricing discretion	Store operations and product sales and distribution

BUSINESS

	Brand Management	E-commerce Operation
Revenue source	Resale of products	Resale of products under the distribution model; service fees under the service fee model

REVENUE MODEL

During the Track Record Period, we mainly generated revenue from proprietary brands, the brand management business and the 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 the 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 the 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

BRAND PARTNERS

We primarily provide brand management and e-commerce operation solutions to global consumer goods brands, including Kangwang, Aveeno, Amorepacific and DHC. The products we sell are primarily procured from the brand partners that are mainly based in Europe, North America and Australia. As of December 31, 2023, 2024 and 2025, we collaborated with three, six and eight brand partners under our brand management segment, respectively.

As of December 31, 2023, 2024 and December 31, 2025, we collaborated with 71, 45 and 28 brand partners under our e-commerce operation segment, respectively. Throughout the Track Record Period, the number of our brand partners under the e-commerce operation segment decreased, primarily as part of our continuous efforts to optimize our brand partner portfolio and improve the overall quality of service, generally following mutual agreement not to renew upon the expiry of existing contracts.

BUSINESS

Some of our contracts with existing brand partners under our e-commerce operation segment were based on standard forms proposed by such brand partners that prohibit us from providing similar services to listed competitors of such brand partners, whereas no such restrictions exist within the brand management segment. As our business further expands, we may engage in business with multiple brand partners that may be in competition with each other. We have been transparent with our brand partners as to the other brand partners that we are cooperating with. As of the Latest Practicable Date, we were not aware of any notice or claim by any brand partner that we have breached any non-compete restriction in its agreement with us.

The following tables set forth the details of our top two brand partners under the brand management business for each year of the Track Record Period:

Brand Partners	Revenue from Brand Management Business	Year of Commencement of Brand Management Business Relationship
	(RMB'000)	
<i>For the year ended December 31, 2023</i>		
Brand Partner A	116,586	2023
Brand Partner B	43,899	2023
<i>For the year ended December 31, 2024</i>		
Brand Partner A	345,694	2023
Brand Partner B	152,196	2023
<i>For the year ended December 31, 2025</i>		
Brand Partner B	392,908	2023
Brand Partner A	358,115	2023

We are actively diversifying our customer base under the brand management segment. We have and will continue to invest in the optimization of our brand management solutions to improve onboarding efficiency and shorten time-to-value for brand partners. As a result, revenue contribution from other brand partners increased during the Track Record Period.

The following tables set forth the details of our top five brand partners under the e-commerce operation business for each year of the Track Record Period:

Brand Partners	Revenue	Year of Commencement of E-commerce Operation Business Relationship
	(RMB'000)	
<i>For the year ended December 31, 2023</i>		
Brand Partner C	171,481	2020
Brand Partner D	163,186	2018
Brand Partner E	78,198	2021
Brand Partner F	60,024	2023
Brand Partner G	58,613	2015
<i>For the year ended December 31, 2024</i>		
Brand Partner C	149,721	2020
Brand Partner E	84,300	2021
Brand Partner F	78,142	2023
Brand Partner G	69,720	2015
Brand Partner D	66,656	2018
<i>For the year ended December 31, 2025</i>		
Brand Partner D	157,946	2018
Brand Partner C	149,591	2020
Brand Partner F	119,567	2023
Brand Partner E	58,640	2021
Brand Partner H	26,936	2023

BUSINESS

Key terms of the agreement with brand partners are summarized as follows:

- *Duration.* We generally enter into long-term agreements, ranging from one year to three years, with brand partners.
- *Quality assurance.* The brand partners are responsible for the quality of the products.
- *Delivery.* The brand partners shall deliver the products in accordance with the agreed delivery schedule and designated delivery location.
- *Payment.* Under brand management, and the distribution model of the e-commerce operations, we generally make prepayments to brand partners, except for certain brand partners who offer us credit terms. In some cases, payment is contingent on acceptance of the delivered goods following our quality inspection. We will make payment within a specified number of working days after issuance of the invoice. For certain brand partners, we make prepayments for the procurement of media resources, while the associated expenses are ultimately borne by such brand partners. Under the service fee model of the e-commerce operations, brand partners pay service fees to us on a periodic basis.
- *Product returns and exchanges.* Under brand management and the distribution model of the e-commerce operations, brand partners generally only approve product returns and exchanges due to product defects or packaging defects. Under the service fee model, we do not maintain inventories of brand partners’ products.
- *Target and rebates.* Under brand management and the distribution model of the e-commerce operations, brand partners may establish non-binding targets for the purpose of incentivizing performance. Subject to achieving the applicable targets, we may be eligible to receive rebates in the form of cash payments or purchase price deductions. Targets are not compulsory and do not constitute minimum obligations. Failure to meet any target shall not give rise to penalties or liabilities. However, the parties may, in good faith, review the cooperation relationship if such targets are not achieved. Under the service fee model, brand partners do not set targets or provide rebates.
- *Termination.* Both parties may terminate the contract unilaterally under certain circumstances, including upon 30 days prior written notice and breach of material terms.

During the Track Record Period, two of our brand partners engaged us for both our brand management and our e-commerce operation businesses. However, they did so for different brands under separate agreements, engaging us for brand management services in respect of certain brands, and for e-commerce operation services in respect of others. Each brand was served under a single business model only, and no individual brand received both brand management and e-commerce operation solutions from us.

Currently, there is no overlap in product categories between our proprietary products and the branded products under our brand management and e-commerce operation segments. Our brand management and e-commerce operations do not cover the household care category. Within the health & wellness segment, the branded products primarily consist of basic dietary supplements, such as vitamins and mineral supplements, whereas FineNutri and NuiBay, our proprietary brands, focus on nutricosmetics. Accordingly, the cannibalization risks between our proprietary products and third-party products are remote.

BUSINESS

Brand Partner Acquisition

When exploring potential partnerships, we seek to establish long-term, mutually beneficial relationships that align with both our capabilities and our partners’ strategic goals. In assessing whether a collaboration would be successful, we consider a range of factors to ensure that our partnership can generate sustainable value for both sides. These considerations include:

- *Brand positioning.* We look at the brand’s core positioning and whether it has clear differentiation and long-term growth potential. Factors such as product quality, innovation, and a reliable supply chain are important to ensure smooth operations and consumer trust. We also consider the brand’s current stage of development and future growth prospects, including how it aligns with our business scale, consumer base and operational model.
- *Category relevance.* We give priority to brands that operate in categories where we have strong operational experience or that fit well into our overall business development strategy, such as personal care, nutritional supplements, maternity & infant products, and beauty-related consumer goods.
- *Commitment to collaboration.* Effective cooperation requires mutual investment. We value partners who are willing to contribute marketing resources and dedicated internal teams, and who are open to leveraging our operational experience and insights. The appropriate business model, whether under our brand management or e-commerce operation, is also determined based on each partner’s preferences and decision-making arrangements.
- *Economic viability.* To support healthy and sustainable operations, we also estimate the potential commercial return of each partnership, taking into account expected revenue, profitability and resource inputs from both parties.

We approach each potential partnership with a view toward long-term success, seeking a strong foundation of mutual respect, strategic alignment, and shared growth vision. To expand our brand management and e-commerce operation businesses, we actively seek opportunities to engage with potential brand partners through multiple channels, including participating in industry exhibitions, trade association connections and word-of-mouth recommendations. For large-scale brand owners, we also begin by participating in category-specific bids, and over time, we have deepened our collaboration with corporate groups, growing from single-brand partnerships to multi-brand relationships, and from supporting individual channels to managing integrated omnichannel strategies. We aim to attract new brand partners by offering tailored solutions that empower them to scale their businesses more efficiently, leveraging the operational capabilities and experience we have accumulated across our existing partner base.

Brand Partner Services

We maintain a structured internal coordination system to support smooth and efficient collaboration with our brand partners. At the early stage of cooperation, our client service department takes the lead in engaging with brand partners to align goals, collect requirements, and coordinate internal resources. In parallel, our business operation teams work with the sales and marketing teams of brand partners to develop detailed operating and promotional strategies. During day-to-day execution, business operation and client service teams collaborate closely to ensure responsive communication, timely plan adjustments and seamless implementation. To ensure accountability, each brand partner is assigned a dedicated business manager who serves as a key contact point and helps maintain the quality and continuity of our services. This cross-functional coordination model enables us to respond effectively to brand partners’ needs, while supporting ongoing optimization and growth of each partnership.

BUSINESS

OMNICHANNEL SALES AND DISTRIBUTION NETWORK

We sell both our proprietary and brand partners’ products through an omnichannel sales network that integrates (i) direct-to-consumer (“DTC”) 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	%
<i>(RMB in thousands, except for percentages)</i>						
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

The consistent increase in revenue contribution from self-operated stores during the Track Record Period was primarily due to the continued growth of our proprietary brands, which relied more on DTC sales.

Revenue generated from e-commerce platforms increased during the Track Record Period primarily due to the addition of new brand partners and the strong sales performance of certain existing brand partners and our proprietary brands.

Revenue generated from retailers decreased from 2023 to 2024 mainly due to adjustments to the sales strategy of a certain brand partner, which allocated more resources to DTC channels. Revenue generated from retailers increased from 2024 to 2025, primarily due to sales growth of our proprietary brands and brands cooperated under brand management segment, as a result of our brand building and successful sales strategies.

The increase in revenue generated from key accounts during the Track Record Period was primarily due to the sales growth of our proprietary brands, the progressive rollout of new brands into offline channels and the addition of major key accounts.

BUSINESS

The following table sets forth our revenue generated from sales of goods by major e-commerce platforms for the years indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Douyin	176,029	15.0	382,704	24.2	1,527,751	46.8
Tmall	292,253	24.9	467,619	29.5	603,247	18.5
Tmall Global	245,169	20.9	222,580	14.1	330,371	10.1
JD.com	47,672	4.1	132,076	8.3	192,318	5.9
VIP.com	90,761	7.7	83,793	5.3	75,934	2.3
Kaola	32,996	2.8	—	—	—	—
Others	289,209	24.6	295,241	18.6	537,379	16.4
Total	1,174,089	100.00	1,584,013	100.00	3,267,000	100.00

The following table sets forth our revenue generated from sales of goods by online and offline channels for the years indicated:

	For the Year Ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Online channels	1,157,633	98.6	1,525,783	96.3	3,184,828	97.5
Offline channels ⁽¹⁾	16,456	1.4	58,230	3.7	82,172	2.5
Total	1,174,089	100.0	1,584,013	100.0	3,267,000	100.0

Note:

(1) Refer to sales to key accounts.

Direct-to-Consumer Sales

We sell our proprietary and brand partners’ products through self-operated stores on e-commerce platforms, including Douyin, Tmall, JD.com and VIP.com, selling products directly to end consumers. Under the DTC model, proprietary brands and third-party brands under brand management or e-commerce operations are sold through dedicated self-operated stores on major e-commerce platforms, except for six multi-brand stores as of December 31, 2025, through which we sold products of brand partners within the same product category under our e-commerce operation business. We directly operate and own the relevant self-operated stores, responsible for inventory management and fulfillment. Products of each brand are sold in online stores under their respective brand names. By maintaining direct sales channels, we can gather valuable feedback from consumers, providing timely insights to refine products and adjust sales strategies. As of December 31, 2023, 2024 and 2025, we have 208, 197 and 120 self-operated stores. The decrease in the number of self-operated stores from December 31, 2023 to December 31, 2025, was primarily due to the optimization of our brand partner portfolio. Throughout the Track Record Period and up to the Latest Practicable Date, we have not been subject to risks of cannibalization among the self-operated stores.

BUSINESS

Certain e-commerce platforms impose restrictions on the number of stores that a single entity or individual may operate. For example, some platforms permit a single entity to operate no more than three stores, while certain platforms restrict merchants to operate only one store for a particular product category. We operated these self-operated stores primarily through different subsidiaries. Throughout the Track Record Period and up to the Latest Practicable Date, we have remained in full compliance with these policies.

We operate cross-border flagship stores through our Hong Kong subsidiaries on select cross-border e-commerce platforms, such as Tmall Global, which are used to sell products imported from overseas brand partners to consumers in mainland China. Accordingly, revenue generated from such cross-border flagship stores were counted as our revenue generated in China. As of December 31, 2023, 2024 and 2025, we operated 47, 66 and 65 such stores, respectively. As advised by our PRC legal advisor, there is no specific licenses or permits required for relevant cross-border sales, marketing and data collection, and during the Track Record Period and up to the Latest Practicable Date, we have been compliant with all relevant regulations governing cross-border sales of products. We intend to explore outbound opportunities for our proprietary brands, particularly in Southeast Asia, by cooperating with established local distributors to facilitate localized operations. Drawing on our experience in localizing foreign brands for the Chinese market, we are well-positioned to apply similar capabilities to support future outbound expansion. For details, see “Future Plans and Use of [REDACTED] — Use of [REDACTED].”

The following table sets forth our GMV generated through self-operated stores by brands:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Proprietary brands			
LYCOCELLE	301,043	563,315	1,201,643
FineNutri	—	22,200	1,159,055
Others ⁽¹⁾	10,256	2,781	87,925
Subtotal	311,299	588,296	2,448,623
Third-party brands	551,242	857,801	2,184,325
Total	862,541	1,446,097	4,632,948

Note:

(1) Mainly include Aromoona, Cleamore, VitaOcean and Oasis.

The following table sets forth our revenue generated from self-operated stores by brands:

	For the Year Ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Proprietary brands			
LYCOCELLE	195,827	385,357	908,863
FineNutri	—	12,122	695,214
Others	6,524	1,813	46,332
Subtotal	202,351	399,292	1,650,409
Third-party brands	417,229	608,208	828,977
Total	619,580	1,007,500	2,479,386

The difference between GMV and revenue primarily reflects (i) refunds relating to uncompleted orders, (ii) amounts attributable to confirmed orders for which payment had not yet been received, and (iii) value-added tax.

BUSINESS

We generally enter into standardized agreements with e-commerce platforms, including Douyin, for our self-operated stores under proprietary brands, brand management and e-commerce operation businesses, key terms of which are summarized as follows:

- *Duration.* No fixed term is specified. The agreement remains valid unless terminated due to breach, mutual agreement, or specific platform circumstances.
- *Scope of services.* The platform provides comprehensive technical and operational support for store operations, including account setup, system use, product listing, order processing, logistics coordination, after-sales service, platform marketing tools, and dispute handling.
- *Service fees.* The platform charges a combination of fixed service fees (if applicable) and variable commission-based fees calculated as a percentage of transaction value. Specific rates depend on product category and platform services used. Fees are refundable upon full cancellation or refund of the order.
- *Roles and responsibilities.* The platform offers the system infrastructure and technical support for store operations. We independently operate stores, act as the seller of record, and bear full responsibility for compliance, product quality, logistics, and consumer services.
- *Payment terms.* Fixed service fees are typically paid annually, while variable commission fees are settled in real time via automatic deduction from our account according to platform billing terms.
- *Sales proceeds settlement.* The platform generally remits sales proceeds to us on a real-time basis, after deducting applicable service fees, upon the consumers' confirmation of receipt of products.
- *Termination.* The agreement may be terminated upon mutual consent, store closure, refusal to accept updated platform rules, material breach, or platform-imposed deactivation of our account.

Distributors

We cooperate with distributors, including e-commerce platforms, retailers and key accounts, to broaden our consumer base and promote sales. For the sales under the distribution model, distributors operate and own their relevant storefronts or sales channels. Our distributors may distribute both our proprietary and brand partners' products to both sub-distributors and end consumers. We take into various factors, including our overall channel strategy, the distributors' ability to effectively manage and supervise sub-distributors and the sub-distributors' execution capabilities, when assessing whether to engage sub-distributors. We generally do not grant exclusive distribution rights in certain channels to the distributors. We sell the products through distributors primarily because:

- Selling products through distributors is a common practice in the industries where we operate, as advised by Frost & Sullivan. The cooperation with distributors maximizes our market penetration and exposures to expand the scale of our operations. They can also provide sales support and after-sales services to consumers in various local markets.
- Selling products through distributors limits our exposures to the risks of developing some markets by ourselves directly. It improves our efficiency in resource allocation to selling and distribution, thereby improving our operational and financial performance.

BUSINESS

To maintain high standards in sales and service, we follow a rigorous selection process and ongoing evaluation of our distributors. Our key criteria include the strength of their sales networks, industry background, resources, financial stability, creditworthiness, and alignment with long-term partnerships.

E-Commerce Platforms

We sell a portion of our products and our brand partners’ to e-commerce platforms, such as Tmall, JD.com and VIP.com, for distribution of our and our brand partners’ products to end consumers. This enables us to leverage their extensive infrastructure, traffic resources, and consumer trust to expand our market reach and strengthen brand visibility.

The following table sets forth the movement of our cooperated e-commerce platforms during the Track Record Period:

	As of/For the year ended December 31,		
	2023	2024	2025
Number as the beginning of the period	21	11	10
Addition	–	1	1
Termination	(10)	(2)	–
Number as of the end of the period	11	10	11

We terminated cooperation with ten and two e-commerce platforms in 2023 and 2024, primarily due to our strategic adjustment to discontinue partnerships with group-buying platforms.

The sales approach to e-commerce platforms is categorized into two models. The first model involves buyer-seller relationships, with e-commerce platforms making purchase orders, and our delivering products in line with such purchase orders. We recognize revenue upon the receipt of the settlement statements from e-commerce platforms. The second model operates on a consignment basis. We deliver goods according to the terms of the consignment contracts. E-commerce platforms regularly provide sales records of consigned goods to us. We recognize revenue after the goods are sold to end consumers by e-commerce platforms. The following table sets forth the breakdown of revenue generated through e-commerce platforms by these two sales models:

	For the year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Buyer-seller model	191,854	64.0	211,416	64.9	266,638	71.5
Consignment model	108,018	36.0	114,484	35.1	106,496	28.5
Total	299,872	100.0	325,900	100.0	373,134	100.0

Our cooperation is typically governed by standardized procurement agreements (including for consignor-consignee relationships), key terms of which are summarized as follows:

- *Duration.* The term of our agreement is typically one year and renews annually.

BUSINESS

- *Scope of service.* The e-commerce platform places purchase orders through their designated system, and we are responsible for supplying the goods as agreed. The e-commerce platform provides access to relevant backend systems for order and after-sales processing, and we must ensure product quality and timely delivery.
- *Sales target.* We do not impose mandatory sales targets on e-commerce platforms.
- *Logistics and delivery.* We are responsible for delivering goods to the warehouse designated by the e-commerce platform, and must do so in accordance with agreed time frames and delivery standards. Logistics costs and arrangements are typically borne by us unless otherwise agreed.
- *Transfer of ownership.* Under buyer-seller relationships, title transfers to the e-commerce platforms upon receipt and inspection of goods. For consignment arrangements, title transfers to end consumers upon their receipt and acceptance of goods.
- *Payment.* E-commerce platforms generally make payments following the receipt of the invoice.
- *Termination.* The agreement may be terminated upon expiration, or earlier by mutual agreement or in cases of breach. The e-commerce platform may also unilaterally terminate under certain conditions, such as violation of laws, breach of major obligations, or failure to meet quality standards.
- *Return policy.* We typically do not allow product returns except for limited reasons, including product quality issues, unmarketable goods, or the termination of such agreement. During the Track Record Period, we allowed unconditional product returns for certain reputable e-commerce platforms with a leading industry position, extensive consumer reach and high brand awareness, primarily due to their strong bargaining power. According to Frost & Sullivan, it is an industry norm for reputable e-commerce platforms to have an unconditional product return clause in their agreements with consumer goods companies like us.
- *Liability for failure of delivery.* We are responsible for any losses or penalties arising from late delivery, defective products, non-compliance, or failure to deliver according to the agreed terms. The e-commerce platform may deduct corresponding compensation directly from our receivables.

During the Track Record Period, returns from e-commerce platforms amounted to RMB1.9 million, RMB4.9 million and RMB6.4 million, representing less than 2.0% of our total revenue generated from e-commerce platforms for the respective years.

Retailers

We engage retailers, such as trading companies, to expand our online presence. The following table sets forth the movement of our retailers during the Track Record Period:

	As of/For the year ended December 31,		
	2023	2024	2025
Retailers who had revenue contribution in the immediately preceding year/period	100	146	194
Addition ⁽¹⁾	107	116	147
Termination ⁽²⁾	(61)	(68)	(105)
Retailers who had revenue contribution in the current year/period	146	194	236

BUSINESS

Notes:

- (1) Refers to retailers who had revenue contribution in the current year/period, but no revenue contribution in the immediately preceding year.
- (2) Refers to retailers who had revenue contribution in the immediately preceding year/period but had no revenue contribution in the current year.

We terminated cooperation with 61, 68 and 105 retailers in 2023, 2024 and 2025, primarily attributable to the following categories of reasons: (i) the termination of cooperation with certain brand partners, which resulted in the corresponding termination of relationships with their retailers, and (ii) adjustments in the sales strategies of certain brand partners, under which we discontinued cooperation with the relevant retailers. There is no exclusivity arrangement in respect of the products carried by our retailers.

As of December 31, 2023, 2024, and 2025, among the retailers that contributed revenue in the relevant year 51, 82 and 103, respectively, cooperated with us in respect of our proprietary brands, while 131, 165 and 174, respectively, cooperated with us in respect of third-party brands. During the Track Record Period, certain distributors distributed both our proprietary products and those of our brand partners.

We maintain buyer-seller relationships with our retailers. Except for the selling price and rebate clauses, the distribution agreements we enter into under our proprietary brand development segment is substantially the same as those under our brand management and e-commerce operation businesses. Key terms of distribution agreements are summarized as follows:

- *Duration.* The term of the agreement is typically one year and renews annually.
- *Payment and credit term.* We generally require retailers to make prepayments for their procurement. We may grant credit terms on a case-by-case basis to distributors with longer-standing or proven cooperative relationships.
- *Selling prices and rebates.* For our proprietary brands, retail prices are guided by us, and the distributor shall not engage in unauthorized discounting or below-cost promotions. For retailers under brand management and e-commerce operation segments, the retailers shall follow the pricing structure of our brand partners. Rebates may be offered based on actual sales performance, determined on a case-by-case basis. Where applicable, such rebates are granted in the form of purchase price deduction.
- *Sales target.* We generally do not impose mandatory sales targets on our distributors. In limited circumstances, we may impose minimum sales targets and we reserve the right to terminate the distribution agreement if a distributor fails to meet such targets.
- *Logistics, delivery and other responsibilities.* We are generally responsible for delivery to the address designated by the distributor. The distributor is responsible for storage, display, and sales operations.
- *Transfer of ownership.* Title and risk transfer to the distributor upon receipt and inspection of goods, unless otherwise agreed.
- *Return policy.* Returns are generally not accepted unless due to quality issues confirmed in writing. Products damaged due to distributor handling are not eligible for return.
- *Termination.* The agreement may be terminated upon expiration, by mutual agreement, or in the event of breach. Either party may terminate unilaterally upon notice if the other party materially breaches the agreement.

BUSINESS

During the Track Record Period, returns from retailers amounted to RMB1.7 million, RMB0.2 million and RMB0.2 million, representing less than 1.0% of our total revenue generated from retailers for the respective year. We had no material dispute with our retailers during the Track Record Period and up to the Latest Practicable Date.

Key Accounts

We have built a strong presence in offline retail channels by partnering with prominent grocery retail channels in China. Collaborating with these leading retailers allows us to reach a wide base of consumers by leveraging their extensive geographical and market coverage. Displaying our products in these well-established offline stores helps showcase our offerings and strengthens our brand visibility among consumers.

The following table sets forth the movement of our key accounts during the Track Record Period:

	As of/For the year ended December 31,		
	2023	2024	2025
Number as the beginning of the period	1	5	5
Addition	4	–	4
Termination	–	–	–
Number as of the end of the period	5	5	9

We evaluate our cooperation with key accounts based on a combination of strategic and commercial considerations, including their contribution to our brand positioning, associated channel costs and actual sales performance. During the Track Record Period, we did not terminate partnerships with any key accounts.

We maintain buyer-seller relationships with key accounts. Key terms of the sales agreement with key accounts are summarized as follows:

- *Duration.* The term of the agreement is typically one year and renews annually.
- *Payment and credit term.* Payments are generally made after delivery, with a credit period ranging from 30 to 90 days depending on the product category.
- *Sales target and rebates.* We do not impose mandatory sales targets on our key accounts. Sales rebates or discounts may be granted based on agreed performance thresholds or promotional support.
- *Roles and responsibilities.* We are responsible for product fulfillment, delivery, and after-sales support, including free display samples when requested. The key accounts handle consumer interface and marketing.
- *Logistics.* We must deliver products to warehouses, stores, or consumer addresses designated by the key accounts, and ensure timely fulfillment.
- *Transfer of ownership.* Title and risk of loss transfer to the key accounts after delivery and acceptance.
- *Return arrangement.* Returns are not generally accepted, except in cases of quality defects or products with unsatisfactory sales record, in which we bear all associated costs, including logistics and penalties.

BUSINESS

- *Termination.* The agreement may be terminated upon expiration, by mutual consent, or if either party materially breaches the terms. The key accounts may also reserve the right to terminate early for operational or compliance reasons.

During the Track Record Period, returns from key accounts for each year of the Track Record Period were less than RMB0.7 million, representing less than 1.0% of our total revenue generated from key accounts for the respective years.

Distributor Management

Management of sub-distributors

We generally do not prohibit our distributors from engaging any sub-distributors. During the Track Record Period and up to the Latest Practicable Date, certain of our distributors engaged sub-distributors to sell our proprietary and brand partners’ products and we did not enter into agreements or establish a direct relationship with them. As a result, we do not have direct control over sub-distributors. According to our current policies regarding sub-distributors, our distributors are fully responsible for their respective sub-distributors within authorized distribution channels, which includes overseeing their activities, ensuring compliance with our distribution agreements, and taking necessary actions in case of violations. In addition, distributors shall notify us of the engagement of sub-distributors.

Management of channel stuffing risks

We believe the risk of channel stuffing is minimal. We generally do not impose mandatory sales targets on our distributors, allowing purchases to reflect actual market demand rather than sales pressure. We typically require distributors to make prepayments. Additionally, we engage in regular communication with distributors to further reduce the risk of channel stuffing. Product returns after delivery and acceptance are generally not permitted. We did not experience any material return from our distributors during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period, the value of returned products from our distributors accounted for less than 1.0% of our total revenue generated from distributors.

Management of cannibalization risks

There could be overlapping consumer coverage between our self-operated stores and distributors, as well as among distributors; however, the cannibalization risks among these channels are remote because our direct-to-consumer channel and distributor channel are differentiated in positioning and functional roles. Our self-operated stores primarily serve as brand showcases and flagship outlets, focusing on brand building, new product launches, customer engagement and the provision of a premium service experience. In contrast, our distributor network, including e-commerce platforms, retailers and key accounts, is oriented toward broader market coverage and sales conversion, specific markets with strong distribution and fulfillment capabilities. These two channels cater to different consumption scenarios and purchasing motivations, expanding the exposure of the brands to a larger group of consumers. To mitigate the risks of cannibalization, we are committed to maintaining consistent pricing for our products, including products sold under brand management and e-commerce operation businesses, across all sales channels. We provide suggested retail prices to all the e-commerce platforms, retailers and key accounts. However, we have no direct control as to the price at which the e-commerce platforms, retailers and key accounts sell our products, as the actual retail prices are set by our distributors themselves in their sales systems. While we expect these distributors to follow our suggested retail prices, we cannot pre-emptively prevent them from deviating should they decide not to adhere to such guidance. To mitigate such risks, we actively monitor retail prices through various measures, including regular online and offline price checks. The purpose of these checks is to ensure that our pricing remains largely consistent, minimizing major discrepancies that could undermine our market strategy. If we detect any significant price deviations, we actively engage and communicate with the relevant party

BUSINESS

to identify the causes of such actions, and reach mutually acceptable solutions such as adherence to our suggested retail price. We then continue to monitor the implementations thereof. Should the deviation persist, we may decide to terminate our cooperation with the relevant party, including the distributors. During the Track Record Period and up to the Latest Practicable Date, no cooperation with e-commerce platforms, retailers and key accounts was terminated due to the deviation of the suggested retail prices.

To the best of our knowledge, all our distributors were independent third parties during the Track Record Period; our distributors, or their respective associates, do not have any past or present family, business, employment, or financial relationships with us or our subsidiaries, our Shareholders, Directors or senior management, or any of their respective associates.

Transfer Pricing Arrangement

During the Track Record Period, we conducted our operations primarily through our PRC subsidiaries, while establishing overseas subsidiaries to facilitate operational management and financial accounting. Certain intra-group transactions were carried out during the same period, which primarily include (i) purchase and sales of raw materials and finished goods, (ii) intra-group services, (iii) loan transactions and (iv) labor cost sharing (collectively referred to as the “**Covered Transactions**”).

The Organisation for Economic Co-operation and Development (“**OECD**”), as an international organization for international cooperation, has promulgated the “OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations” (the “**OECD Transfer Pricing Guidelines**”), which are generally followed by relevant tax jurisdictions involved in international intra-group transactions. According to the OECD Transfer Pricing Guidelines, intra-group transactions should adhere to the arm’s length principle to prevent the distortion of taxable income in different tax jurisdictions.

To ensure effective internal control and tax compliance, we have established a transfer pricing policy that adheres to the arm’s length principle. For inter-company sales or purchases of goods and provision of services, we generally adopt a cost-plus pricing method based on types of products or services, the procurement cost from upstream suppliers and labor costs. The specific markup is determined by management with reference to market prices, logistics and marketing expenses. The pricing mechanisms reflected the commercial rationale of the transactions and took into account the actual functions and risks borne by the respective parties, ensuring reasonable profit allocation across the value chain. There was no artificial adjustment of profits for tax purposes. Throughout the Track Record Period, our intra-group pricing was consistently applied using the above methods.

In addition, we have engaged the Transfer Pricing Advisor to conduct a transfer pricing review and benchmarking study for intra-group transactions during the Track Record Period to assess whether our transfer pricing arrangements comply with the arm’s length principle of the OECD Transfer Pricing Guidelines. The Transfer Pricing Advisor performed an independent analysis and concluded that, during the Track Record Period, the transfer pricing arrangements for intra-group transactions, in all material respects, were in compliance with the arm’s length principle of the OECD Transfer Pricing Guidelines on the basis of, (i) the selection of appropriate transfer pricing methods based on the functional and risk profiles of each party; (ii) comparability analyses demonstrating that the profit margins fall within the arm’s length range; and (iii) value contribution analyses confirming that profit allocations reflect the functions performed and risks assumed by each party. Based on the above, we believe that our transfer pricing policies are commercially reasonable and compliant with applicable tax laws in all relevant jurisdictions. We have not identified any material transfer pricing risks that would have a significant adverse impact on our operations and financial position.

BUSINESS

Our Major Customers

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 periods, 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.

The following tables set forth the details of our top five customers in each year during the Track Record Period:

Customers	Year of commencement of business relationship	Credit period	Revenue (RMB'000)	Percentage of total revenue
For the year ended December 31, 2023				
Customer A ⁽³⁾	2011	Seven business days following the invoice date	176,910	13.0%
Customer B ⁽⁴⁾	2011	Five business days following the invoice date	90,761	6.6%
Customer C ⁽⁵⁾	2022	Payment before delivery	52,641	3.9%
Customer D ⁽⁶⁾	2011	Seven business days following the invoice date	45,822	3.4%
Customer E ⁽⁷⁾	2022	Payment before delivery	30,109	2.2%
			396,243	29.1%

Customers	Year of commencement of business relationship	Credit period	Revenue (RMB'000)	Percentage of total revenue
For the year ended December 31, 2024				
Customer A ⁽³⁾	2011	Seven business days following the invoice date	156,126	8.8%
Customer D ⁽⁶⁾	2011	Seven business days following the invoice date	107,071	6.1%
Customer B ⁽⁴⁾	2011	Five business days following the invoice date	83,793	4.7%
Customer F ⁽⁸⁾	2023	60 days following the date of receipt	52,726	3.0%
Customer E ⁽⁷⁾	2022	Payment primarily before delivery	32,610	1.8%
			432,326	24.4%

Customers	Year of commencement of business relationship	Credit period	Revenue (RMB'000)	Percentage of total revenue
For the year ended December 31, 2025				
Customer D ⁽⁶⁾	2011	Seven business days following the invoice date	162,053	4.7%
Customer A ⁽³⁾	2011	Seven business days following the invoice date	153,438	4.5%
Customer B ⁽⁴⁾	2011	Five business days following the invoice date	75,934	2.2%

BUSINESS

Customers	Year of commencement of business relationship	Credit period	Revenue (RMB'000)	Percentage of total revenue
Customer F ⁽⁸⁾	2023	60 days following the date of receipt	70,000	2.0%
Customer G ⁽⁹⁾	2019	Payment before delivery	61,809	1.8%
			523,233	15.2%

Notes:

1. All of our five largest customers in each year during the Track Record Period purchased products under our proprietary and brand partners’ brands.
2. All of our five largest customers in each year during the Track Record Period used bank transfer as the settlement method.
3. Customer A is a world-leading internet and technology company headquartered in China, operating e-commerce services, listed on the Stock Exchange and New York Stock Exchange.
4. Customer B is a leading online flash-sale focused retailer headquartered in China, listed on Nasdaq.
5. Customer C is a leading cosmetics, health and nutritional supplements and household products e-commerce platform headquartered in China, listed on Nasdaq.
6. Customer D is a major technology-driven e-commerce platform in China, listed on the Stock Exchange and Nasdaq.
7. Customer E is a private cosmetics wholesale company headquartered in Guangzhou, Guangdong province.
8. Customer F is a multinational retail operator, listed on New York Stock Exchange.
9. Customer G is a private cosmetics wholesale company headquartered in Shenzhen, Guangdong province.

To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which, to the knowledge of the Directors, owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

RESEARCH AND DEVELOPMENT

We are committed to developing high-efficiency digital solutions and differentiated products through our proprietary digital backbone with robust consumer product design capabilities. Our R&D efforts focus on enhancing consumer experience, operational efficiency and brand competitiveness through continuous innovation in both software infrastructure and physical product development.

Our R&D Organization

As of December 31, 2025, our R&D department comprised 79 employees, including staff focused on software development, household care and nutritional supplement products innovation. Our R&D function is organized into two main pillars: (i) software and digital system development, and (ii) consumer product design and development.

Software Development

We have established a proprietary AI-powered digital operation infrastructure that forms the foundation of our business growth. This infrastructure integrates internally developed systems, including business intelligence (“BI”), supply chain management system (“SCM”) and order management system (“OMS”), and embeds mainstream AI technologies to optimize operations across our platform. Key elements of our digital infrastructure include:

- *BI.* Our BI system stabilizes our daily business functions, minimizing disruptions and maintaining smooth, secure workflows throughout the organization.
- *SCM.* Our specialized SCM system streamlines procurement workflows and enhances inventory visibility, enabling efficient and responsive supply chain operations.

BUSINESS

- *OMS.* Our OMS automates key processes such as order placing, order tracing, and product return, across the full lifecycle of order fulfilment.
- *AI Empowerment.* We locally deploy mainstream large models combined to enhance decision-making across functions, including smart product recommendation, sales performance prediction, automated live-streaming scripts and social content generation, real-time insights for product development and personalized advertising.

Product Development

We are committed to investing in our R&D capabilities to enhance differentiation, improve consumer experience and accelerate the commercialization of high-potential product concepts. Key stages of our product development process include:

- *Opportunity Identification and Concept Formulation.* We identify market opportunities based on consumer feedback, platform search data, competitive benchmarking and macro category dynamics. Once opportunities are identified, our R&D team shortlists feasible product concepts.
- *Formulation Development.* We coordinate with third-party OEMs and raw material suppliers to develop product prototypes based on advanced technologies. For instance, we use fragrance essences sourced from third-party suppliers that incorporate advanced technologies such as Aromascope headspace replication, which maximizes the extraction and restoration of natural floral scents, and PopScent, which enables essential oil particles to be gradually released through fabric friction, allowing long-lasting fragrance retention. These technologies elevate both the sensory appeal and functional quality of our offerings under LYCOCELLE.
- *Testing and Validation.* All product prototypes are subject to a series of technical validations, including stability and stress testing. In parallel, targeted consumer testing, either through internal panels or external trials, is conducted to assess user experience, repurchase intent and perceived efficacy.
- *Commercialization.* Upon validation, we coordinate trial production runs with our OEMs, finalize packaging artwork and structure, and prepare compliance files for product launch.
- *Post-Launch Optimization.* After launch, we monitor product performance through real-time platform feedback, sales trends and consumer reviews to iterate our products.

With support from our strategic partner MetaNovas, we utilized AI-powered systems to efficiently develop synergistic formulations, which combine two or more functional ingredients in scientifically-determined combinations to achieve enhanced efficacy beyond the additive effect of individual components. The following projects exemplify our application of this approach:

- *FineNutri PQQ Anti-aging Purple Bottle:* We conducted a formula upgrade by adding hydroxytyrosol and vitamin E to the original combination of ergothioneine, PQQ, and coenzyme Q10. This adjustment effectively enhanced cell membrane protection, improved ingredient stability, and facilitated absorption. The revised formulation underwent validation, including hepatocyte and ovarian cell testing and acute toxicity tests in rodents.

BUSINESS

- **FineNutri Glow Whitening Bottle:** We designed a synergistic antioxidant formulation comprising glutathione, ergothioneine, hydroxytyrosol and SOD to address signs of photoaging. We performed studies to evaluate pigment regulation, barrier repair and oxidative stress. A study on Asian females further validated improvements across multiple skin parameters, demonstrating measurable efficacy without rebound effects post-discontinuation.
- **FineNutri Arctic Calanus Oil:** We conducted ingredient validation and proprietary formulation development using Calanus[®] Oil, a marine-sourced oil rich in bioactive lipids. In collaboration with a renowned hospital and certified laboratories, we performed a study to verify benefits in energy metabolism, anti-inflammation, skin barrier function, pigmentation reduction and hair loss.

All formulations developed in these projects are owned by us.

We also collaborate with external academic and research institutions to strengthen our innovation ecosystem. For example, in April 2025, we entered into a framework agreement with Jinan University to jointly establish an anti-aging research center, creating an integrated innovation model that synergizes industry, academia and research, driving our product iteration. Benefiting from the collaboration, we successfully launched our FineNutri NAD+ Cellular Energy (斐萃NAD+鎏金瓶) and are conducting research and development on our next-generation anti-ovarian aging product. Key terms of the framework agreement with Jinan University are summarized as follows:

- *Duration:* The collaboration term with Jinan University is three years.
- *Collaboration method:* The parties have established a collaborative framework to promote joint scientific research and technology development through resource sharing and academic exchange. Under this framework, Jinan University conducts efficacy verification of our products and provides technical and formulation-related advice.
- *Fees:* Fee arrangements are established pursuant to specific agreements entered into for individual projects. For example, under the collaboration relating to the next-generation anti-ovarian aging product project, we are responsible for all fees and expenses incurred.
- *Profit sharing:* Profit sharing arrangements are established pursuant to specific agreements entered into for individual projects. For example, under the collaboration relating to the next-generation anti-ovarian aging product project, we are entitled to exclusively commercialize the results generated under the collaboration.
- *Intellectual properties rights:* The ownership of intellectual properties is determined pursuant to specific agreements entered into for individual projects. For example, under the collaboration relating to the next-generation anti-ovarian aging product project, we own the patented technologies developed pursuant to the collaboration agreement.
- *Termination:* The agreement will terminate upon its expiry, with mutual consents or due to force majeure.

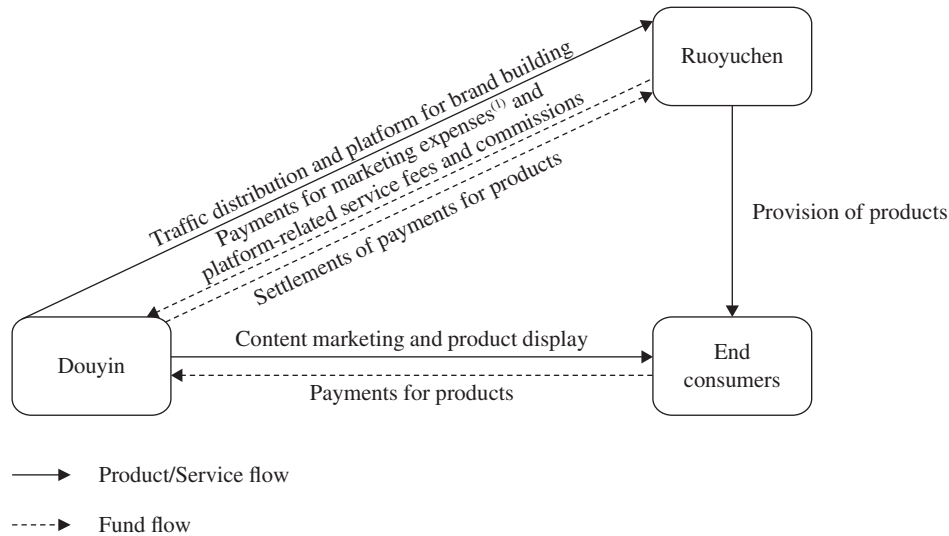
MARKETING AND PROMOTION

We view marketing as a holistic process that integrates brand communication, consumer engagement and long-term value creation. We build brands through content-rich storytelling, multi-channel presence and strategic innovation such as cross-over campaigns. Our marketing strategy is designed to foster trust, create emotional resonance and amplify brand impact across digital and offline channels.

BUSINESS

Content Strategies

We adopt a scenario-based marketing approach anchored in our philosophy of “product as content, content as marketing.” On Douyin, our primary brand-building platform, we deploy a multi-dimensional content model combining livestreams, short videos and KOL partnerships. Livestreams are driven by lifestyle-themed backdrops and videos that focus on usage scenarios to enhance resonance and conversion. The following graphic demonstrating the service and fund flows between Douyin and us:



Note:

- (1) We can directly purchase traffic and marketing promotion services from Douyin, or through authorized marketing service promoters.

We track high-intent users who migrate from Douyin to third-party platforms using Douyin’s internal system. When a user clicks on our advertisement on Douyin and is redirected to an external platform to make a purchase, the transaction data is automatically transmitted back to Douyin, enabling us to accurately assess the effectiveness of our Douyin campaigns, and refine our content and advertising strategies accordingly. In 2025, GMV generated through Douyin across our three segments amounted to RMB2,313.8 million, representing 50.0% of our total GMV through self-operated stores, respectively, underscoring Douyin’s central role in our content-driven marketing strategy. According to Frost & Sullivan, it is an industry norm that new consumer brands establish deep collaborations with major platforms as part of their brand development strategy. As one of the leading brands on Douyin, we have established a close working relationship with the platform since 2020. Douyin has assigned dedicated personnel to coordinate with us and regularly invites us to its brand conferences to communicate the latest policies and platform mechanisms. These structured communications enable us to promptly adapt to platform changes, align with strategic priorities and maintain competitive performance. Accordingly, we do not anticipate any material adverse change to our partnership with Douyin. Meanwhile, we have also built a strong and complementary presence on other content platforms. On Xiaohongshu, a lifestyle community platform, we leverage authentic user sharing and interactive discussions to foster consumer recognition and brand affinity, enabling us to accumulate long-term brand equity. We believe such diversified platform portfolio allows us to mitigate concentration risks associated with any single platform and achieve more targeted and resilient marketing marketing outcomes.

BUSINESS

KOL and Community Engagement

We collaborate with a network of influencers, ranging from influential KOLs to lifestyle-oriented KOCs, to generate diverse, high-trust content. Such collaborations are on a campaign-by-campaign basis and non-exclusive, settled based on sales-based commissions.

During the Track Record Period, we collaborated with 1,810, 3,962, and 5,702 KOLs and KOCs for our LYCOCELLE brand, with GMV attributable to sales through them contributing 15.9%, 15.2%, and 25.1% of LYCOCELLE’s total GMV, respectively. Of this, the top five KOLs or KOCs for each year of the Track Record Period accounted for 14.5%, 12.1%, and 11.4%, while the largest single KOL or KOC for each year of the Track Record Period contributed 6.8%, 7.6%, and 6.3%, respectively.

In 2024 and 2025, we collaborated with 426 and 2,548 KOLs and KOCs for our FineNutri brand, with GMV attributable to sales through them contributing 19.6% and 15.0% of FineNutri’s total GMV, respectively. Of this, the top five KOLs or KOCs for 2024 and 2025 accounted for 18.9% and 7.1%, while the largest single KOL or KOC contributed to 7.0% and 3.0%, respectively.

To effectively manage the large number of KOLs/KOCs engaged, we leverage an integrated influencer management platform, which enables end-to-end management of KOL/KOC collaborations. Through this system, we maintain a centralized influencer resource pool, apply tiered tagging and categorization to distinguish different influencer profiles, track collaboration progress, and conduct post-campaign data analysis to evaluate performance and optimize future collaboration strategies. This digitalized and standardized workflow allows us to efficiently scale KOL/KOC collaborations while maintaining oversight, execution discipline and cost efficiency.

During the Track Record Period and up to the Latest Practicable Date, to our best knowledge, none of our collaborated KOLs/KOCs were involved in materials misconduct and we did not initiated any material legal proceedings against them. We also manage a matrix of livestreaming rooms customized by product lines and themes; each stream is tailored to optimize conversion.

Cross-over Campaign

We actively launch culturally resonant cross-over campaigns to deepen emotional appeal and enhance brand story telling. For example, LYCOCELLE’s partnership with “Intimate Audrey Hepburn” combined classic imagery with custom fragrance design, producing exclusive SKUs that transformed laundry into a sensory experience and drove significant consumer traction. In addition, we launched a co-branded limited-edition fragrance collection with “Hello Kitty,” featuring four exclusive scents inspired by natural elements from around the world and further enriching our professional fragrance-based fabric care experience. During the Track Record Period, we incurred royalties of nil, RMB1.6 million and RMB2.4 million for IP cross-over collaborations, all of which related to the “Intimate Audrey Hepburn” and “Hello Kitty” collaborations. Key terms of our IP cross-over collaboration agreements are summarized as follows:

- *Licensed Rights:* We are granted exclusive rights within a specific product category to display or otherwise use the figure, image, or identity of the licensed IP for designated purposes, such as developing and selling specified cross-over products.
- *Duration:* The initial term of each collaboration agreement is typically one to two years. Production of IP cross-over products occurs within this term, and sales continue until all produced collaborative products are sold.
- *Fee Arrangement:* We generally pay either a fixed royalty fee or a sales-based percentage with a minimum royalty floor, negotiated on a case-by-case basis.

BUSINESS

- *Intellectual property rights:* The IP owner retains all rights to its IP, while we own the intellectual property for any products developed and sold under the collaboration.
- *Termination:* Both parties may terminate the agreement upon the occurrence of certain specified events, such as force majeure or mutual consent.

Digital Management

We leverage CRM tools across platforms to conduct precision-based, full-lifecycle consumer management and optimize conversion at every stage of the customer journey. Through mechanisms such as personalized promotions, we foster retention and repeat purchases. Data analytics inform both real-time personalization and long-term product planning.

CONSUMER SERVICES

Our primary consumer base consists of quality-driven users, particularly established middle class, young white collars and modern moms, who demonstrate strong purchasing power and brand loyalty. We view consumer service not merely as a support function but as a strategic touchpoint that reinforces such consumers’ trust in our brands and enhances customer lifetime value. To that end, we have established a full-stack service system that covers pre-sale consultation, post-sale care and product return and exchange, powered by dedicated brand-specific teams and multi-platform integration. Our goal is to provide professional, timely and emotionally resonant support across every stage of the consumer journey.

Consumer Service Team

We have established dedicated consumer service teams for each brand to ensure that our communications and support are consistent with each brand’s voice, positioning and product characteristics. These teams are trained to address inquiries regarding product selection, usage methods, ingredient explanations and wellness outcomes.

Our teams operate across key touchpoints such as Douyin, Tmall and JD.com, where they provide real-time responses and proactive engagement. In addition to handling direct inquiries, our service representatives monitor consumer sentiment trends, flagging recurring pain points or feedback to relevant departments for product, content, or supply chain optimization. This high degree of vertical integration allows us to close the loop between consumer feedback and internal execution.

Pre-sales Consumer Services

Our pre-sales support system is centered around consumer empowerment and guided decision-making. We recognize that purchasing decisions often involve personalized considerations, including scent preference, age and even lifestyle habits. Accordingly, our teams provide targeted, scenario-based consultations through live chat, private messaging, and interactive comment engagement during livestreams and short video promotions.

To further enrich the pre-sales experience, we actively curate educational content that explains product ingredients, usage scenarios, expected outcomes and scientific rationales. These efforts are designed to reduce consumer hesitation and increase product confidence, which in turn drives higher conversion rates and basket sizes across platforms.

BUSINESS

Post-sales Consumer Services

Our post-sales consumer services focus on timely and transparent issue resolution, reinforcing our commitment to consumer satisfaction and brand accountability. We handle a broad range of post-purchase interactions, including order status inquiries, logistics delays, usage support, adverse reaction reporting, and packaging or delivery issues. These are addressed via platform chat functions, post-comment responses, and brand-specific after-sale channels embedded in e-commerce apps.

We have established a structured five-step internal control process, receipt, assessment, resolution, feedback, and review, for handling consumer complaints. Upon receiving a complaint, our service team communicates with the consumer to identify the issue and assess its severity and nature. The complaint is then assigned to the responsible department based on pre-defined classification criteria, with clear response deadlines to ensure timely resolution and consumer satisfaction. Our teams coordinate internally across logistics, warehousing, and production functions as needed to resolve escalated issues, and maintain proactive communication with consumers throughout the process. All service records are logged and tracked through our CRM systems to support quality monitoring, team performance evaluation, and long-term relationship building. During the Track Record Period and up to the Latest Practicable Date, we have not received any material consumer complaints.

Where appropriate, our service teams coordinate with logistics, warehouse or upstream production teams to resolve escalated issues, and ensure proactive communication with consumers throughout the process. All service interactions are logged and tracked through CRM systems to support quality monitoring and long-term relationship building. Our internal feedback loop ensures that persistent or systemic issues are routed to relevant departments for root-cause analysis and process improvement.

Sales Return and Exchange

We manage our sales return and exchange processes in strict compliance with the policies of each e-commerce and retail platform where our products are sold, including Douyin, Tmall, JD.com and others, each of which stipulates specific timelines and conditions for returns and exchanges. In general, consumers may request returns or exchanges within the permitted window, provided that the product remains unopened and in its original condition. For products with verified defects, including quality issues, packaging damage during transit, or other functional concerns, we offer full replacement or refund services in accordance with the applicable platform policy.

Returns and exchanges by end consumers are only applicable to sales through our self-operated stores. In distributor-based sales, the relevant distributors independently manage their own after-sale service processes with end consumers, and we are not involved in such post-sales interactions. As a general policy, we do not accept product returns from distributors in connection with returns made by end consumers to such distributors, except in cases involving quality issues or where certain e-commerce platforms were contractually permitted to offer unconditional return policies.

In cases where the product defect is attributable to an upstream manufacturer or supplier, we reserve the right to pursue contractual remedies including indemnification or product replacement. This mechanism reinforces our quality assurance framework and helps contain reputational risk. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material consumer complaints, product returns or post-sale disputes that have adversely affected our brand or operations.

BUSINESS

SUPPLY CHAIN MANAGEMENT

Suppliers across our supply chain primarily consist of (i) providers of raw materials for the development and production of our products, (ii) OEMs to produce our products, (iii) brand partners selling their products to us, and (iv) logistics and warehousing service providers. We select leading suppliers in the relevant sectors in order to promote the availability and quality of such components and services. Our procurement process is under constant review for higher efficiency and cost-control purposes without jeopardizing the quality of deliverables.

Raw Materials

Currently, we procure all raw materials for FineNutri and core raw materials including surfactants and fragrances for LYCOCELLE, with some materials, including packing materials, sourced through our cooperated OEMs. Some of our raw materials are sourced overseas; for example, our Calanus oil is imported from Norway. During the Track Record Period and up to the Latest Practicable Date, we did not import any raw materials from the United States. Our overseas procurement may subject us to foreign currency exposures. For details, see “Financial Information — Factors Affecting Our Results of Operations and Financial Conditions — Currency Fluctuation.”

To secure a stable supply of key raw materials and enhance our competitive edge in the household care and nutritional supplement markets, we have strategically acquired upstream partnerships. For example, in October 2024, we entered into a strategic partnership with Zooca, a Norway-based company and the world’s sole producer of Calanus oil, becoming its exclusive distributor in Greater China. Key terms of the cooperation agreement with Zooca are summarized as follows:

- *Term:* The strategic cooperation is for a fixed term of 10 years, with automatic renewal for 12 months unless terminated by either party or we failed to meet stipulated purchase targets.
- *Distribution Rights:* We are granted exclusive rights to distribute Calanus oil in China, including sales to sub-distributors.
- *Cooperation Phase:* The agreement includes a three-phase cooperation structure, with purchase targets progressively increasing as the phases advance, and are subject to review upon completion of the preceding phase. In the first phase, we conducted a one-time purchase of Calanus oil to develop relevant nutritional supplements and acted solely as a customer of Zooca. In the second phase, we serve as the exclusive distributor of Calanus oil within the designated territory and sales channels. In the third phase, we act as Zooca’s exclusive partner for sales of Calanus oil in China. As of the Latest Practicable Date, we had achieved all purchase targets set forth under the cooperation agreement and were at the third phase of cooperation.
- *Intellectual Property:* We are authorized to use the trademarks “Zooca Calanus Oil” and “Zooca Lipid” in China during the term for the sale of Calanus oil products.
- *Termination:* Either party may terminate at the end of a phase by written notice within the specified period if purchase targets are not met. The agreement may also be terminated with three months’ written notice prior to expiration or in the event of material breach.

During the Track Record Period, we did not sell Calanus oil as a standalone product. It was only used as an ingredient in our FineNutri products.

BUSINESS

The prices of our raw materials may fluctuate with market conditions attributed to various factors, such as supply and demand and our bargaining power. We do not engage in hedging activities related to the risk in connection with the price of our raw materials and may face price fluctuations. We collaborate with multiple suppliers to reduce the risks of raw material shortage. See “Risk Factors — Risks Relating to Our Industry and Business — We are susceptible to supply shortages and interruptions, long lead times and price fluctuations for raw materials and ingredients, any of which could disrupt our supply chain and have a material adverse impact on our business, financial condition and results of operations.”

To ensure the quality, reliability and efficiency of our raw material supply, we adopt a rigorous supplier selection and evaluation process. We assess each supplier’s technical capabilities, including their ability to meet our product specifications. We also evaluate their quality management systems, delivery reliability, service responsiveness, pricing competitiveness and financial health. Only those suppliers who can demonstrate consistent performance across all these dimensions are selected. This stringent process enables us to build a resilient and high-performing supply chain that underpins the quality and delivery standards of our products.

We place purchase orders with suppliers on a case-by-case basis. Key terms of the procurement agreement with raw material suppliers are summarized as follows:

- *Quality Control.* The supplier must ensure that all products meet the quality standard confirmed by both parties and applicable industry standards. We have the right to inspect and reject goods that do not conform to the agreed specifications upon delivery.
- *Delivery.* The supplier shall deliver the products in accordance with the agreed delivery schedule and designated delivery location. Any delay in delivery without justified reasons may result in penalties.
- *Payment.* We generally make payment after acceptance and inspection. In some cases, we may be required to make prepayments.
- *After-Sales Service:* The supplier is responsible for after-sales services, including providing necessary documentation and addressing any issues related to defective products.
- *Liability:* The supplier shall be liable for any damages or losses caused by product defects, delayed delivery, or other breaches of the contract. We reserve the right to claim compensation accordingly.
- *Confidentiality:* Both parties are obliged to keep all technical, commercial, and contractual information confidential during the term of the agreement and for a specified period (typically two years) thereafter.
- *Termination:* We may terminate the contract unilaterally under certain circumstances, including failure to deliver on time, breach of material terms, or serious product quality issues. Upon termination, the supplier shall be liable for all our losses.

Third-Party Manufacturing Services

We outsource the entire production processes of our products to OEMs. In 2023, 2024 and 2025, we had maintained collaborations with 13, 26 and 30 OEMs to support our production needs, respectively, all of which are independent third parties. During the Track Record Period, certain OEMs were engaged to provide third-party manufacturing services for both our proprietary brands and the products of our brand partners. Production was arranged in accordance with the production schedules and delivery timelines agreed under the relevant manufacturing agreements.

BUSINESS

When selecting OEMs, we evaluate a range of factors such as certifications, proven experience, production capabilities, technological expertise, R&D capacity, product quality, service scope, pricing, and willingness to establish long-term partnerships. Prior to engagement, prospective OEMs are subject to qualification reviews, and are required to meet our internal quality standards and applicable regulatory requirements. Following engagement, we conduct ongoing quality control and performance monitoring, which includes setting stringent quality standards, inspection of key raw materials and packaging, in-process checks and finished goods testing. Where an OEM fails to meet our quality, compliance or performance standards, we may require rectification within a specified time frame, or even terminate the cooperation in accordance with the relevant agreements. Our solid reputation and long-standing relationships with OEMs enable us to establish reliable and cost-efficient collaborations with OEMs. During the Track Record Period, we did not encounter any losses or product liabilities associated with the manufacturing process of our OEMs. See “Risk Factors — Risks Relating to Our Business and Industry — We rely on OEMs to produce our proprietary products, which could expose us to additional risks” for details.

We generally enter into framework agreements with third-party manufacturers. Key terms of the agreement with OEMs are summarized as follows:

- *Quality assurance.* The OEMs are responsible for the quality of the products.
- *Payment.* Prepayments are generally required.
- *Delivery.* Third-party manufacturers are responsible for delivering the finished goods to our designated addresses and bear related expenses.
- *Duration.* The duration of the agreement is typically for one year.
- *Priority in production.* We do not maintain priority production arrangements.
- *Intellectual Property.* All intellectual property, including designs and technical documentation, remains our sole property. OEMs are not permitted to use or share any related intellectual properties without our written consent.
- *Termination.* The agreement will terminate upon expiration or by mutual agreement, or other means as set forth in the agreement. We generally have the right to terminate the agreement with OEMs that breach the agreement.

To safeguard our intellectual property rights, we enter into written agreements with each OEM that contain explicit provisions stating that all intellectual property rights, including but not limited to trademarks, packaging designs, proprietary formulas, and product specifications, used or generated in connection with the production process shall be owned solely by us. These agreements further prohibit the OEMs from using or disclosing any such intellectual property without our prior written consent. In practice, we encrypt our key formulas during the collaboration with OEMs. We also retain the right to conduct quality inspections and compliance checks during the production process to monitor adherence to these contractual obligations.

Finished Products

Under our brand management business and distribution model under our e-commerce operation business, we procure finished products from our brand partners. For details, see “— Brand Partners.”

We adopt different strategies to manage our inventory in order to deal with non-seasonal and seasonal demands. We make forecasts of the necessary inventory level based on historical sales data and carefully formulate our procurement plans. For promotional events, we pre-order sufficient inventory to meet surging demand. We track our inventory from the point we receive the inventory

BUSINESS

to the point when an order is fulfilled through our OMS and SCM. In order to maintain accurate inventory records, we conduct weekly inventory counts for high-value inventories and address any problems immediately. We also conduct full inventory counts at the end of each quarter and year and assess the effectiveness of our historical inventory levels on a regular basis.

Warehousing and Logistics

We are responsible for delivering products to consumers and relevant logistics expenses. During the Track Record Period, we primarily engaged third-party providers for warehousing and logistics services. We select these service providers based on criteria such as reputation, operational scale, track record, and pricing. We typically enter into agreements with duration of one year with our warehousing and logistics service providers. These service providers bear the risks associated with the delivery of our products, the liability for product damages occurring during the transportation process and the risks associated with the storage of our consigned materials for processing and finished goods, and are required to maintain appropriate insurance coverage. As of December 31, 2025, we engaged 30 logistics and warehouse service providers. During the Track Record Period and up to the Latest Practicable Date, we did not encounter significant losses related to warehousing operations or delayed or mishandled shipments, and there were no major disruptions in product delivery.

Our Major Suppliers

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 periods, 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.

The following tables set forth the details of our top five suppliers in each year during the Track Record Period:

Suppliers	Products/services provided	Year of commencement of business relationship	Credit period	Purchase (RMB'000)	Percentage of total purchase
For the year ended December 31, 2023					
Supplier A ⁽²⁾	Storefront operation and promotion services	2011	Prepayment/payment upon service delivery	141,932	12.1%
Supplier B ⁽³⁾	Finished products of our collaborated brands	2018	Prepayment	130,605	11.2%
Supplier C ⁽⁴⁾	Finished products of our collaborated brands	2020	Payment shall be made within 30 days from the end of the month of the invoice	102,657	8.8%
Supplier D ⁽⁵⁾	Finished products of our collaborated brands	2016	Prepayment	74,017	6.3%
Supplier E ⁽⁶⁾	Finished products of our collaborated brands	2023	Prepayment	69,754	6.0%
				<u>518,965</u>	<u>44.4%</u>

BUSINESS

Suppliers	Products/services provided	Year of commencement of business relationship	Credit period	Purchase (RMB'000)	Percentage of total purchase
For the year ended December 31, 2024					
Supplier D ⁽⁵⁾	Finished products of our collaborated brands	2016	Prepayment	227,915	18.2%
Supplier A ⁽²⁾	Storefront operation and promotion services	2011	Prepayment/payment upon service delivery	148,530	11.8%
Supplier F ⁽⁷⁾	Promotion services	2019	Prepayment	104,626	8.3%
Supplier G ⁽⁸⁾	Finished products of our collaborated brands	2021	Prepayment	67,153	5.4%
Supplier H ⁽⁹⁾	Finished products of our collaborated brands	2015	Prepayment	50,548	4.0%
				<u>598,772</u>	<u>47.7%</u>

Suppliers	Products/services provided	Year of commencement of business relationship	Credit period	Purchase (RMB'000)	Percentage of total purchase
For the year ended December 31, 2025					
Supplier F ⁽⁷⁾	Promotion services	2019	Prepayment	674,270	23.2%
Supplier A ⁽²⁾	Storefront operation and promotion services	2011	Prepayment/payment upon service delivery	302,337	10.4%
Supplier D ⁽⁵⁾	Finished products of our collaborated brands	2016	Prepayment	208,782	7.2%
Supplier B ⁽³⁾	Finished products of our collaborated brands	2018	Prepayment	152,324	5.3%
Supplier I ⁽¹⁰⁾	Storefront operation and promotion services	2021	Prepayment	134,908	4.7%
				<u>1,472,621</u>	<u>50.8%</u>

Notes:

- All of our five largest suppliers in each year during the Track Record Period used bank transfer as the settlement method.
- Supplier A is a world-leading internet and technology company operating e-commerce services, listed on the Stock Exchange and New York Stock Exchange.
- Supplier B is a Chinese subsidiary of a Japanese multinational company specializing in consumer goods.
- Supplier C is a Singapore subsidiary of a renowned French multinational pharmaceutical and healthcare company.
- Supplier D is a healthcare company engaged in pharmaceutical and consumer health sectors, listed on the New York Stock Exchange.
- Supplier E is a beauty brand management and investment group headquartered in Shanghai, China.
- Supplier F is a private e-commerce and brand operation company headquartered in Guangzhou, Guangdong province.
- Supplier G is a private trading company in Japan engaged in the wholesale and distribution of consumer goods.
- Supplier H is a private hygiene product manufacturer headquartered in Foshan, Guangdong Province.
- Supplier I is a world-leading technology and internet company with its core businesses cover short-video social platform, live e-commerce and other fields.

BUSINESS

Our Directors confirm that we had not experienced any significant material fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers or delay in delivery of our orders from our suppliers during the Track Record Period. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our top five suppliers in each year/period during the Track Record Period.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, we purchased storefront operation and promotional services from certain e-commerce platforms while also providing them with our proprietary and brand partners’ products. According to Frost & Sullivan, it is an industry norm for consumer goods companies to engage in such dual relationships, purchasing marketing-related services and simultaneously selling products to the same counterparties. During the Track Record Period, among the five largest customers in each year, Customer A, Customer B and Customer D were also our suppliers. Particularly, Customer A is among our five largest suppliers during the Track Record Period, being Supplier A. In 2023, 2024 and 2025, our purchase from Customer B amounted to RMB4.6 million, RMB1.8 million and RMB2.0 million, accounting for 0.4%, 0.1% and 0.1% of our total purchases during the same years, respectively. During the same years, our purchase from Customer D amounted to RMB12.6 million, RMB17.9 million and RMB38.2 million, accounting for 1.1%, 1.4% and 1.3% of our total purchase during the same years, respectively. For details about our purchase amounts from Customer A and the percentage of our total purchase amounts during the Track Record Period, see “— Supply Chain Management — Our Major Suppliers.” For details about our revenue generated from these customers and the respective percentage of our total revenue during the Track Record Period, see “— Omnichannel Sales and Distribution Network — Our Major Customers.”

During the Track Record Period, among the five largest suppliers in each year, Supplier C, Supplier D, Supplier G, Supplier H and Supplier I were also our customers. During the Track Record Period, we primarily purchased finished products of our collaborated brands from them, and provided them with e-commerce operation services. In 2023, 2024 and 2025, our revenue generated from any of these suppliers accounted for less than 1% of our total revenue during the same years, respectively. For details about our purchase amount from these suppliers and the respective percentage of our total purchase amounts during the Track Record Period, see “— Supply Chain Management — Our Major Suppliers.”

QUALITY CONTROL

We place great emphasis on the quality of our products and have implemented a comprehensive quality control system across the entire product lifecycle, from development to manufacturing and post-production inspection. During the product development stage, our R&D and quality control teams work closely to evaluate formulation integrity, packaging compatibility, efficacy, and safety, particularly for proprietary brands such as LYCOCELLE and FineNutri. We conduct stability testing, packaging performance reviews, and ingredient validation to ensure consistent product performance across usage scenarios. We also proactively monitor and incorporate evolving regulatory and safety requirements into our development process. For third-party brand partner products, we maintain strict onboarding protocols and require the submission of product test reports, certifications, and samples to ensure conformance with our quality expectations.

To secure product quality at the source, we work only with qualified suppliers of raw materials who pass our internal screening procedures. Incoming materials undergo batch sampling and inspection, covering physical, chemical, and microbiological attributes where applicable. For proprietary brands, we further maintain stringent oversight of our OEMs by setting detailed manufacturing specifications and conducting regular evaluations of product attributes and compliance. Defective products that fail to meet our standards are returned to the supplier for

BUSINESS

reinspection and segregation before reacceptance. Our control measures, combined with internal know-how and post-production inspection protocols, have enabled us to maintain a high standard of product safety and consistency. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material product recalls, liability claims or reputational incidents arising from product quality.

CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Data Processing Full Lifecycle

Cybersecurity, data security and consumer information protection are among the key focuses of our operations. In accordance with the PRC Cybersecurity Law, Data Security Law and Personal Information Protection Law, and other applicable laws and regulations, in our day-to-day business, we conduct the following personal information processing activities throughout its entire lifecycle:

Data collection and utilization: We only collect and use personal information in the following scenarios:

- *Consumer Data Collection.* (i) To conclude and perform contracts with consumers, we collect from e-commerce platforms the consumer’s encrypted order number, nickname, purchased-product details, recipient name, delivery address, recipient phone number, order time and transaction amount for order fulfillment. We use such information solely to complete the sale and delivery of our products. (ii) With the consumer’s prior consent, we collect from e-commerce platforms the consumer’s name, gender, date of birth, email address, mobile number, username, membership points, membership level and cumulative spend during the membership period. We use this data solely to provide membership services and marketing without involving automated decision-making behaviors. The above-mentioned information constitutes personal information.
- *Partner Contact Person Data Collection.* To fulfill contracts with our suppliers, distributors and brand partners, and with the contact person’s consent, we collect their contacts’ names, telephone numbers, email addresses and fax numbers. We use this information solely for contract execution. The above-mentioned information constitutes personal information.

Data storage and deletion: We have proactively defined situations mandating its deletion — ensuring it is retained only for the minimum necessary period, and we will carry out deletion procedures proactively once the period lapses.

Entrusted data processing: We only entrust warehouse service providers and Alibaba Cloud with the storage and use of the aforesaid data.

Cross-border data transfer: We operate overseas flagship stores on certain cross-border e-commerce platforms and we only act as overseas data recipients to receive consumer data transmitted cross-border by those platforms. We do not conduct any cross-border transfers of personal information.

Data types: We do not process any important data that could endanger national security or the public interest if tampered with, destroyed, leaked, or illegally obtained or used, nor do we process any core data related to national security, the national economy, or the public interest.

BUSINESS

Data Security Management

To ensure full compliance with aforementioned applicable laws and regulations, we have devoted substantial resources to implement internal data security management. Key measures include:

- Implementing internal data protection policies and procedures, which include personal information protection governance, data classification and grading, personal information protection impact assessments, personal information protection compliance audits, and data security education and training. Our goals and aims are to refine legal obligations through internal policies, clarify data security responsibilities for key positions, and reduce non-compliance risks throughout the full lifecycle of personal information processing.
- Establishing a data security management committee, appointing a data security officer and a personal information protection officer, and completing the filing of the personal information protection officer with the Cyberspace Administration of China as required.
- Employing advanced protection, encryption and disaster backup techniques for data storage and transmission, conducting regular audits to identify and mitigate potential security vulnerabilities and providing comprehensive training to our employees on data privacy and security. Our network and computers are equipped with enterprise-grade hardware and anti-virus software to ensure data integrity.
- Establishing stringent access controls and monitoring mechanisms, supported by robust policies for information security management, account and authorization management, and data security oversight. These systems are designed to prevent unauthorized access and ensure compliance with domestic data protection standards.
- Conducting regular audits and risk assessments to further enhance our data protection systems, allowing us to address the evolving complexities of information security.

In conclusion, 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 have we received any inquiries, notifications, or warnings from the CAC, nor been subject to cybersecurity reviews by the CAC, 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.

INTELLECTUAL PROPERTY RIGHTS

Our Proprietary Intellectual Property Rights

Our intellectual property rights are key to our success and competitiveness, primarily consisting of trademarks, patents, software copyrights, works copyrights and domain names. Our intellectual property right portfolio as of the Latest Practicable Date mainly included (i) 464 trademarks registered in mainland China, 52 trademarks registered in Hong Kong and 139 trademarks registered in New Zealand, (ii) 27 patents registered in mainland China, (iii) 90 software copyright registered in mainland China, (iv) 112 works copyrights registered in mainland China, and (v) 11 domain names registered in mainland China. We own all formulas used in our proprietary brand products.

BUSINESS

We rely, in some circumstances, on trade secrets and/or confidential information to protect certain aspects of the technologies we utilize. We seek to protect our proprietary technologies and processes, in part, by entering into confidentiality arrangements with senior management and key staff. Despite the measures we have taken to protect our intellectual property, our proprietary information may be obtained by unauthorized parties.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement of our intellectual properties or any material disputes or claims against us in relation to the infringement of intellectual properties of third parties arising from our business. See “Risk Factors — We may infringe upon, misappropriate or otherwise violate the intellectual property rights of third parties.”

Intellectual Property Rights Licensed by Brand Partners

We are generally licensed by the brand partners to use the brand names or trademarks of such brand partners, or in respect of the relevant products in connection with some of our sales and marketing activities.

COMPETITION

The household care industry in China is highly competitive with numerous market participants and relatively fragmented. 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. 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 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.

The health & wellness segment is one of the fastest-growing sub-sectors within China’s e-commerce solution industry. In 2024, GMV of China’s e-commerce solution in this category reached RMB80.1 billion, and is expected to rise to RMB237.9 billion in 2029, representing a CAGR of 24.3%. 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.”

BUSINESS

EMPLOYEES

As of December 31, 2025, we had 964 full-time employees, all of whom were based in mainland China. The following table sets forth the number of our employees by function:

Employee Function	Number of Employees	% of Total
Sales and Marketing	809	83.9
Research and Development	79	8.2
Financial Management	26	2.7
Administration	50	5.2
Total	964	100.0

Our success deeply rests with our ability to attract, retain and motivate qualified talents, and we believe that our high-quality talent pool is one of our core strengths and competitive advantages. We recruit high standards and rigorous procedures and through various methods, including campus recruitment, online recruitment, internal referral programs and third-party recruiters, to select the best-fit personnel for the corresponding positions in response to our various talent demands.

We invest in continuing education and training programs, including regular and tailor-made internal and external training, for our employees to improve their professional knowledge, and management skills, upgrade their skill sets and keep abreast of the industry standards in their respective positions. We also organize activities to provide our employees with a deeper understanding of our culture.

In line with PRC laws, we participate in government-mandated employee benefit plans, including social insurance for pensions, medical care, unemployment, work-related injury, maternity and housing funds. We are required by PRC law to contribute to employee benefit plans at specific rates based on employee salaries, bonuses, and certain allowances, up to limits set by local regulations. During the Track Record Period, we met these requirements in all material respects without incurring any significant administrative fines or penalties.

We believe we have a positive working relationship with our employees. We have not established a labor union. Throughout the Track Record Period and up to the Latest Practicable Date, we experienced no strikes, work stoppages, or labor disputes that materially affected our business operations.

Social Insurance and Housing Provident Funds

During the Track Record Period, we did not make adequate contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, primarily because (i) certain employees were unwilling to pay the social insurance and housing provident funds in full as it requires additional contributions from our employees, and (ii) certain employees prefer to participate in the rural social security contribution plans in their resident places or their hometowns. During the Track Record Period, we have not been involved in any circumstances under the Interpretation where any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid. Based on the foregoing, as advised by our PRC Legal Advisor and Reporting Accountants, our Directors are of the view that the Interpretation will not have material adverse impact on our operations or financial conditions. Based on the Directors’ view above and the independent due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would reasonably cause them to disagree with the Directors’ view above.

BUSINESS

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, pursuant to applicable PRC laws and regulations, where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement.

Our Directors believe that the incident described above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, nor did we receive any material employee complaint or have any material disputes with employees concerning their payment of social insurance and housing provident funds; (ii) as confirmed by the local governmental authorities in charge of social insurance and housing provident funds or their authorized offices, or credit reports from the credit institutions authorized by relevant local government authorities, no material administrative penalty was imposed on us with respect to the payment of social insurance and housing provident funds during the Track Record Period and as of the Latest Practicable Date; and (iii) if we receive a notice from relevant authorities requiring us to rectify, pay or make up social insurance and housing provident funds within a specified period, we will promptly comply with the requirements of such notice. In addition, pursuant to the Urgent Notice, administrative enforcement authorities are prohibited from organizing and conducting centralized collection of enterprises’ historical social insurance arrears. Based on the foregoing, our PRC Legal Advisor is of the view that the likelihood that we would be required by relevant authorities to pay the shortfall for social insurance and housing provident fund contributions or be subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date for our employees is remote. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we had not been and were not involved in any material noncompliance incidents in relation to social insurance and housing provident funds that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have taken the following internal control measures:

- we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds on a regular basis;
- we are in the process of communicating and will continue to communicate with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base for the social insurance and housing provident funds, which also requires additional contributions from our employees. We also undertake to gradually increase the applicable payment base for the social insurance and housing provident funds for our employees as indicated by the competent government authorities; and

BUSINESS

- we will consult our PRC legal advisors on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance trainings relating to the same.

INSURANCE

We have purchased property insurance for our office premises. We do not maintain any keyman insurance. During the Track Record Period, we did not make any material insurance claims in relation to our business. According to Frost & Sullivan, the coverage of our insurance policies is in line with the industry norm. See “Risk Factors — Our insurance coverage may not be sufficient, which may have a material and adverse effect on our business, financial condition and results of operations.”

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

ESG Governance Framework

In accordance with applicable laws, regulations and regulatory requirements, we plan to establish a dedicated ESG management committee or leading group to formulate our ESG strategy and policies and oversee the setting and implementation of our carbon emission targets. We also plan to incorporate ESG matters into our performance evaluation system to promote the integration of ESG principles into our operations and support our carbon neutrality goals, thereby facilitating the effective implementation of our ESG governance framework.

Our Board is responsible for overseeing ESG matters and integrating ESG considerations into our long-term development strategy. Under the leadership of Mr. Wang Yu, our Chairman and Deputy General Manager, ESG issues receive focused attention and discussion at the Board level. Several of our Directors have educational backgrounds or experience relevant to ESG, sustainable development or corporate social responsibility. In addition, our Chairman, Deputy General Manager, Independent Directors and other Board members regularly participate in training relating to governance, compliance and regulatory developments, including internal procurement processes, tax compliance, anti-fraud and anti-bribery, director training for listed companies and updates on the new Company Law. We believe such experience and ongoing training provide support for the Board’s effective oversight of ESG matters and our sustainable development.

Environmental Indicators and Management

We promote comprehensive energy-saving and environmental protection measures in our daily operations, striving to integrate the green development philosophy into our daily operations.

Dimension	Assessment Factors	Quantitative Indicators
Environment	1. Packaging Material Compliance 2. Instant Carbon Emission Control 3. Waste Disposal Compliance	1. Percentage of Eco-friendly Packaging Materials Used ($\geq 95\%$) 2. Storage Energy Consumption per Unit ($\leq 8\text{kWh}/\text{m}^2 \cdot \text{month}$) 3. Hazardous Waste Compliance Disposal Rate (100%)
Social	1. Product Quality and Safety 2. Marketing and Advertising Compliance 3. Employee Basic Rights	1. E-commerce Platform Product Complaint Rate ($\leq 0.3\%$) 2. Marketing Content Compliance Approval Rate (100%)

BUSINESS

Dimension	Assessment Factors	Quantitative Indicators
Governance	1. Data Security Protection 2. Supplier Compliance for Admission	1. Number of Data Breach Incidents (0 incidents) 2. Compliance Rate of Primary Supplier Qualifications (100%)

Progress on Key Indicators

The adoption of environmentally-friendly packaging materials is one of our long-term ESG goals. We aim to reduce carbon footprint at the source through the use of high-performance material solutions. Currently, C-Filler carbon capture material has been applied in several of our product lines. C-Filler is a verifiable carbon-negative material produced by capturing CO2 from steel mill exhaust gases using steel slag. We plan to continue increasing the use of environmentally friendly materials in our products.

Although our warehouses are leased from third parties, we continue to monitor warehouse energy consumption. From January 2024 to December 2025, the average monthly energy consumption per unit of warehouse area in our active warehouses in Guangzhou and Suzhou was approximately 1.8 kWh/ m2 and 1.1 kWh/m2, respectively. In addition, although we do not own factories and our current production does not involve hazardous waste, our manufacturing partners have established waste classification, collection, temporary storage and disposal procedures for ordinary waste, and there were no incidents of non-compliant waste disposal related to our products during the Track Record Period.

We also monitor certain operational and compliance indicators. In December, approximately 91.1% of the domestic and overseas e-commerce stores we operated had a product complaint rate of no more than 0.3%¹, while approximately 42.2% of such stores had no complaints. During the Track Record Period, there were no incidents of non-compliant marketing content dissemination or data leakage. Based on our regular supplier assessments, the compliance rate of our first-tier suppliers was 100% during the Track Record Period.

During the Track Record Period, there were no incidents of non-compliant marketing content dissemination or data leakage, and we will continue to focus on compliance with applicable marketing-related laws and regulations as well as data privacy and information security. In addition, based on our regular supplier assessments, the compliance rate of our first-tier suppliers was 100% during the Track Record Period, and we will continue to conduct regular qualification reviews of our suppliers going forward.

In response to these ESG risks and impacts, we have adopted or plan to adopt measures including the implementation of a Minimalist Packaging Plan, the use of FSC-certified cartons and a real-time warehouse energy consumption monitoring system. We have also established a three-tier quality control system covering raw material inspection upon entry, in-process inspection and third-party re-inspection before shipment, and set up a compliance review team to conduct AI pre-screening and manual verification of live-stream scripts and product promotional pages.

¹Due to the lack of separate data on product complaints in the backend, the reported product complaint rate includes customer inquiries that are not complaints. Therefore, the actual product complaint rate will be lower than the disclosed data. Additionally, during the reporting period, influenced by the Double Eleven and Double Twelve shopping events, the daily product complaint rate will be lower than the disclosed data.

BUSINESS

Resource Consumption

The following table sets forth our resource consumption during the Track Record Period:

Resource Category	Unit	2023	2024	2025
Electricity	MWh	793	829	1,076
Water	tons	2,508	2,418	2,334

Based on our current business operations and industry practices, and in order to actively promote the sustainable transformation of the industry, we have set the following energy management targets:

- We will strictly control the per capita consumption of electricity and water resources in office settings and target a 20% reduction in per capita energy and water consumption by 2030 compared to the current levels.
- Using 2024 as the base year, we aim to increase the proportion of clean energy usage to 20% by 2030.
- Using 2024 as the base year, we will gradually expand the scale of green electricity procurement, with the goal of having green electricity consumption exceed 20% by 2030.

To effectively reduce energy consumption, we actively advocate water and energy conservation in the office, enhance employees’ environmental awareness, explicitly require employees to turn off electrical appliances and lights after work to eliminate energy waste and promote paperless office practices. We have also implemented an Energy Conservation and Emission Reduction Plan, and all the lights in the Huanju office building have been replaced with LED energy-saving lamps.

Carbon Management

We collaborate with OEMs for the entire manufacturing process. Therefore, we do not directly generate a large amount of carbon emissions.

The following table sets forth our carbon emissions during the Track Record Period:

Category	Unit	2023	2024	2025
Scope 1 ⁽¹⁾	Metric tons of CO ₂ equivalent	23.0	20.0	24.1
Scope 2 ⁽²⁾	Metric tons of CO ₂ equivalent	452.0	472.6	613.5
Scope 3 ⁽³⁾	Metric tons of CO ₂ equivalent	268.0	177.9	222.4

Notes:

- (1) Primarily from the use of our vehicles.
- (2) Mainly from electricity consumption in the Group’s operations in Mainland China and Hong Kong.
- (3) Primarily from activities related to product transportation, product packaging, and employee business travel.

BUSINESS

By 2030, we aim to keep the average CO₂ emissions per company-owned vehicle within the current level, and strive to achieve a 10% reduction in the average annual emission intensity per vehicle.

To achieve such goal, we plan to establish a comprehensive carbon emission data monitoring, collection, and disclosure management system to ensure the accuracy and timeliness of the data. In line with our operational activities, including the management of AI-driven software infrastructure, we have also developed relevant plans to optimize algorithm management and improve energy efficiency, such as using dynamic quantization (INT8) technology to reduce energy consumption, collaborating with qualified vendors to support component regeneration, including detachable GPU module recycling, and adopting liquid cooling, green energy integration and other low-carbon technologies.

We collect and record relevant emission data to fully understand the emission situation and optimize management measures.

Company	Greenhouse Gas Emissions per Employee (Scope 1 + Scope 2)	2024
Ruoyuchen	Metric tons of CO ₂ equivalent per employee	0.6
Brand A	Metric tons of CO ₂ equivalent per employee	1.9
Brand X ⁽¹⁾	Metric tons of CO ₂ equivalent per employee	2.2

Note:

- (1) Brand X was established in 2007, headquartered in Shanghai, China, and primarily engages in providing integrated e-commerce solutions for brands, including IT infrastructure, online store operation, digital marketing, customer service, and warehousing & logistics.

In 2024, our performance in carbon emission intensity was better than the average level of the semiconductor industry.

Employment and Labor Practices

We adhere to the people-oriented concept, strictly abide by relevant labor laws and regulations, and hire employees in accordance with applicable requirements. We advocate for equal employment opportunities and conduct recruitment based on the principles of fairness and justice. We guarantee employees’ basic rights and interests, implement national policies and regulations to pay the five social insurances and one housing fund for employees, and resist all forms of forced labor. We maintain a diversified salary and welfare system, and enhance employees’ cohesion and sense of belonging. During the Track Record Period, there were no incidents of employee deaths due to work-related reasons, nor any lost working days due to work-related injuries.

Sustainable Supply Chain

We have always integrated the concept of sustainable development into our supply chain management, covering supplier admission, supplier assessment, procurement compliance management, sustainable supply chain construction, and supplier empowerment, to create a green, efficient, and jointly-responsible supply chain ecosystem.

We identify the environmental and social risks at each stage of the supply chain, and assess the quality management capabilities, environmental compliance, and fulfillment of social responsibilities of suppliers, and prioritize suppliers with a good social image and a strong commitment to sustainable development and strengthen employee training within the supplier management department. We use ERP systems and other digital platforms to screen and evaluate suppliers and manage qualified supplier records to ensure the stability and sustainability of the supply chain.

BUSINESS

We strengthen the recycling and reuse of paper and packaging materials. In 2024, we recycled over 3,000 kilograms of usable paper, which was shredded and repurposed for internal draft paper, packaging cushioning materials, and other secondary uses. Hard cardboard and bubble wrap from courier packaging are collected for reuse in the product packaging process.

Based on our current business operations and industry practices, we aim to gradually replace our own vehicles (which are not used for cargo transportation) with new energy vehicles, with a plan to complete the full replacement by 2030. With these integral efforts, we believe that we are able to drive a healthy and sustainable business growth in the future.

Advertising Marketing Management

We review advertisements, live streaming scripts, and other marketing materials to ensure their accuracy and consistency and to eliminate false or misleading information.

To further regulate the behaviour of partners and protect brand image and public interests, we have established and implemented an ethical standards policy for third-party content publishers. This policy clearly requires all partners to maintain a positive public image during the collaboration period and prohibits them from making or participating in any statements or actions that may seriously damage their personal or brand reputation.

PROPERTIES

Our principal executive offices are located in Guangzhou, China. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all our interests in land or buildings, for the reason that, as of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets.

As of the Latest Practicable Date, we owned 12 properties in China with an aggregate gross floor area of 3,181.06 sq.m. as our office premises and leased 24 properties in China with an aggregate gross floor area of 14,884.68 sq.m. as our office premises and dormitories. We believe that there is sufficient supply of properties in mainland China and we do not rely on the existing leases for our business operations. We believe that our current facilities are adequate to meet our current needs.

Lack of Lease Agreement Registration

According to applicable PRC laws and regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. As the registration of lease agreements requires the cooperation of lessors, and lessors are typically unwilling to undertake the administrative burden, we were not able to complete the registration of certain lease agreements.

As of the Latest Practicable Date, 13 of the lease agreements had not been registered with relevant authorities. Pursuant to applicable PRC laws and regulations, we may be subject to an aggregate maximum potential fine of RMB130,000. As of the Latest Practicable Date, we were in active communication with our lessors and will take all practicable and reasonable steps to register these lease agreements. As advised by our PRC Legal Advisor, the risk of eviction or cessation of occupation regarding 13 leased properties without registration is remote, and the absence of registrations will not affect the validity of the lease agreements, nor will it materially and adversely affect our business and results of operations.

BUSINESS

LICENSES, APPROVALS AND PERMITS

The following table sets forth the details of the material licenses and permits necessary for our business operations. Under the currently applicable laws, regulations and policies, we do not anticipate any material impediments to the acquisition or renewal of such licenses or permits.

License/Permit	Entity Holding the License/Permit	Grant Date	Expiration Date
Customs Registration of Consignee and Consignor of Imported and Exported Goods	Our Company	July 11, 2019	Long-term
Entry-Exit Inspection and Quarantine Filing for Inspection Enterprises	Our Company	March 15, 2017	Long-term
Filing of Consignees and Imported Cosmetics	Our Company	/	Long-term
Permit for the Sale of Pre-packaged Food ⁽¹⁾	Our Company	August 15, 2022	Long-term

Note:

- (1) For the regulatory framework relating to the Permit for Sale of Pre-packaged Food, see “Regulatory Overview — Food Operation Permit.”

LEGAL PROCEEDINGS

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any actual or pending legal, arbitration or administrative proceedings (including any bankruptcy or receivership proceedings) that we believe would have a material adverse effect on our business, results of operations, financial condition or reputation and compliance.

Non-Compliance

According to our PRC Legal Advisor, the business operations we engaged in had been carried out in compliance with applicable PRC laws and regulations in all material respects during the Track Record Period and up to the Latest Practicable Date. For certain incidents that occurred during the Track Record Period, see “— Employees” and “— Properties.”

RISK MANAGEMENT AND INTERNAL CONTROL

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. We are dedicated to continuously improving these systems. We have adopted and implemented risk management policies in various aspects of our business operations. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

We have engaged an internal control consultant to evaluate the effectiveness of our internal controls related to our business processes, identify areas of improvement, propose remedial measures, and review the implementation of these measures. The scope of the internal control review encompasses entity-level controls and business process-level controls, including but not limited to (i) sales, accounts receivable, and collection; (ii) procurement, accounts payable, and payment; (iii) inventory and logistics management; (iv) human resources and payroll; (v) expense management process; and (vi) R&D management. Our Directors are of the view that we have adequate and effective internal control procedures to ensure compliance with relevant laws and regulations going forward.

BUSINESS

AWARDS AND RECOGNITIONS

During the Track Record Period and up to the Latest Practicable Date, we had received awards and recognition in respect of our brand, business operations, products and corporate social responsibility achievements, significant ones of which are set forth below:

Award/Recognition	Award Authority	Award Year
Tmall Ecosystem Six-Star Operation Service Provider certification (天貓生態「六星經營服務商」認證)	Tmall	2026
2025 CCPIT Key Contact Enterprises for Cross-Border Ecommerce (2025年中國貿促會跨境電商重點聯繫企業名錄)	China Council for the Promotion of International Trade	2026
World Internet Conference Cross-Border Ecommerce Practice Case Collection (2025) (世界互聯網大會跨境電商實踐案例集(2025年))	World Internet Conference	2025
2024 Shanghai New Quality E-commerce Enterprise (2024年上海市新質電商企業)	Shanghai Electronic Business Association	2025
2024 Shanghai's first economically leading creative brand (2024 年上海市首發經濟引領性創意品牌)	Shanghai Chamber of Commerce	2025
2024 China Consumption Leap Brand List (2024中國消費飛躍品牌榜)	Yicai & CBNDData	2025
Number one brand in the sales of oral ergothioneine in the whole network (口服麥角硫因全網銷量第一品牌)	iResearch – Market Position Statement	2025
HKCT's Most Outstanding Anti-Aging Health Brand of the Year (HKCT年度最傑出抗衰保健品牌)	HKCT	2025
iSEE Global Award – Innovative Brand TOP100 (iSEE全球獎-創新品牌TOP100)	Foodaily	2025
BrandStar Awards 2024 – Innovative Brand of the Year (2024星球獎-年度創新品牌)	BrandStar	2024
KPMG China's 4th Consumer 50 (畢馬威中國第四屆消費50企業榜單)	KPMG China	2024
Forbes 2024 Global Digital Trade Industry 100 List (福布斯2024全球數字貿易行業企業100榜單)	Forbes China	2024
2024 Guangdong Province Excellent Cases of Digital Trade (2024年廣東省數字貿易優秀案例)	Department of Commerce of Guangdong Province	2024
Best Service Provider Award in Tmall Health Care Industry (天貓健康保健行業“最佳服務商獎”)	Tmall	2024
2024 Alimama Global Six-Star Ecological Partner (2024阿里媽媽全域六星生態伙伴)	Alimama	2024
National-level E-commerce Demonstration Enterprise” (國家級“電子商務示范企業”)	Ministry of Commerce, PRC	2023
Tmall International Purple Star Service Provider (天貓國際紫星服務商)	Tmall Global	2023
Global Six-Star Ecological Partner certification (「全域六星生態伙伴」認證)	Alimama	2023
High-tech enterprise certificate (高新技術企業證書)	Department of Science and Technology of Guangdong Province	2023