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Application Proof of



Amos Food (Group) Co., Ltd. 阿麥斯食品（集團）股份有限公司

(the “Company”)

(A joint stock company incorporated in the People's Republic of China with limited liability)

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Amos Food (Group) Co., Ltd. 阿麥斯食品（集團）股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

[REDACTED]

Number of [REDACTED] under : [REDACTED] H Shares (subject to the
the [REDACTED] [REDACTED])
Number of [REDACTED] : [REDACTED] H Shares (subject to
reallocation)
Number of [REDACTED] : [REDACTED] H Shares (subject to
reallocation and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per H Share, plus
brokerage of
1.0%, SFC transaction levy of
0.0027%, AFRC transaction levy of
0.00015% and Stock Exchange
[REDACTED] fee of 0.00565% (payable in
full on [REDACTED] in Hong Kong
dollars, subject to refund)
Nominal value : RMB1.00 per H Share
[REDACTED] : [REDACTED]

*Joint Sponsors, Sponsor-OCs, Overall Coordinators,
[REDACTED], [REDACTED] and [REDACTED]*

BofA SECURITIES 

CMS  **招商證券國際**

J.P.Morgan

(in alphabetical order)

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this Document and should be read in conjunction with the full text of this Document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the “Risk Factors” section in this Document. You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

We are a leading global sugar confectionery company. We are engaged in the design, manufacturing and sales of innovative products designed to deliver both happiness and health to consumers worldwide. We market our products primarily under two brands, Amos and Biobor.

Founded and defined with a mission to serve as the sweet messenger of the world, we focus on high-growth categories of confectionery products — including both creative and nutritional candies — through our omni-channel sales network spanning over 80 countries and regions. As an innovator and promoter of “Happy and Healthy” confectionery consumption, we have redefined the way sugar confectionery is consumed, set the development trend of the Chinese confectionery industry, and advanced the brand globalization and global footprint of the Chinese confectionery industry.

Our business model is built on a fully integrated value chain, which seamlessly connects deep consumer and market trend insights, and innovation-driven product development, with world-class manufacturing and global channel and marketing. This end-to-end integration leads to high-quality, impactful products and ensures efficiency of manufacturing, sales and operation and a rapid “concept-to-shelf” product pipeline on a global scale.

Focused on the high-growth “joy and wellness” segments as the new disruptors to the traditional confectionery landscape, we are rapidly scaling the global expansion of our category-defining brands, creative candy brand Amos and nutritional candy brand Biobor. Our industry leadership is validated by our inclusion in the prestigious Global Candy Industry Top 100 in 2026. According to Frost & Sullivan:

- We are the largest Chinese sugar confectionery company and the fifth largest gummy company globally, in each case by retail sales value in 2025.
- We were the fastest-growing company among the world’s top 30 sugar confectionery companies by retail sales value from 2023 to 2025, with a CAGR of 61.9%, as compared to an industry average of 5.9% during the same period.
- We had the largest overseas market share among all Chinese sugar confectionery companies in terms of overseas revenue in 2025.



SUMMARY

Notes:

- (1) In terms of global retail sales value of sugar confectionery in 2025 among Chinese sugar confectionery companies, according to Frost & Sullivan.
- (2) In terms of global retail sales value of gummies in 2025 among sugar confectionery companies, according to Frost & Sullivan.
- (3) In terms of CAGR of sugar confectionery retail sales value from 2023 to 2025 among top 30 sugar confectionery companies in the corresponding region, according to Frost & Sullivan. The ranking of “top 30 sugar confectionery companies” is based on sugar confectionery retail sales value in the corresponding region, according to Frost & Sullivan.
- (4) In terms of retail sales value of probiotic gummies in 2025 among sugar confectionery companies in China’s market, according to Frost & Sullivan.

Our Brands

Our creative sugar confectionery brand, *Amos*, has revitalized the traditional confectionery landscape through category-focused product innovation. Our brand of Amos represents “a moment of sweets”, “a moment of smile”, “a moment of sharing” and “a moment of sincerity.” It was recognized by *Numerator*, a leading consumer data analytics institution, as a fastest-growing brands to watch in 2025 in the U.S. market and we are the only sugar confectionery company included. Leveraging a comprehensive R&D framework and highly scalable product development and channel execution capabilities, we pioneered the transition of creative product concepts into both flexible, customized manufacturing and high-volume, scalable production for blockbuster products. This innovation-driven “concept-to-shelf” methodology has yielded a portfolio of blockbuster products with proven track records across retail channels and consumer segments, including:

- **Peelerz Gummies:** Our signature fruit-flavored peelable gummies, represented by our mango-shaped gummies, have redefined the consumer experience with its unique texture and interactive “peeling” experience.
- **4D (“3D + Delicious”) Blocks Gummies:** By introducing a playful “stackable” format, we also created a new category of creative gummies that included fruit-flavored and animal-shaped varieties.
- **Seasonal Confectionery:** Our seasonal confectionery products have generated stable sales growth across major global retail chains and e-commerce platforms over the years, with products designed for Chinese New Year, Valentine’s Day, Easter, Halloween, Christmas, etc.
- **TastySounds Audio Lollipop:** Including music lollipops and lollipops featuring various cultural elements, demonstrate our ability to integrate cultural elements and technology into confectionery, enabling cross-domain innovation.



SUMMARY

Building on our success in the creative sugar confectionery segment and witnessing the structural shift towards health-conscious consumption, we launched *Biobor* — our brand focused on the high-growth nutritional, “better-for-you” sugar confectionery segment. As the industry pioneer in active probiotic gummies in China, Biobor bridges the gap between joy and wellness through science-driven formulations. Biobor’s commercial viability and R&D capabilities are underscored by its consistent performance and prestigious industry recognition. Its probiotic gummies ranked No. 1 best-selling products in its category in China in 2025, in terms of retail sales value, according to Frost & Sullivan. Supported by these cross-category accolades and a tailwind of global wellness trends, Biobor is positioned as our second growth engine by capturing a fast-growing sophisticated consumer segment with its wellness benefits.



In addition to our own-brand products, we also sold third-party branded products under an ODM business model during the Track Record Period, pursuant to which we provide product development and manufacturing and related services to primarily leading retailers and prominent consumer brands. The ODM business model enables us to obtain timely market feedback on evolving consumer preferences, category trends and promotional strategies in our target markets, thereby enhancing our ability to anticipate demand, refine our product offerings and respond efficiently to changes in the competitive landscape.

Key Operating Metrics

The following table sets forth sales volume and average selling price for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	(thousand ton)	(RMB in thousands per ton)	(thousand ton)	(RMB in thousands per ton)	(thousand ton)	(RMB in thousands per ton)
Own-Brand Products						
Amos	9.1	55.5	14.2	58.2	32.0	61.5
Biobor	1.9	88.8	1.8	88.3	2.2	89.0
Third-Party Brands . . .	15.0	26.6	21.7	26.7	20.2	30.5

SUMMARY

The average selling price of Amos increased from RMB55.5 thousand per ton in 2023 to RMB58.2 thousand per ton in 2024, and further increased to RMB61.5 thousand per ton in 2025, primarily attributable to the introduction of higher-priced products, combined with stronger pricing in North America market. The sales volume of Amos substantially increased from 9.1 thousand ton in 2023 to 14.2 thousand ton in 2024, and further increased to 32.0 thousand ton in 2025, primarily attributable to increased demands for our blockbuster products across multiple geographies and sales channels, such as Peelerz and 4D gummies. The average selling price of Biobor remained relatively stable at RMB88.8 thousand per ton, RMB88.3 thousand per ton, and RMB89.0 thousand per ton in 2023, 2024 and 2025, respectively. The average selling price of third-party brands increased from RMB26.7 thousand per ton in 2024 to RMB30.5 thousand per ton in 2025, primarily attributable to the deepened collaboration and more favorable pricing arrangement with our existing clients.

Market Opportunity

The global sugar confectionery market is large and highly fragmented, with a stable consumption base and broad cross-market appeal. According to Frost & Sullivan, the global sugar confectionery market was approximately RMB538.1 billion in 2025 and is expected to reach approximately RMB703.3 billion by 2030. Market growth is expected to be driven by generational shifts in consumption, rising health awareness, increasing demand for products associated with emotional value, and product mix upgrades in mature markets. Within the broader confectionery market, creative, nutritional and health-oriented products are becoming important drivers of segment growth. Younger consumers increasingly seek novelty, interactive product experiences and products with social sharing appeal, which is supporting demand for creative confectionery products. Meanwhile, health-oriented consumption trends continue to expand globally, and nutritional gummy products remain at a relatively early stage of development. In addition, leading global retail channels continue to demand innovative products and reliable supply. Companies with product development capabilities, scaled manufacturing capacity and regulatory compliance across multiple markets may be better positioned to benefit from these industry trends. We believe our product development capabilities and global operating platform position us to capture opportunities in these segments and support our future growth.

MANUFACTURING

During the Track Record Period, we manufactured our candy products either in-house or via collaborations with third-party contract manufacturers. As of December 31, 2025, we had three manufacturing bases located in the PRC. During the Track Record Period, we also engaged third-party contract manufacturers to supplement our in-house manufacturing capacity and to enhance the agility of our manufacturing capabilities. For details, see “Business — Manufacturing.”

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily comprise key account customers, distributors and individual consumers. In 2023, 2024 and 2025, revenue generated from our five largest customers amounted to RMB339.1 million, RMB439.3 million and RMB724.0 million, respectively, accounted for 31.7%, 28.0% and 26.0% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, revenue generated from our largest customers amounted to RMB116.3 million, RMB153.6 million and RMB196.9 million, respectively, accounted for 10.9%, 9.8% and 7.1% of our total revenue for the same years, respectively. For details, see “Business — Our Customers.”

During the Track Record Period, our suppliers primarily comprise third-party contract manufacturers and suppliers of key raw materials in China and across the world, and logistics service providers. In 2023, 2024 and 2025, the aggregate purchase amounts from our five largest suppliers were RMB141.4 million, RMB264.3 million and RMB628.4 million, representing 24.7%, 30.6% and 45.0% of our total purchases for the same years, respectively. In 2023, 2024 and 2025, the purchase amounts from our largest suppliers were RMB30.5 million, RMB81.4 million and RMB243.1 million, representing 5.3%, 9.4% and 17.4% of our total purchases for the same years, respectively. For details, see “Business — Our Suppliers.” During the Track Record Period, to the best knowledge of our Directors, one of our five largest suppliers was also our customer. See “Business — Overlapping of Customers and Suppliers.”

SUMMARY

SALES, MARKETING AND DISTRIBUTION OF OUR PRODUCTS

We primarily sell our products through key account customers, distributors and our online direct sales channel. We have established robust relationships with multinational and regional-leading retailers and ODM customers in China and overseas markets. In addition, we have a worldwide distribution network that deeply penetrates the Chinese market and overseas markets. In 2023, 2024 and 2025, our distributors contributed to 29.5%, 19.8% and 30.0% of our revenue, respectively. We also sell our products through online direct sales model. Under our online direct sales model, we sell products directly to consumers through our self-operated e-commerce stores or through our self-operated e-commerce stores on third-party platforms including Tmall, Amazon, etc.

RESEARCH & DEVELOPMENT AND PRODUCT DESIGN

As of December 31, 2025, we had 210 personnel engaging in product development, including 103 personnel engaging in R&D, and 107 personnel primarily engaging in product design, molding and testing. Our R&D personnel hold qualifications in food science and related disciplines, including food science and nutrition, food quality and safety, and fermentation engineering. They bring extensive hands-on experience in confectionery research, development, and manufacturing, complemented by expertise in nutritional food development as well as food safety testing. For details, see “Business — Research and Development and Product Design.”

COMPETITIVE STRENGTHS

Our competitive strengths include: (i) a world-class Chinese confectionery enterprise with global branding influence; (ii) reshaping global confectionery landscape with “Happy and Healthy” product portfolio; (iii) global omni-channel sales network with proven replication capabilities; (iv) a global supply chain supporting flexible manufacturing and scalable business expansion; (v) experience- and digital-driven branding with global influence; and (vi) experienced leadership team with global vision and local market expertise. For details, see “Business — Our Strengths.”

OUR GROWTH STRATEGIES

We plan to implement the following strategies to achieve our long-term goals: (i) product innovation through blockbuster strategy across categories to address diverse market demands; (ii) further penetrate in major markets and accelerate expansion into emerging regions; (iii) comprehensively upgrade brand building to enhance brand premium and consumer loyalty; (iv) optimize global supply chain layout and advance digital and intelligent transformation; (v) attract and cultivate top global talent, building organizational capability; and (vi) pursue strategic cooperation and investment opportunities. For details, see “Business — Our Growth Strategies.”

RISK FACTORS

Our business and the [REDACTED] involve certain risks, including risks relating to (i) our business and industry; (ii) the jurisdiction in which we operate our business; and (iii) the [REDACTED]. Some of the major risks we face include, but are not limited to, the following: (i) our business and future growth prospects rely on consumer demand for our products. Any shift in consumer demand, or failure in product innovation may materially and adversely affect our business and results of operations; (ii) our business depends on market recognition of our brand. Any damage to our brand, trademarks or reputation, or failure to effectively promote our brand, could materially and adversely impact our business and results of operations; (iii) global operation exposes us to inherent risks, which will persist as we further expand our international footprint. Shifts in the global economic landscape, along with evolving diplomatic and trade relations, could negatively impact our operating results and lead to fluctuations to the demand for our products; (iv) changes in international trade policies, geopolitics and trade protection measures and tariffs, export control and economic or trade sanctions may affect our business, financial condition, and results of operations; and (v) we operate in a highly competitive industry. Failure to compete effectively could adversely affect our market share, growth and profitability.

SUMMARY

COMPETITIVE LANDSCAPE

We operate in the highly competitive global confectionery market, which has continued to demonstrate steady growth, increasing from approximately RMB1,228.8 billion in retail sales value in 2021 to about RMB1,533.0 billion in 2025, and is expected to reach RMB1,966.6 billion by 2030. Within this market, both sugar confectionery and chocolate remain significant segments, reaching RMB538.1 billion and RMB994.9 billion, respectively, in 2025, while the global gummy market, a sub-segment of the sugar confectionery market, alone accounted for RMB242.1 billion in retail sales value. Competition remains intense, particularly as leading global players continue to strengthen their brand portfolios, product innovation capabilities, and distribution networks. The gummy segment is relatively concentrated, with the top five companies accounting for 58.8% of the global market in 2025. According to Frost & Sullivan, we are the largest Chinese sugar confectionery company and the fifth largest gummy company globally, in each case by global retail sales value in 2025. In addition, we were the fastest-growing company among the world’s top 30 sugar confectionery companies by retail sales value from 2023 to 2025, with a CAGR of 61.9%, as compared to an industry average of 5.9% during the same period. As consumer preferences continue to evolve and market participants intensify competition through innovation, branding, and channel expansion, we must continue to enhance our product offerings, strengthen market execution, and align our strategy with shifting demand trends and industry developments.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountant’s Report set out in Appendix I to this Document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this Document, including the related notes. Our consolidated financial information was prepared in accordance with IFRS Accounting Standards.

	For the year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Revenue	1,070,381	1,571,251	2,782,069
Cost of sales	(619,605)	(912,573)	(1,402,289)
Gross profit	450,776	658,678	1,379,780
Other income and gains	15,542	18,056	18,785
Selling and distribution expenses	(198,924)	(266,656)	(429,503)
Administrative expenses	(73,826)	(107,416)	(135,225)
Research and development expenses	(7,292)	(15,279)	(18,258)
Impairment losses on financial instruments, net	(360)	(6,250)	(3,520)
Other expenses	(2,136)	(2,358)	(3,045)
Finance costs	(1,337)	(14,173)	(11,985)
Profit before tax	182,443	264,602	797,029
Income tax expense	(45,400)	(66,271)	(197,008)
Profit for the year	137,043	198,331	600,021

SUMMARY

NON-IFRS MEASURES

The table below sets forth a reconciliation of our net profit to adjusted net profit (non-IFRS measures) for the years indicated. For details, see “Financial Information — Consolidated Statements of Profit or Loss — Non-IFRS Measures.”

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Profits for the year	137,043	198,331	600,021
Add:			
Share-based compensation expenses	4,598	4,167	3,238
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profits (non-IFRS measures) . . .	[REDACTED]	[REDACTED]	[REDACTED]

CONSOLIDATED BALANCE SHEETS

The table below sets forth the selected information from our consolidated balance sheets as of the dates indicated, which have been extracted from the Accountant’s Report included in Appendix I to this Document.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	571,080	646,015	713,744
Total current assets	546,153	850,937	1,550,765
Total assets	1,117,233	1,496,952	2,264,509
Total non-current liabilities	280,557	301,527	322,279
Total current liabilities	289,423	486,772	1,093,355
Total liabilities	569,980	788,299	1,415,634
Net current assets	256,730	364,165	457,410
Net assets	547,253	708,653	848,875

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Current assets				
Inventories	103,388	205,653	321,796	284,877
Trade receivables	99,414	278,736	365,880	424,093
Prepayments, other receivables and other assets	75,808	76,158	98,718	150,262
Prepaid income tax	1,324	3,040	1,799	340
Financial assets at fair value through profit or loss	80,325	59,487	442,767	199,687
Restricted cash	3,620	1,018	1,816	275
Time deposits	2,374	21,910	—	—
Cash and cash equivalents	179,900	204,935	317,989	262,841
Total current assets	546,153	850,937	1,550,765	1,322,375

SUMMARY

	As of December 31,			As of
	2023	2024	2025	February 28,
				2026
				(unaudited)
	(RMB in thousands)			
Current liabilities				
Trade payables	114,983	221,914	233,384	268,225
Other payables and accruals	110,297	136,523	554,183	191,409
Contract liabilities	28,780	29,697	60,490	31,747
Interest-bearing bank and other borrowings	13,583	51,800	114,008	115,436
Lease liabilities	11,470	10,415	16,398	16,484
Tax payable	10,310	36,423	114,892	97,058
Total current liabilities	289,423	486,772	1,093,355	720,359
Net current assets	256,730	364,165	457,410	602,016

For a detailed discussion of our current assets and current liabilities during the Track Record Period, see “Financial Information — Discussion of Certain Key Items from Our Consolidated Statements of Financial Position.”

Revenue by Product Line

The following table sets forth the breakdown of our revenue by product line in absolute amounts and as a percentage of our total revenue, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Own-brand Products						
Amos	505,717	47.2	828,450	52.7	1,968,282	70.7
Biobor	166,583	15.6	163,131	10.4	199,524	7.2
Sub-total	672,300	62.8	991,581	63.1	2,167,806	77.9
Third-Party Brands	398,081	37.2	579,670	36.9	614,263	22.1
Total	1,070,381	100.0	1,571,251	100.0	2,782,069	100.0

The revenue increase from 2023 to 2025 was primarily attributable to the increased demands for our blockbuster products across multiple geographic and sales channels, such as Peelerz and 4D gummies. With expansion of Biobor into more markets, we expect the revenue contribution of Biobor will gradually increase.

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS

The following table sets forth our cash flows for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows from operating activities	126,199	112,813	588,532
Net cash flows (used in) investing activities	(306,128)	(67,536)	(478,282)
Net cash flows from/(used in) financing activities	188,634	(28,567)	(4,424)
Net increase in cash and cash equivalents	8,705	16,710	105,826
Cash and cash equivalents at beginning of year	167,486	179,900	204,935
Effect of foreign exchange differences, net	3,709	8,325	7,228
Cash and cash equivalents at the end of the year	179,900	204,935	317,989

For details, see “Financial Information — Liquidity and Capital Resources.”

SUMMARY

DIVIDENDS

During the Track Record Period, we have declared dividend of RMB32.3 million, RMB42.1 million and RMB455.9 million for the year ended December 31, 2023, 2024 and 2025, respectively. After the Track Record Period and as of the date of this Document, we did not declare any dividends to our Shareholders.

According to applicable laws in the PRC and our Articles of Association, dividends may be paid only out of distributable profit and we may distribute after-tax profits after making up losses and appropriation of statutory reserves. Any future determination to pay dividends, as well as the amount will be made at the discretion of our Board of Directors which will be subject to the shareholder approval processes and may be based on a number of factors, including but not limited to our future operations and earnings, capital requirements and surplus, cash flows and general financial condition, contractual restrictions, taxation and other factors from time to time that the Board of Directors may deem relevant, and will also be subject to our Articles of Association and constitutional documents, as well as applicable laws and regulations. Any future declarations and payments of dividends may or may not reflect the historical declarations and payments of dividends. Currently, we do not have a dividend policy or a pre-determined dividend rate.

FUTURE PLANS AND USE OF [REDACTED]

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

We intend to use the net [REDACTED] as follows: (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to optimizing and expanding our global manufacturing network, further strengthening our production capacity in key markets; (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to expand the international presence of our operations and deepen the global sales channel network; (iii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to continuously advancing global brand building and localized marketing to enhance the global influence of our brand; (iv) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strength our R&D investment to achieve global product R&D expansion and product portfolio enhancement; (v) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to comprehensive corporate digital transformation and upgrading; (vi) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to potential investment and acquisition opportunities; (vii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for working capital and general corporate purposes. For details, see “Future Plans and Use of [REDACTED].”

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include (i) [REDACTED]-related expenses, such as [REDACTED] fees and [REDACTED], and (ii) non-[REDACTED]-related expenses, comprising professional fees paid to our legal advisers and reporting accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] expenses (based on the mid-point of the [REDACTED] range and [assuming that the [REDACTED] is not exercised]) for the [REDACTED] are approximately RMB[REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED]-related expenses of RMB[REDACTED], professional fees for our legal advisers and reporting accountants of RMB[REDACTED] and other fees and expenses of RMB[REDACTED]. An estimated amount of RMB[REDACTED] for our [REDACTED] expenses, accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and an estimated amount of RMB[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. We did not recognize any [REDACTED] expenses in 2023 and 2024. We recognized [REDACTED] expenses of RMB[REDACTED] in 2025, in our consolidated statements of profit or loss and other comprehensive income.

SUMMARY

[REDACTED]

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion the [REDACTED], the group of Controlling Shareholders (comprising Mr. Ma and the Employee Shareholding Platforms of which Mr. Ma is their respective general partner) will be, in aggregate, entitled to control the exercise of approximately [REDACTED]% of the voting rights (assuming the [REDACTED] is not exercised) or approximately [REDACTED]% of the voting rights (assuming the [REDACTED] is exercised in full) and thus remain as a group of Controlling Shareholders.

PRE-[REDACTED] INVESTMENTS

We received investments from our Pre-[REDACTED] Investors, namely Xingtian Investment, Zhuhai Xinyi, Wuhan Xinmeng, Nanhai Chengzhang, Tongchuang Caijin and Yinji Guangda. Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the Pre-[REDACTED] Investors will hold approximately [REDACTED]% of the issued Shares. For further details of the identities and background of the Pre-[REDACTED] Investors and the principal terms of the Pre-[REDACTED] Investments, see “History, Development and Corporate Structure — Pre-[REDACTED] Investments.”

LEGAL PROCEEDINGS AND COMPLIANCE

Our Directors, as advised by our PRC Legal Adviser, confirm that we had complied with the relevant PRC laws and regulation in all material respects during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we were not subject to any claims, damages, or losses that would have a material adverse effect on our financial position or results of operations as a whole.

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, as of the date of this Document, there has been no material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects since December 31, 2025, the end of the period reported on the Accountant’s Report included in Appendix I to this Document; and there has been no event since December 31, 2025 which would materially affect the information presented in the Accountant’s Report set out in Appendix I to this Document.

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms and expressions have the meanings set forth below. Certain other terms are explained in “Glossary of Technical Terms”.

“AED”	United Arab Emirates dirham, the lawful currency of United Arab Emirates
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council (會計及財務匯報局)
“Amos Gongchuang”	Shenzhen Amos Gongchuang Investment Partnership (Limited Partnership) (深圳市阿麥斯共創投資合夥企業(有限合夥)), a limited partnership established in the PRC on April 13, 2026, an Employee Shareholding Platform, and one of our Controlling Shareholders
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in Appendix IV to this Document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“AUD”	Australian dollar, the lawful currency of Australia
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of our Company
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAN”	Canadian dollar, the lawful currency of Canada
“CAGR”	compound annual growth rate

[REDACTED]

“China” or “PRC”	the People’s Republic of China which, for the purpose of this Document and for geographical reference only, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Co-founder(s)”	collectively and individually, Mr. Ma, Mr. Ma Hongfan, Ms. Wu, and Mr. Ye
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”, “our Company” or “the Company”	Amos Food (Group) Co., Ltd. (阿麥斯食品 (集團) 股份有限公司) (formerly known as Shenzhen AMOS Sweets & Foods Co., Ltd. (深圳市金多多食品有限公司)), a limited liability company established in the PRC on September 16, 2004, and converted into a joint stock limited company on March 10, 2026
“Compliance Adviser”	Somerley Capital Limited
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and as the context requires, refers to Mr. Ma, Gongqingcheng Gongchuang and Amos Gongchuang as further described in “Relationship with our Controlling Shareholders”
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSDC”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會)
[REDACTED]	
“Director(s)” or “our Director(s)”	the director(s) of our Company
“Employee Shareholding Platform(s)”	collectively and individually, Gongqingcheng Gongchuang and Amos Gongchuang
“EIT”	enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), which was issued on March 16, 2007 and latest amended by the SCNPC and implemented on December 29, 2018

DEFINITIONS

“EUR” European dollar, the lawful currency of Europe

[REDACTED]

“Extreme Conditions” extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale with serious extreme and widespread impact, such as large-scale power outage, extensive flooding, major landslides and serious obstruction of public transport services

[REDACTED]

“Frost & Sullivan” Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent professional market research and consulting company

“Frost & Sullivan Report” an independent market research report commissioned by us and prepared by Frost & Sullivan for the purposes of this Document

“GBP” British pound, the lawful currency of the United Kingdom

[REDACTED]

“Gongqingcheng Gongchuang” Gongqingcheng Amos Gongchuang Investment Partnership (Limited Partnership) (共青城金多多共創投資合夥企業(有限合夥)), a limited partnership established in the PRC on November 23, 2020, an Employee Shareholding Platform, and one of our Controlling Shareholders

“Group,” “our Group,” “we” or “us” our Company and its subsidiaries from time to time

“Guide for New Listing Applicants” the Guide for New Listing Applicants published by the Stock Exchange, as amended from time to time

“H Share(s)” overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB1.00 each, to be subscribed for and traded in HK dollars and to be listed on the Hong Kong Stock Exchange

[REDACTED]

DEFINITIONS

“HK\$”, “HKD” or “Hong Kong dollar”

Hong Kong dollar, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong” or “HK”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”

the Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

“IDR”

Indonesian rupiah, the lawful currency of Indonesia

DEFINITIONS

“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning of the Hong Kong Listing Rules
“Independent Transfer Pricing Consultant”	Ernst & Young (China) Advisory Limited (安永(中國)企業諮詢有限公司), our tax consultant with respect to transfer pricing arrangements of the Group

[REDACTED]

“Joint Sponsors”	the joint sponsors of the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]”
“Latest Practicable Date”	April 19, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this Document prior to its publication

[REDACTED]

DEFINITIONS

“Listing Committee”	the Listing Committee of the Hong Kong Stock Exchange
[REDACTED]	
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with Growth Enterprise Market of the Hong Kong Stock Exchange
“Ministry of Finance” or “MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Ma”	Mr. Ma Enduo (馬恩多), our co-founder, an executive Director, chairman of our Board and our chief executive officer, and one of our Controlling Shareholders
“Mr. Ma Hongfan”	Mr. Ma Hongfan (馬紅帆), an executive Director, vice president of our Group and general manager of production centre
“Mr. Ye”	Mr. Ye Hai (葉海), an executive Director, vice president of our Group and general manager of supply chain centre
“Ms. Wu”	Ms. Wu Weijia (伍薇佳), an executive Director, executive vice president of our Group and general manager of global business
“MXN”	Mexican peso, the lawful currency of Mexico
“MYR”	Malaysian ringgit, the lawful currency of Malaysia
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NPC”	the National People’s Congress (中華人民共和國全國人民代表大會)
“NPCSC”	the Standing Committee of National People’s Congress (中華人民共和國全國人民代表大會常務委員會)
“Nomination Committee”	the nomination committee of the Board

DEFINITIONS

[REDACTED]

“Overall Coordinators”	the overall coordinators of the [REDACTED] as named in “Directors and Parties Involved in the [REDACTED]”
“PBOC”	the People’s Bank of China, the central bank of the PRC
“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC Government” or “State”	the central government of the PRC, including all governmental subdivisions (including principal, municipal and other regional or local government entities) and instrumentalities
“PRC Legal Adviser”	Sundial Law Firm, our legal adviser as to PRC laws, including as to PRC cybersecurity and data privacy law
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors pursuant to the respective equity transfer agreement(s) and capital increase agreement(s), details of which are set out in “History, Development and Corporate Structure”
“Pre-[REDACTED] Investor(s)”	the investor(s) who participated in our Pre-[REDACTED] Investments, details of which are set out in “History, Development and Corporate Structure”

DEFINITIONS

[REDACTED]

“Document”	this document being issued in connection with the [REDACTED]
“QIB(s)”	qualified institutional buyer(s) within the meaning of Rule 144A
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation (國家市場監督管理總局)
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SFC”	the Securities and Futures Commission of Hong Kong
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shanghai Stock Exchange, [REDACTED] and CSDC for the establishment of mutual market access between Hong Kong and Shanghai
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, comprising Unlisted Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links program developed by the Hong Kong Stock Exchange, Shenzhen Stock Exchange, [REDACTED] and CSDC for the establishment of mutual market access between Hong Kong and Shenzhen

DEFINITIONS

“Sponsor-OCs”	the sponsor-overall coordinators as named in “Directors and Parties Involved in the [REDACTED]”
“STA”	the State Taxation Administration of the PRC (國家稅務總局)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
	[REDACTED]
“Strategy and ESG Committee”	the strategy and environment, social and governance committee of the Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-back issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the periods comprising the three financial years ended December 31, 2023, 2024 and 2025
“Trial Measures”	the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), promulgated by the CSRC on February 17, 2023, and came into effect on March 31, 2023
“U.S.” or “United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollar”, “US\$” or “USD”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended and supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

[REDACTED]

“Unlisted Share(s)”	ordinary share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange

[REDACTED]

DEFINITIONS

[REDACTED]

“VAT”	value-added tax
“VND”	Vietnamese dong, the lawful currency of Vietnam
“%”	percent

Unless otherwise specified, all references to any shareholdings in our Company following the completion of the [REDACTED] assume that the [REDACTED] is not exercised.

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this Document are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this Document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.

GLOSSARY OF TECHNICAL TERMS

In this Document, unless the context otherwise requires, explanations and definitions of certain terms used in this Document in connection with our Company and our business shall have the meanings set out below. The terms and their meanings may not always correspond to standard industry meaning or usage of these terms.

“4D gummy”	a type of gummy confectionery product that combines a sculpted three-dimensional form with an additional experiential element, such as staged flavour or texture release, interactive eating experiences or dynamic multi-sensory effects
“BRCGS A+”	a grade rating awarded under the BRCGS Global Standard for Food Safety (Issue 9) following an unannounced independent certification audit, indicating that a manufacturing facility achieved a high level of compliance with the applicable food safety, quality and operational requirements, with only a limited number of minor non-conformities identified during the audit; under the BRCGS grading system for unannounced audits, grades range from AA+ (highest) through A+, B+, C+ to D+
“depositing”	a manufacturing process in confectionery production whereby a liquid or semi-liquid candy mass is precisely metered and dispensed into forming cavities, such as starch moulds or silicone moulds, for subsequent cooling, setting and demoulding
“formulation”	the process of selecting, combining and proportioning ingredients to create a specific confectionery product composition; or, where the context so requires, the resulting recipe or ingredient specification itself
“FSSC 22000”	Food Safety System Certification 22000, an internationally recognised food safety management system certification scheme developed by the Foundation FSSC, which integrates ISO 22000 with applicable sector specific prerequisite programmes (such as ISO/TS 22002-1 for food manufacturing) and additional FSSC requirements, and which is recognised by the Global Food Safety Initiative (GFSI)
“HACCP”	Hazard Analysis and Critical Control Points, a systematic preventive approach to food safety that identifies, evaluates and controls significant hazards throughout the production and processing stages by establishing critical control points, monitoring procedures and corrective actions, rather than relying solely on end-product testing
“ISO 9001”	the international standard for Quality Management Systems set by the International Organization for Standardization, which provides a framework for organizations to ensure they meet customer and regulatory requirements through continuous improvement
“ODM”	Original Design Manufacturer, a business model in which a manufacturer designs, develops, and produces a product or product component, which is then branded and sold by another company under its own name

GLOSSARY OF TECHNICAL TERMS

“OEM”	Original Equipment Manufacturer, a company that manufactures finished products (or, in certain industries, components) to a customer’s specifications, which are then sold under the customer’s brand name; in the confectionery and broader FMCG industries, the term is commonly used interchangeably with contract manufacturing or private-label manufacturing
“peelable gummy”	a type of gummy confectionery product designed with a layered or coated structure that allows the outer layer, or a section of it, to be peeled away by hand from the inner portion prior to or during consumption
“probiotic gummy”	a type of nutritional gummy confectionery product that is formulated with active probiotic cultures or probiotic-derived ingredients

FORWARD-LOOKING STATEMENTS

We have included in this Document forward-looking statements. Statements that are not historical facts, including but not limited to statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This Document contains forward-looking statements and information relating to us and our subsidiary that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this Document, the words “aim,” “anticipate,” “believe,” “could,” “expect,” “going forward,” “intend,” “may,” “ought to,” “plan,” “project,” “seek,” “should,” “will,” “would,” “vision,” “aspire,” “target,” “schedules,” and the negative of these words and other similar expressions, as they relate to us or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialize or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in this Document, some of which are beyond our control and may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing us which could affect the accuracy of forward-looking statements include, but are not limited to, the following: (i) our operations and business prospects; (ii) our ability to maintain relationship with, and the actions and developments affecting, our major customers and suppliers; (iii) future developments, trends and conditions in the industries and markets in which we operate or plan to operate; (iv) general economic, political and business conditions in the markets in which we operate; (v) changes to the regulatory environment in the industries and markets in which we operate; (vi) our ability to maintain the market positions; (vii) the actions and developments of our competitors; (viii) our ability to effectively contain costs and optimize pricing; (ix) the ability of third parties to perform in accordance with contractual terms and specifications; (x) our ability to retain senior management and key personnel and recruit qualified staff; (xi) our business strategies and plans to achieve these strategies, including our expansion plans; (xii) our ability to defend our intellectual rights and protect confidentiality; (xiii) the effectiveness of our quality control systems; (xiv) change or volatility in interest rates, foreign exchange rates, equity prices, trading volumes, commodity prices and overall market trends; including those pertaining to the industry and markets in which we operate; (xv) capital market developments; (xvi) our dividend policy; and (xvii) all other risks and uncertainties described in “Risk Factors” and elsewhere.

By their nature, certain disclosures relating to these and other risks are only estimates and should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected, as well as from historical results. Specifically, but without limitation, sales could decrease, costs could increase, capital costs could increase, capital investment could be delayed and anticipated improvements in performance might not be fully realized.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this Document, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Document might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this Document are qualified by reference to the cautionary statements in this section.

In this Document, statements of or references to our intentions or those of the Directors are made as of the date of this Document. Any such information may change in light of future developments.

RISK FACTORS

An [REDACTED] in our H Shares involves various risks, some of which could be significant. You should carefully consider all of the information in this Document, including the risks and uncertainties described in this “Risk Factors” section, before making an [REDACTED] in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material and adverse effect on our business, financial condition, and results of operations. In any such case, the [REDACTED] of our H Shares could decline, and you may lose all or part of your [REDACTED]. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-Looking Statements”.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business and future growth prospects rely on consumer demand for our products. Any shift in consumer demand, or failure in product innovation may materially and adversely affect our business and results of operations.

Our business relies on consumer demand for our products, which depends substantially on factors such as (i) economic growth and increasing disposable income; (ii) public attitudes and consumer preference; (iii) diversified consumption scenarios and increasing consumption frequency; and (iv) continuous upgrade of existing products and introduction of new products. Changes in any of the above at any time could result in decline in consumer demand for our products.

We cannot assure you that our product portfolio will continuously lead or capture the market trends. Any changes in consumer preferences and tastes, or any of our failure to anticipate, identify or adapt to market trends, may impose downward pressure on sales and pricing of our products or lead to increases in selling and distribution expenses, and therefore materially and adversely affect our business and results of operations.

In addition, product innovation is vital to our success in the competitive confectionery market. During the Track Record Period, our product development efforts mainly focused on upgrading existing products and developing new products to meet changing consumer demands. However, rapidly evolving consumer trends, rising customer’s healthy expectations or food safety standards, and intensifying competition pose significant challenges. Failing to keep pace could weaken our competitiveness and require additional investment in reformulation and process upgrades. There is no assurance our product development efforts will succeed within planned timelines or budgets. Unsuccessful launches may result in adverse effect on sales revenue, and even successful ones may fail to win consumer demand or meet sales and profit targets. Some product development spending also supports long-term capabilities which may not yield immediate returns.

Our business depends on market recognition of our brand. Any damage to our brand, trademarks or reputation, or failure to effectively promote our brand, could materially and adversely impact our business and results of operations.

Brand image is a key factor in consumer purchase decisions. We believe our success depends substantially on the popularity of our brand and our reputation for confectionery products that appeal to consumers. Therefore, maintaining and enhancing the recognition and image of our brand are critical to our ability to differentiate our products and to compete effectively. Any complaint, claim or negative publicity against us or our products, even if meritless or immaterial to our operations, could damage our brand and reputation. Any actual or perceived food safety concerns, contamination, spoilage or other product misbranding or tampering may lead to the erosion of our brand and damage to our brand value. Furthermore, our brand also depends on our ability to respond to competitive pressures effectively. If we fail to do so, the value of our brand or reputation may be diminished and our business and results of operations may be materially and adversely affected.

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Global operation exposes us to inherent risks, which will persist as we further expand our international footprint. Shifts in the global economic landscape, along with evolving diplomatic and trade relations, could negatively impact our operating results and lead to fluctuations to the demand for our products.

Our products are sold to 80 countries and regions as of the Latest Practicable Date. During the Track Record Period, overseas revenues accounted for a majority of our total revenues and amounted to RMB565.3 million, RMB1,068.3 million and RMB2,145.3 million in 2023, 2024 and 2025, respectively, representing 52.8%, 68.0% and 77.1% of our revenue in the respective year. In addition, we are planning to expand our overseas production capacity by establishing a manufacturing facility in Vietnam, which is expected to commence operation by or around the end of 2026. With our global presence, we may be subject to the following risks: (i) difficulties in providing products, services and support, in recruiting personnel in overseas markets, and in managing sales channels and distribution networks effectively; (ii) potential fluctuation in periodic revenue due to unfavorable market conditions, intensified competition, unattractive products and services, downward pricing pressure, and any other inherent risks associated with our international business operations; (iii) challenges in commercializing our products in new markets where we have limited experience with the local market dynamics and no existing or developed sales, distribution and marketing infrastructure; (iv) increased vulnerability to operational disruptions caused by issues with third-party partners, including their financial instability, insolvency, labor disputes, manufacturing capabilities, costs structures, insurance, natural disasters, public health emergencies or other catastrophic events; (v) difficulties navigating unfamiliar regulatory frameworks, engaging with regulatory authorities, and complying with government policies to secure necessary manufacturing, import, marketing, and sales permits/licenses across jurisdictions; (vi) potential limitations in IP right protection and risks of infringing on third-party intellectual rights; (vii) divergent accounting standards across jurisdictions, potential adverse tax implications, and foreign exchange losses; (viii) challenges in effectively upholding contractual or legal rights in international contexts; and (ix) exposure to changes in local laws, regulations and policies as well as political, economic and market instability or civil unrest within operating jurisdictions. If we are unable to effectively avoid or mitigate these risks, our ability to expand in overseas markets will be impaired, or our international business may not be able to sustain profitability, which could have a material and adverse effect on our business, financial condition, and results of operations.

In particular, our operating results are influenced by macroeconomic conditions worldwide. Global economic conditions exhibit significant regions variations and are prone to substantial volatility. There is no assurance as to how the trade tensions may evolve or whether there will be any changes to the scope and extent of goods that are or will be subject to such export controls, sanctions, tariffs, or new trade policies. We cannot predict the implications of the ongoing trade tensions and the impact on our industry and the global economy. In addition, any economic downturn, slowing growth rates, or other adverse economic conditions in our operating markets could materially and adversely affect our business, financial condition, and results of operations.

Our global operations expose us to dynamic international regulatory, social, and political environments. These factors give rise to multifaceted risks, including cross-border legal compliance complexities, exposure to potential disputes and litigation, geopolitical uncertainties, volatile local market dynamics, trade restrictions or prohibitions, foreign exchange fluctuations, intense competition, and varying tax regimes. Consequently, the geopolitical relationships between jurisdictions in which we operate directly influence our cost structure, product demand, and business collaboration with local partners. Escalating tensions or political concerns in these regions may materially and adversely affect our business, results of operations and prospects.

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Changes in international trade policies, geopolitics and trade protection measures and tariffs, export control and economic or trade sanctions may affect our business, financial condition, and results of operations.

Our business operations and financial performance can be influenced by various factors related to international trade policies, geopolitics, and trade protection measures, including export controls and economic or trade sanctions. For example, in 2023, 2024 and 2025, we incurred tariff costs amounted to RMB6.0 million, RMB31.7 million and RMB107.9 million, respectively, with the increase in 2025 primarily due to the tariffs imposed by the U.S. government. Additionally, the United States continues to assess the tariff rates it will impose on other jurisdictions, which might directly or indirectly impact our business or financial performance. These evolving policies have adversely affected the global economy and financial markets. Given the rapid transformation, forecasting future implications remains challenging. New tariffs, legislation, or regulatory changes, particularly retaliatory actions amid heightened global trade tensions, could materially affect our business. In extreme cases, such conflicts could result in economic downturns that materially and adversely impact our business, financial condition, and results of operations.

Additionally, alterations in trade protection measures, such as the imposition of anti-dumping duties, countervailing duties, or safeguard measures, may lead to higher costs or restrictions on our exports. Moreover, export controls and economic or trade sanctions can impose limitations on our ability to export products or conduct business in specific markets. Non-compliance with these controls and sanctions can result in legal penalties, reputational harm, and the loss of export privileges.

We operate in a highly competitive industry. Failure to compete effectively could adversely affect our market share, growth and profitability.

We operate in the confectionery industry, which is highly competitive, and the competition may further intensify. Some of our competitors, may have been in their respective businesses longer than we have and may have substantially greater financial, research and development and other resources than us. We also cannot assure you that our current or potential competitors will not market products comparable or superior to those we provide or adapt more quickly to evolving industry trends or changing market demand. Any of these events may cause our market share, business and results of operations to be adversely affected.

Furthermore, competition may cause our competitors to substantially increase their advertising and promotional activities or to engage in irrational or predatory pricing behavior. In particular, the prevalence of low-quality, low-price products could distort market perceptions of value, intensify price-based competition, and compel us to adjust our pricing or promotional strategies in ways that may affect our brand positioning or profitability. We cannot guarantee that our marketing efforts will be sufficient to compete with our competitors. An increase in competition could require us to continue to increase our promotion and advertising expenses, which might place pressure on our margins and affect our profitability. Additionally, competition may result in price reductions, reduced margins and loss of market shares for us, any of which could have an adverse impact on our results of operations. We also cannot assure you that our competitors will not actively engage in activities, whether legal or illegal, designed to undermine our brands and product quality or to influence consumer confidence in our products.

The confectionery industry is competitive with respect to, among other things, brand recognition, flavor, product quality and consistency, services, prices, and sales and distribution channels. Furthermore, new competitors may emerge from time to time, which may further intensify the competition. In particular, competitors may start to offer confectionery products that are similar to our products. There are also many well-established competitors with substantially greater financial, marketing, personnel and other resources than ours. Furthermore, our ability to maintain our leadership is subject to the entry of new competitors. For more information related to the competitive landscape of our industry, see “Industry Overview — Entry Barriers of the Global Sugar Confectionery Market”.

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Our ability to effectively compete will depend on various factors, including the successful implementation of our sales and distribution network expansion strategy, and our ability to improve existing products, to develop and launch new products, and to enhance production capacity and efficiency. Failure to successfully compete may prevent us from increasing or sustaining our revenue and profitability and potentially lead to a loss of market share, which could have a material and adverse effect on our business, financial condition, results of operations and cash flows.

Any failure to maintain food safety and consistent quality could have a material and adverse effect on our brand, business and financial performance.

Food safety and quality are critical to our reputation and success. Maintaining consistent quality and food safety depends significantly on the effectiveness of our quality control systems, which cover raw materials, production, storage, delivery, and sales. These systems rely on factors such as their design, our ability to ensure that employees and third-party partners adhere to established policies, and timely detection of any defects. We cannot guarantee that our systems will be effective at all times, that employees will never make errors, or that third-party suppliers, OEM, logistics providers, distributors, or retail partners will consistently meet our quality standards. Any failure by these external parties could lead to inventory obsolescence or compromised product integrity.

We face inherent risks of food contamination, quality deviations, and associated liability claims. Undetected contamination or quality issues could result in product-liability claims, reduced customer satisfaction, negative publicity, government scrutiny, administrative actions, product recalls, and increased returns. In cases involving contaminated raw materials, we may need to negotiate with or litigate against suppliers, which could entail substantial costs, diversion of resources, and uncertain outcomes. Even if contractual compensation clauses exist, they may not fully cover our tangible or intangible losses, and court-awarded remedies may be difficult to enforce or inadequate. Any such event could materially harm our brands, reputation, operational results, financial condition, and business prospects.

Counterfeit products may significantly harm our reputation and brand image and divert potential customers.

Our established brand recognition has attracted imitators who imitate our products and brands without our authorization. Counterfeit products may divert our existing and potential customers. Any unauthorized use of our trademarks and imitation of our products could adversely affect our brand name and reputation, thereby causing a decline in our financial performance, reduction in our market share as well as an increase in the amount of time and resources we need to devote to detection and prosecution of unauthorized use of our trademarks or imitation of our products. We have adopted certain measures to crack down on counterfeit products. However, we cannot assure you that any of our measures will provide effective prevention for unauthorized third-party use of our trademarks or imitation of our products which could adversely affect our reputation, results of operations and financial condition.

Adverse publicity involving us, our products, our Directors, our management team, our influencers and celebrity endorsers, our competitors or our industry could materially and adversely impact our business and results of operations.

The food industry is highly sensitive to concerns surrounding food safety, quality, and public health. Negative publicity or media reports, whether accurate or not, related to these issues can have a material adverse effect on the industry as a whole. As a result, any such negative coverage, whether directed at our Company specifically or at the industry in general, could significantly harm our brand, business, and operating results.

However, despite our efforts to innovate, public discourse around the potential health risks, including sugar consumption, may still negatively influence consumer perception and behavior, thereby affecting our business and financial performance. Given our leadership position in the industry, we may be subject to heightened public scrutiny. Defending against such criticism can be costly and resource-intensive. Even unsubstantiated complaints or legal claims could divert management attention and operational resources, potentially disrupting our business and adversely impacting our financial results.

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Additionally, we have invested substantially in building our brand, including through KOL partnerships and marketing campaigns. A decline in the popularity of these influencers or any negative publicity involving our celebrity endorsers could damage our brand reputation and lead to reduced sales and profitability.

Our sales and marketing activities may not be effective.

Our operating results are dependent on our brand marketing efforts and advertising activities. We continuously invest in our brands to further raise brand recognition and acceptance and engage in marketing campaigns to promote our products. We utilize tailored and creative branding and marketing strategies, which have achieved positive results. We expect to continue to adopt such strategies in the future. We incurred selling and distribution expenses of RMB198.9 million, RMB266.7 million and RMB429.5 million, respectively, in 2023, 2024 and 2025, representing 18.6%, 17.0% and 15.4%, respectively, of our total revenue for the corresponding periods. However, if our marketing and advertising programs do not continue to be successful, our business and operating results may be materially and adversely affected. In addition, we believe marketing trends in China and overseas are evolving, which requires us to experiment with new marketing strategies to keep pace with industry developments and consumer preferences. Moreover, as we continue to build up our online platform, we expect our marketing expenses relating to cooperation with online channels to continue to increase.

We rely on key accounts and third-party distributors to place our products into the market.

We rely on key accounts and third-party distributors to sell our products. In 2023, 2024 and 2025, our revenue generated from key account customers amounted to RMB702.6 million, RMB1,143.6 million, and RMB1,804.5 million, representing 65.6%, 72.8% and 64.9% of our revenue, respectively, our sales to distributors amounted to RMB316.0 million, RMB311.9 million, and RMB836.9 million, representing 29.5%, 19.8% and 30.0% of our revenue, respectively. As we mainly sell and distribute our products through such third parties, any one of the following events could cause fluctuations or declines in our revenue and could have an adverse effect on our financial condition and results of operations: (i) reduction, delay or cancelation of orders from one or more of our key accounts and distributors; (ii) selection or increased sales by our key accounts and distributors of our competitors’ products; (iii) failure to renew agreements and maintain relationships with our existing key accounts and distributors; (iv) less favorable shelf placement and reduced shelf space for key accounts; (v) failure to establish relationships with new key accounts and distributors on favorable terms; and (vi) inability to timely identify and appoint additional or replacement partners upon the loss of one or more of our key accounts and distributors.

We may not be able to compete successfully against larger and better-funded sales and marketing campaigns of some of our current or future competitors, especially if these competitors provide their sales channels with more favorable arrangements. We cannot assure you that we will not lose any of our key accounts or distributors to our competitors, which could cause us to lose some or all of our favorable arrangements with such key accounts and distributors and may result in the termination of our relationships with other key accounts and distributors. In addition, we may not be able to successfully manage our key accounts and distributors and the cost of any further expansion of our sales network may exceed the revenue generated from these efforts. There can be no assurance that we will be successful in detecting any non-compliance by our key accounts and distributors with the provisions of relevant agreements. Non-compliance by our key accounts and distributors could, among other things, negatively affect our brand, demand for our products and our relationships with other key accounts and distributors. The occurrence of any of these factors could result in a significant decrease in the sales volume of our products and therefore adversely affect our financial condition and results of operations.

During the Track Record Period, some of our distributors may further sell our products to sub-distributors. In general, we do not enter into contracts with such sub-distributors, thus having no direct control over sales activities of such sub-distributors. See “Business — Our Sales Channels.” We cannot assure you that the sub-distributors will at all times comply with our sales policies or that they will not compete with each other for market share in respect of our products. If any of the sub-distributors fail to distribute our products to their customers in a timely manner, overstock, or carry out actions which are inconsistent with our business strategy, it may affect our future sales. This may in turn materially and adversely affect our business, financial condition, and results of operations.

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We depend on a stable and adequate supply of raw materials which are subject to price volatility and other risks. Inadequate or interrupted supply and price fluctuation for our raw materials could adversely affect our profitability.

The primary raw materials that we use in the production of our products include but not limited to gelatin, white granulated sugar and glucose syrup. During the Track Record Period, our raw material costs amounted to RMB449.8 million, RMB575.6 million and RMB876.8 million, respectively, in 2023, 2024 and 2025, accounting for 42.0%, 36.6% and 31.5%, respectively, of total revenue over the same periods. As a result, our production volume and production costs depend on our ability to source key raw materials at competitive prices. The raw materials we use are subject to price volatility caused by external factors, such as commodity price fluctuations, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation, and governmental regulations and policies. If we are unable to obtain raw materials in the quantities, of a quality or at a price that we require, our production volume, quality of products and profit margins may be adversely affected.

Our raw material costs increased during the Track Record Period, which was in line with the growth of our business operations. There is no assurance that our raw material costs will not increase significantly in the future. As a result, any significant price increase of our raw materials may have an adverse effect on our profitability and results of operations. Also, if we were to increase price, we may not be able to completely pass on the increase in cost of raw materials to consumers. Also, such an increase in price may adversely affect our demand.

If all or a significant number of our suppliers for any particular raw material are unable or unwilling to meet our requirements, we could suffer shortages or significant cost increases. Our raw material suppliers could fail to meet our needs for various reasons, including fires, natural disasters, weather, manufacturing problems, epidemic, crop failure, strikes, transportation interruptions, or government regulation. A failure of supply could also occur due to suppliers’ financial difficulties, including bankruptcy. Changing raw material suppliers may require long lead time. We may not be able to locate alternative suppliers in sufficient quantities, of suitable quality, or at an acceptable price. Continued supply disruptions could exert pressure on our costs, and we cannot assure you that all or part of any increased costs can be passed along to our customers in a timely manner or at all, which could negatively affect our business, overall profitability and financial performance.

We face risks related to production disruptions, manufacturing liabilities, and uncertainties in expanding our production capacity to meet market demand.

Our business relies on the efficient and safe operation of our own production facilities as well as selected third-party OEM partners. In our own facilities, we enforce strict internal safety protocols covering occupational safety, fire prevention, equipment handling, and chemical usage. However, given the complexity of our manufacturing processes, we cannot guarantee full employee compliance or the prevention of all potential accidents. Manufacturing accidents, whether due to human error, equipment malfunction, or unforeseen events, may lead to employee injury or death, operational disruptions, legal liabilities, reputational damage, and unanticipated costs. Moreover, our current insurance coverage may be insufficient to fully address such liabilities, which could materially and adversely affect our financial condition and results of operations. See “— Our existing insurance coverage may be inadequate to fully address losses and liabilities arising from various operational risks and hazards, including potential product liability claims.” In addition, we engage third-party OEM partners for certain products. Any disruptions, quality issues, financial instability, or regulatory non-compliance affecting these partners could negatively impact our supply continuity, product quality, and overall business performance.

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We may fail to maintain sufficient production capacity, and even if our production expansion projects proceed as planned, timely or full achievement of the anticipated production output increase remains uncertain.

To meet growing market demand, we have undertaken initiatives to expand our production capacity. For example, we are planning to expand our manufacturing capacity by establishing a production facility in Vietnam, which will commence operation by or around the end of 2026. This expansion involves significant commitments of financial resources, management attention, and coordination, including recruiting and integrating additional personnel, scaling infrastructure, and managing increased overhead and support costs. It also entails risks related to budgeting, forecasting, procurement, and process control, as well as obtaining the necessary governmental permits, licenses, certifications, and inspections. Delays or failures in securing these approvals or completing regulatory processes could postpone or prevent the expansion altogether, adversely impacting our ability to grow and serve customer demand. In addition, the anticipated cost-saving benefits from production ramp-up and supply chain management may not be fully achieved. Potential production inefficiencies during scale-up, coupled with challenges in securing cost-competitive inputs and managing a geographically dispersed supply network, could erode projected economies of scale. Furthermore, the global layout of production capabilities may not proceed as originally planned. Operational, cultural, and systemic gaps product sites in different regions may hinder seamless coordination, slow decision-making, and limit synergy realization. These factors collectively pose risks to the expected cost efficiencies, return on investment, and strategic coherence of the expansion initiative.

Even if capacity expansion proceeds as planned, there is no assurance we can ramp up production output in a timely or cost-effective manner. Key challenges include supplier or equipment delays, raw material price volatility, unexpected equipment performance issues, difficulties configuring manufacturing lines, and limitations in technical expertise. In addition, scaling from pilot to commercial-scale manufacturing involves complex technical hurdles, including process reproducibility, quality consistency, validation of safety and reliability standards, and timely sourcing of compliant raw materials. Modifications to production processes may inadvertently introduce errors, leading to production halts, defects, or delays. Failure to maintain robust quality assurance could result in increased product returns, customer dissatisfaction, higher warranty costs, and logistical inefficiencies.

In addition, we engage third-party OEM manufacturing partners to manufacture certain products. However, there is a risk that these partners may not have sufficient production capacity to meet our demand or being able to prioritize our orders during periods of rapid growth or market surges. This could result in manufacturing bottlenecks, delayed order fulfillment, and an inability to capitalize on timely market opportunities, potentially impacting our revenue and customer relationships.

Should we encounter difficulties in scaling production capacity or maintaining operational stability, we may be unable to meet customer demand, fulfill orders, or achieve our growth targets. This could damage our reputation, lead to customer attrition, and materially and adversely affect our business, financial condition, and results of operations.

Our historical financial conditions and results of operations are not representative of our future performance. If we are unable to manage our growth effectively, we may not be able to capitalize on new business opportunities and our business and financial results may be materially and adversely affected.

We experienced rapid expansion during the Track Record Period and plan to further expand in the future. Our total revenue increased by 46.8% from RMB1,070.4 million in 2023 to RMB1,571.3 million in 2024 and further increased by 77.1% to RMB2,782.1 million in 2025.

Our ability to further increase our production capacity is critical to support our stable and continuous business growth, which involves additional costs and uncertainties. In addition, to manage and support our growth, we must improve our existing operational and administrative systems as well as our financial and management controls. Our continued success also depends on our ability to recruit, train and retain

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qualified management personnel as well as other administrative and sales and marketing personnel, particularly when we expand into new markets. We also need to continue to manage our relationships with our suppliers and customers. All of these endeavors will require substantial management resources. As a result, our revenue and results of operations in future may fluctuate significantly and our results for a given period during the Track Record Period are not necessarily indicative of results to be expected for our operations in future. We cannot assure you that we will be able to manage any future growth effectively and efficiently, and any failure to do so may materially and adversely affect our ability to capitalize on new business opportunities, which in turn may have a material and adverse effect on our business and financial performance.

Furthermore, we may not be able to achieve our expansion goals. If we encounter any difficulty in expanding our sales and distribution network, our growth prospects may be adversely affected, which could in turn have a material and adverse effect on our business, financial condition and results of operations.

Additionally, our expansion plans and business growth could strain our managerial, operational and financial resources. Our ability to manage future growth will depend on our ability to continue to implement and improve operational, financial and management information systems on a timely basis and to expand, train, motivate and manage our workforce. We cannot assure you that our personnel, systems, procedures and controls will be adequate to support our future growth. Failure to effectively manage our expansion may lead to increased costs and reduced profitability and may adversely affect our growth prospects. In addition, as we expand our operations, we may encounter regulatory, personnel and other difficulties that may also increase our costs of operations.

Our results of operations are subject to seasonal fluctuations.

Our sales exhibit seasonal fluctuations. This reflects consumer purchasing patterns during major holiday and promotional periods when demand for confectionery increases. As a result, our results of operations may not be comparable in different periods of a given year. Moreover, if we are unable to meet this increased demand during peak periods, our revenue and financial performance may be negatively impacted.

We are exposed to the risks relating to third-party logistics solutions providers.

We engage logistics service providers to store and transport products to our customers. The services provided by our logistics service providers may be suspended or canceled due to unforeseen events, which could cause interruption to the sales or delivery of our products. In addition, delivery delays may occur for various reasons beyond our control, including improper handling by our logistics service providers, labor disputes or strikes, acts of war or terrorism, outbreaks of epidemics, earthquakes and other natural disasters.

During the Track Record Period and as of the Latest Practicable Date, all of our product transportation was provided by independent third-party logistics service providers. Disputes with or a termination of our contractual relationships with one or more of our logistics companies could result in delayed delivery of products or increased costs. There can be no assurance that we can continue or extend relationships with our current logistics companies on terms acceptable to us, or that we will be able to establish relationships with new logistics companies or expand our logistics team to ensure accurate, timely and cost-efficient delivery services. If we are unable to maintain or develop good relationships with logistics companies or expand our logistics team to cover new territories, it may inhibit our ability to offer products in sufficient quantities, on a timely basis, or at prices acceptable to our customers. In addition, as we do not have any direct control over these logistics companies, we cannot guarantee their quality of services. If there is any delay in delivery, damage to products or any other issue, our sales and brand image may be affected.

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Any improper handling of our products by the logistics service providers could also result in product contamination or damage, which may in turn lead to product recalls, product liabilities, increased costs and damage to our reputation, which may in turn adversely affect our business, financial condition and results of operations.

The storage and transportation costs of our logistics service providers are subject to factors beyond our control, such as the fluctuation in the gasoline price, increases in road tolls and bridge tolls, and changes in transportation regulations. Any increase in the service costs of our logistics service providers may lead to an increase to our logistic expenses, which may in turn negatively affect our results of operations.

We may face the risk of inventory obsolescence.

As of December 31, 2023, 2024 and 2025, we had inventories of RMB103.4 million, RMB205.7 million and RMB321.8 million respectively. Our inventory turnover days in 2023, 2024 and 2025 were 51 days, 62 days and 69 days, respectively. During the Track Record Period, we made write-down of inventories of RMB5.5 million, RMB12.3 million and RMB18.1 million in 2023, 2024 and 2025, respectively. See “Financial Information — Current Assets and Liabilities.” Our business relies on consumer demand for our products, which depends substantially on factors such as (i) consumer spending patterns, (ii) consumer preferences and tastes, (iii) consumer income, (iv) consumer perceptions of and confidence in our product quality and food safety, and (v) consumer lifestyle. Any change in consumer demand for our products or the occurrences of catastrophic events may have an adverse impact on our product sales, which may in turn lead to inventory obsolescence, decline in inventory value or inventory write-off.

Any unforeseen or prolonged disruption to our warehousing network could adversely affect our business operations.

In the event that there is any unforeseen and prolonged disruption in the supply of utilities, such as water or electricity, or access to the premises, due to fire or earthquake, and we cannot restore the affected warehouse or relocate to an alternative promptly, our business operations will be materially and adversely interrupted, which in turn will affect our business operations. If a significant incident occurs at any of our warehouses or our prevention measures proved inadequate in the future, we may suffer loss of stored inventory, incur substantial costs to restore or relocate to an alternative, or face regulatory violations leading to administrative penalties from relevant authorities. If such an incident causes damages to other third parties and we are determined to be partially or fully responsible, we may also be required to compensate such damages caused to third parties. Under such circumstances, our business, financial condition, and results of operations may be adversely affected. We engage third party warehousing management companies to operate our facilities, and any mismanagement by these vendors could lead to disruptions in inventory control, supply chain delays, compliance violations, and potential financial losses.

Furthermore, as most of warehouses we operate for providing logistics solutions are leased, we are exposed to risks in relation to unpredictable and increasing rental costs and relocation costs. Renegotiating lease renewals with our landlords may result in increased rental rates or more stringent payment terms, which could adversely affect our profitability and operating results. There is also a risk that we may be unable to successfully extend or renew our leases upon expiration, either on commercially reasonable terms or at all, potentially compelling us to relocate our warehouse. Such relocation may disrupt our operations and incur significant relocation costs and capital expenditures for installing warehousing facilities and technology systems and could in turn adversely affect our financial condition. Further, we cannot assure you that we will be able to relocate to suitable alternative premises in a timely manner or at all, and failure in necessarily relocating our operations could result in disruption to our business operations. We also lease out some idle warehouse space to third parties. Therefore, we are exposed to risks in relation to liability for damage or loss of stored goods, challenges in ensuring compliance with applicable regulations, and the possibility of contractual disputes arising from unclear terms or breaches of the lease agreement.

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We consider the formulas of our products as important trade secrets, and our ability to compete may be impaired if such trade secrets are disclosed to third parties.

We rely on various know-how and proprietary information, including formulas for our products, and specifications of our machinery and production process, which constitute trade secrets. We have established a complete set of confidentiality system for the formulas of our products. For example, we have included confidentiality clauses in OEM contracts, which provides that information regarding our formulas should be treated strictly as confidential. Also, for external personnel who come to our Company for training, study, visits and other activities, we require that they must be accompanied by our staff at all times. Without permission, visitors are not allowed to visit our product development offices, and visitors are denied access to our R&D documents and operating computers. In addition, we have generally included confidentiality clause in the employment contract of our relevant personnel who have knowledge of our confidential information, and our employee handbook sets out the employee’s obligation to keep confidential our trade secrets and know-how. We are entitled to terminate the employment of any employee who materially breaches his or her confidentiality obligations under his or her contract.

Nonetheless, as we enter into various outsourcing and procurement arrangements with third-party contract manufacturers and/or suppliers to manufacture and/or supply food products under our brands, there may be a leakage of our trade secrets or production know-how. While we use reasonable efforts, including the foregoing measures, to protect our trade secrets and know-how, our employees, contractor manufacturers, suppliers or other advisers may unintentionally or willfully disclose our trade secrets and know-how to our competitors. If our trade secrets and know-how are obtained by a competitor or another third party, we may lose our market share, and our business, results of operations and financial condition may be materially and adversely affected.

The development of online sales network and marketing activities may not meet expectations, or we may fail to manage the coordination of our offline and online sales channels, which may adversely affect our operation results.

During the Track Record Period, our revenue generated from online direct sales amounted to RMB51.7 million, RMB115.8 million and RMB140.7 million, representing 4.9%, 7.4% and 5.1% of the total revenue in the respective years. However, as online and social media platforms continue to grow in popularity, any significant growth in our sales through online sales channels in the future may give rise to competition between offline and online sale channels. If we fail to balance the marketing efforts or optimize product mix and pricing strategies among our online and offline sales channels, or otherwise fail to effectively manage the integration of these channels, the competition among these channels may adversely affect our business, financial condition and results of operations.

We expect to further enhance our online strategies and increase sales from our online channels. However, we may not be able to maintain a high growth rate of our online sales, and if we fail to manage the continuous development of our online sales, our business, financial condition and results of operations may be adversely affected.

We depend on a limited number of customers for a substantial portion of our revenue, and the loss of, or a significant reduction in sales to, one or more of our major customers would adversely affect our business, results of operations and financial condition.

Our operating results have been, and are expected to remain, heavily influenced by a small number of key customers for the foreseeable future. During the Track Record Period, revenue generated from our top five customers amounted to RMB339.1 million, RMB439.3 million and RMB724.0 million in 2023, 2024 and 2025, representing 31.7%, 28.0% and 26.0% of our total revenue in the respective periods. During the Track Record Period, revenues generated from our largest customer in the same periods were RMB116.3 million, RMB153.6 million, and RMB196.9 million, representing 10.9%, 9.8% and 7.1% of our revenue, respectively. For more details, please see “Business — Our Customers.” We anticipate that significant customer concentration will continue in the near term. In the future, our current major customers may decide not to purchase our products, may purchase fewer of our products than they did in the past, or may alter their purchasing patterns, including as a result of a transition to products provided

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by our competitors, or their individual or aggregate production levels may decline due to a number of factors, including supply chain challenges and macroeconomic conditions. Any disruption in our relationships with key customers could have a negative impact on our business. The loss of one or more key customers, any restriction on our ability to sell to them, a substantial decline in order volumes, or shifts in the types of products they purchase could materially and adversely affect our financial condition and results of operations.

Reliance on third-party suppliers presents potential risks, such as supply shortages, delays or non-compliance, could harm our business.

Our suppliers during the Track Record Period primarily comprise third-party contract manufacturers, suppliers of key raw materials and packaging materials and logistics service providers. In 2023, 2024 and 2025, purchases from our five largest supplier in each year during the Track Record Period amounted to RMB141.4 million, RMB264.3 million and RMB628.4 million, representing 24.7%, 30.6% and 45.0% of our total amount of purchase during the respective years, while purchases from our largest suppliers in 2023, 2024 and 2025 amounted to RMB30.5 million, RMB81.4 million and RMB243.1 million, representing 5.3%, 9.4% and 17.4% of our total amount of purchase during the respective years. We believe that we maintain good relationships with our major suppliers. However, we cannot assure you that we will be able to maintain business relationship with our existing suppliers, or secure supply of products at competitive prices. If we cannot locate alternative suppliers for replacement in a timely manner and/or on comparable commercial terms, our business operation may be hindered, which could materially and adversely affect our profitability.

If our suppliers cease offering us favorable credit terms or shorten the existing credit period, or otherwise impose more stringent commercial terms, our liquidity condition may be materially and adversely affected.

As of December 31, 2023, 2024 and 2025, our trade payables amounted to RMB115.0 million, RMB221.9 million and RMB233.4 million, respectively, representing 39.7%, 45.6% and 21.3% of our total current liabilities, respectively, as of the same dates. We are generally granted a credit period ranging from 30 days to 90 days by our suppliers on purchases of goods. Our trade payables turnover days amounted to 75 days, 67 days and 59 days in 2023, 2024 and 2025, respectively. We cannot assure you that we will continue to successfully negotiate and obtain favorable credit terms from our suppliers, as the credit terms granted by suppliers may be influenced by a number of factors that are beyond our control, such as the financial performance of our suppliers, the raw material prices and macro-economic conditions. If our suppliers shorten the credit period granted to us, our liquidity condition may be materially and adversely affected. In addition, if our suppliers impose less favorable commercial terms or increase procurement prices, our operations and financial performance could be adversely affected.

Our information technology networks and systems may encounter malfunction, unexpected system failure, service interruptions, capacity limitations, or security breaches. Cybersecurity incidents or failure to safeguard confidential information could expose us to legal liabilities, financial losses, and reputational harm.

Our business operations and data integrity depend heavily on the continuous performance and security of our information technology systems. These systems support manufacturing processes, order management, inventory tracking, and financial data analysis, as well as communications and coordination with suppliers, customers, and logistics partners. Any IT failure, outage, or cyber incident — whether from system malfunctions, capacity issues, external attacks, or third-party service disruptions — could directly disrupt production, delay shipments, impair order fulfillment, and compromise the accuracy of inventory and operational data. Moreover, breaches involving sensitive information such as proprietary manufacturing data, supply chain details, or stakeholder information could lead to intellectual property theft, loss of confidentiality, legal liabilities, and reputational harm. Failure to promptly address such issues may result in regulatory actions, extended downtime, and lasting damage to customer trust and business continuity, thereby materially and adversely affecting our financial condition and operational results.

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In addition, our systems, servers and equipment, and those of our service providers, may be vulnerable to cybersecurity incidents, which may lead to damages to our IT systems, material disruption to our business, or theft, rendering inaccessible, improper disclosure or misappropriation of our or our customers’ business information, trade secrets, sensitive data and other confidential or proprietary information. Any such event could have a material adverse effect on our business even if we recover using our backup information.

If we fail to effectively implement our future expansion and acquisition plans, our business prospects may be adversely affected.

We may consider growing our business through organic growth, and investments in and/or acquisitions of companies that are complementary to our business in the future. Our ability to grow through acquisition depends upon our ability to identify, negotiate, and complete suitable acquisitions and to obtain any necessary financing for such acquisitions. We have limited experience in acquisitions. We may not be able to successfully identify appropriate potential acquisition targets, and even if we were able to do so, we may not be able to successfully execute any proposed acquisitions. If we undertake such acquisition but fail to either complete the acquisition or integrate the acquired businesses successfully into our existing operations, our [REDACTED], business, financial condition, results of operations and prospects may be materially and adversely affected.

We recorded share-based payment expense in the past and may continue to record such expense in the future, which may affect our profitability and results of operations and result in a dilution of shareholders’ shareholding interest.

We adopted employee incentive plans to enhance our ability to attract and retain exceptionally qualified individuals and to encourage them to acquire a proprietary interest in the growth and performance of us. In 2023, 2024 and 2025, we incurred share-based payment expenses of RMB4.6 million, RMB4.2 million and RMB3.2 million, respectively. For more details, see “History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes — Employee Incentive Platforms, Employee Incentive Schemes, and historical core management team incentivizations” We may continue to grant share-based compensation awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may affect our financial condition and results of operations. We may re-evaluate the vesting schedules, lock-up period, or other key terms applicable to the grants under the Employee Incentive Schemes from time to time. If we choose to do so, we may experience a substantial change in our share-based compensation expenses in the reporting periods following this [REDACTED]. Issuance of additional shares with respect to such share-based payments may also dilute the shareholding of our Shareholders.

We may be exposed to risks associated with our trade receivables and prepayments.

In line with the industry practices, we grant 30 to 90 days of credit terms for certain customers. As of December 31, 2023, 2024 and 2025, our trade receivables were RMB99.4 million, RMB278.7 million and RMB365.9 million, respectively. We cannot assure you that our customers or other parties could make payments to us in a timely manner. Prolonged process of payment of such entities may cause an adverse effect on our liquidity position and working capital efficiency, which may in turn increase our finance costs and adversely affect our business operation and financial performance.

Our trade receivables turnover days were 37 days, 44 days and 42 days in 2023, 2024 and 2025, respectively. As we plan to continue expanding the scale of our business, we cannot guarantee that they will not continue to increase in the future, which will make it more challenging for us to manage our working capital effectively, and our results of operations, financial condition and liquidity may be materially and adversely affected.

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In addition, our prepayments may involve significant uncertainties. During the Track Record Period, we made prepayments primarily for purchasing raw materials. As of December 31, 2023, 2024 and 2025, the balance of our prepayments to suppliers was RMB13.0 million, RMB16.0 million and RMB55.3 million, respectively. However, there is no guarantee that the suppliers and service providers will perform their obligations in a timely manner. If our suppliers fail to provide raw materials and services to us in a timely manner or at all, we may be exposed to prepayment default and impairment loss risk in relation to the prepayments, which may in turn materially and adversely affect our business and financial position. While we did not experience any material impairment loss during the Track Record Period, we cannot assure you that we will not incur any material impairment losses in the future.

We are exposed to changes in the fair value of financial assets measured at fair value through profit or loss and valuation uncertainties.

As of December 31, 2023, 2024 and 2025, our financial assets at fair value through profit or loss, primarily related to our investment in wealth management products and structured deposits, were RMB80.3 million, RMB59.5 million and RMB442.8 million, respectively. Our financial assets are measured at fair value, and the changes in their fair values are recorded under other gains or losses in the consolidated statements of profit or loss, which will directly affect our profit and results of operations. We cannot assure you that we will generate any fair value gain in the future. If our investments incur a fair value loss, our results of operations and financial condition may be adversely affected.

During the Track Record Period, the fair value of our financial assets at fair value through profit or loss was determined by reference to the price of the underlying investments using a valuation pricing model and is classified as a Level 2 fair value measurement, changes of which will affect the estimated fair value of our financial assets at the end of each financial reporting period. Given the inherent uncertainty in the fair value of financial assets at fair value through profit or loss, any significant and adverse changes in fair value could have an adverse effect on our financial position and results of operations.

If we are unable to perform our contracts, our results of operations and financial condition may be adversely affected.

As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB28.8 million, RMB29.7 million and RMB60.5 million, respectively. Our contract liabilities are primarily advance payments from customers. If we fail to honor our obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the prepayments they have made, which may in turn adversely affect our financial condition. In addition, if we fail to honor our obligations under our contracts with customers, it may also adversely affect our relationship with such customers, which may in turn affect our results of operations in the future.

We are subject to associated risks relating to the Third-Party Payment Arrangements.

During the Track Record Period, we accepted payments made by third parties to settle the amounts that certain customers owed to us in connection with their purchases of our products (the “**Third-Party Payment Arrangements**”). In 2023, 2024 and 2025, our risk exposure to the Third-Party Payment Arrangements, represented by the aggregate amounts settled through such Third-Party Payment Arrangements were RMB13.8 million, RMB9.5 million and RMB13.3 million, respectively, representing 1.3%, 0.6% and 0.5% of our total revenue for the corresponding periods, respectively. See “Business — Third-party Payment Arrangements” for more details.

We are subject to various risks relating to such Third-Party Payment Arrangements during the Track Record Period, including possible claims from third-party payers for return of funds as some of them were not contractually indebted to us, and possible claims from liquidators of third-party payers. As of the date of this Document, we have ceased or rectified the large majority of such arrangement. During the Track Record Period and up to the Latest Practicable Date, we did not receive any claims arising from third-party payers. In the event of any claims from third-party payers or their liquidators, or legal proceedings

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instituted or brought against us in respect of the historical Third-Party Payment Arrangements, we may have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and our financial condition and results of operations may, as a result, be adversely affected.

Our transfer pricing arrangements may be subject to scrutiny by the relevant tax authorities in the countries and regions where we operate.

Under the laws and regulations in the countries and regions where we operate, arrangements and transactions among intergroup companies may be subject to audit or challenge by the relevant tax authorities. During the Track Record Period, we carried out our operations mainly in Chinese Mainland, North America and Europe. We follow the fundamental principle that intercompany transactions must be conducted on an arm’s length basis, and we have engaged the Independent Transfer Pricing Consultant to review the intercompany transactions. Our Independent Transfer Pricing Consultant reviewed the intercompany transactions and was of the view that the transaction arrangements aligned with the arm’s length principle during the Track Record Period. Nevertheless, we could face material and adverse tax consequences if the relevant tax authorities determine that certain intercompany transactions of ours do not represent arm’s length negotiations and consequently adjust any of those entities’ income in the form of a transfer pricing adjustment. For detailed discussion on the transfer pricing arrangements, see “Business — Transfer Pricing Arrangements.” A transfer pricing adjustment could, among other things, increase our tax liabilities. If we fail to rectify such incident within the limited timeframe required by the relevant tax authorities, the relevant tax authorities may impose late payment interest or surcharge and other penalties on us for any unpaid taxes. Our business, financial condition and results of operations may therefore be adversely affected.

Our success depends on the continuing efforts of our senior management team and key personnel and our business may be harmed if we lose their services and cannot timely find proper candidates for substitution.

Our current business performance and future success depend substantially on the abilities and contributions of our senior management members and other key personnel with industry expertise, know-how or experience in areas such as research and development, manufacturing, sales, marketing, financial management, human resources and risk management. If any member of our senior management is unable or ceases to serve in his or her present position, we may not be able to find replacement in a timely basis due to local conditions. As a result, our business may be disrupted, our management quality may deteriorate and our results of operations may be materially and adversely affected. In addition, if any member of our senior management team joins a competitor or forms a competing business, we may lose trade secrets and business know-how as a result. Competition for experienced management in our industry is intense, and the pool of qualified candidates is limited. We may not be able to retain the services of our senior management or attract and retain additional high quality senior executives in the future.

Moreover, our ability to constantly produce high-quality products is partially attributable to a large number of skilled employees who are familiar with and adept at our processing technologies. We also rely on our sales personnel, including regional operational managers, to effectively manage our sales and distribution network. As we expand our operations, we may not be able to retain such skilled processing and sales personnel at a reasonable cost and our business and results of operations may be materially and adversely affected.

Our performance depends on favorable labor relations with our employees, and any deterioration in labor relations, shortage of labor or material increase in wages may have an adverse effect on our results of operation.

The production and sale of confectionery products is labor intensive, and our success depends on our ability to hire, train, retain and motivate our employees. We consider favorable labor relations as a significant factor that can affect our performance, and any deterioration of our labor relations could cause labor disputes, which could result in disruption of production and operations. In addition, as average labor

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wages are expected to increase, we may need to increase our total compensations to attract and retain experienced personnel to achieve our business objectives. Any material increase in our labor costs may have an adverse effect on our results of operations.

Our employees are subject to risks of injury caused by the use of production equipment and machinery.

We use machinery and equipment which are potentially dangerous and may cause accidents and personal injury to our employees. Any significant accident caused by the use of such equipment or machinery could interrupt our production and result in legal and regulatory liabilities. Insurance coverage related to accidents resulting from the use of our equipment or machinery may be inadequate to offset losses arising from claims related to such accidents. We cannot assure you that accidents will not happen in the future.

In addition, potential industrial accidents leading to significant property loss or personal injury may subject us to claims and lawsuits, and we may be liable for medical expenses and other payments to the employees and their families as well as fines or penalties. As a result, our reputation, brands, results of operations and financial condition may be materially and adversely affected.

We may not be able to detect or prevent fraud, bribery, or other misconduct committed by our customers or other third parties.

We may be exposed to fraud, bribery, or other misconduct committed by our customers or other third parties, which could subject us to financial losses and penalties from governmental authorities. Although we maintain rigorous standards in selecting our business partners, we cannot eliminate the risk of incurring liabilities or suffering losses arising from any non-compliance by third parties. Such non-compliance may lead to regulatory penalties for the third parties involved, which may, directly or indirectly, affect our business operations. We cannot be certain whether such third-party has infringed or will infringe any other parties’ legal rights or violate any regulatory requirements. We cannot assure you that we will be able to identify irregularities or non-compliances in the business practices of our business partners or other third parties, or that such irregularities or non-compliance will be corrected in a prompt and proper manner. Legal liabilities and regulatory actions involving our business partners or other third parties may affect our business activities and reputation, which may in turn affect our results of operations.

We are subject to evolving privacy and data protection regulations, and we may incur extra costs to adjust our operations to ensure compliance, which may have an adverse impact on our business and results of operations.

We collect and store business and transaction data generated during or related to our operations when necessary, including records of interactions, transactions and employment managements with customers, business partners and employees. Safeguarding this data through secure storage and maintenance is critically important. We process such data in compliance with applicable legal requirements to ensure its security. To uphold these standards, we have adopted various measures to ensure legal compliance. See “Business — Data Privacy and Information Technology Systems” for more information. However, the laws and regulations regarding privacy and data protection across different jurisdictions where we operate are generally complex and continue to evolve. As such, we cannot guarantee that our privacy and data protection measures will always be considered as sufficient under applicable laws and regulations. If we are unable to comply with the applicable laws and regulations, or to address any privacy and data protection concerns, such actual or alleged failure could damage our reputation, deter current and potential customers from using our solutions and could subject us to adverse legal, financial and operational consequences.

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The legal and regulatory developments with respect to data protection may keep evolving, which may affect how we design our IT systems, how we operate our business, how we and our business partners process data, which in turn could affect demand for our products. We may incur substantial costs to comply with such laws and regulations, to meet the demands of our customers relating to their own compliance with applicable laws and regulations and to establish and maintain internal compliance policies.

Failure to maintain effective pricing strategies may have a material adverse effect on our business and results of operations.

Our pricing strategy has significantly influenced and may continue to shape our revenue and profit margin across different geographic markets. However, our competitors’ pricing strategies are beyond our control and could significantly affect the results of our pricing strategies. Failure to align with our customers’ price expectations, coupled with an inability to compete against rivals employing aggressive pricing tactics, poses dual risks. Furthermore, if we cannot adjust our cost structure to accommodate potential declines in our product prices, our business, financial condition, and results of operations could be materially and adversely affected. In addition, adopting an aggressive pricing strategy to capture or defend market shares may undermine our long-term profitability and sustainability.

Fluctuations in exchange rates may adversely affect our results of operations.

The value of RMB against the U.S. dollar, the Hong Kong dollar, and other currencies fluctuates, is subject to changes resulting from relevant governments’ policies and depends to a large extent on domestic and international economic and political developments as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the U.S. dollar, the Hong Kong dollar, and other currencies in the future.

During the Track Record Period, we received a substantial portion of payments in foreign currencies such as U.S. dollars, and we expect this to continue for the foreseeable future. As a result, any depreciation of such foreign currencies against the RMB may result in exchange losses and negatively impact our operating results. Conversely, any depreciation of the RMB against the Hong Kong dollars may adversely affect the value of, and any dividends payable on, the Shares in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. All of these factors could have a material and adverse impact on our business, financial condition, and results of operations.

Title defects and failure to register the lease agreement regarding some of our leased properties may affect our interests in such properties.

As of the Latest Practicable Date, six of our leased properties, the lessors with whom we enter into lease agreements did not provide valid property ownership certificates or sufficient documentation to prove their rights to lease the properties to us for our intended use. Therefore, we cannot ensure that they have the rights to lease or sublease such properties to us for our intended use or that such properties will not be subject to potential demolition risks. As advised by our PRC Legal Adviser, we may not be able to continue to lease such properties if the lease was challenged by a third party or relevant government authorities or if such properties are subject to demolition.

Furthermore, 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 of the Latest Practicable Date, we had not filed our lease agreements for 11 of our leased properties we leased with the local housing administration authorities as required under PRC laws and regulations. As advised by our PRC Legal Adviser, if we and the lessors fail to handle filing for such lease registration as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each of the unregistered lease agreements.

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If we are challenged by third parties or government authorities upon any of the circumstances stated above or the properties are subject to demolition, we may be forced to relocate or may be subject to fines, as the case may be, and, as a result, our business, financial condition, results of operations, and prospects may be adversely affected. For details, please see “Business — Properties.”

Litigation or legal proceedings could expose us to liability, divert our management’s attention and negatively impact our reputation.

We may periodically be subject to various litigation, legal or contractual disputes, claims or administrative proceedings in the ordinary course of our business, including, but not limited to, disputes or claims from our suppliers, customers, business partners and other third parties. Ongoing or threatened legal actions may divert our management’s attention and other resources. Furthermore, any litigation, legal or contractual disputes, claims or administrative proceedings which are initially deemed immaterial may escalate in significance due to a variety of factors such as the subject matter of the disputes, the likelihood of loss, the financial exposure, and the parties involved. Adverse verdicts, judgments, awards, or settlement with third parties may require us to pay substantial monetary damages or assume other liabilities. In addition, negative publicity stemming from such proceedings could damage our reputation, harm our brand and product image, which may materially and adversely affect our business.

Our existing insurance coverage may be inadequate to fully address losses and liabilities arising from various operational risks and hazards, including potential product liability claims.

Our business is subject to a variety of operational risks, including but not limited to operational errors, power outages, environmental or industrial accidents, and catastrophic incidents such as fires, earthquakes, explosions, floods or other natural disasters. In addition, as we operate in overseas markets, we are exposed to risks related to geopolitical tensions, policy changes and intellectual property and technology protection. These aforementioned risks may result in, including but not limited to, personal injury or casualties, environmental damage, monetary loss, and legal liability. The occurrence of any of these events may result in disruption of our operations and cause us to suffer substantial losses or incur significant liabilities. During the Track Record Period, we maintain general liability insurance, employee insurance, and production accident insurance for our business operations. There is no assurance that our insurance will be adequate to cover our exposure to the foregoing risks. If we incur material losses or liabilities, and insurance is not adequate to cover such losses or liabilities, our business, financial condition, and results of operations may be materially and adversely affected.

We may not be able to adequately protect or enforce our patents, trade secrets and other intellectual property rights throughout the world, and our efforts to do so may be costly.

Our business relies significantly on our ability to protect and defend our IP rights. We seek to protect the technologies that we consider commercially important by filing patent applications in the PRC and other jurisdictions, relying on patent or trade secrets or employing a combination of these methods. For further information on our patent portfolio, see “Business — Intellectual Property.” The patent prosecution process is expensive, time consuming and complex, and we may not be able to file, prosecute, maintain, defend, enforce or license all necessary or desirable patents and patent applications at a reasonable cost or in a timely manner in all desirable jurisdictions. In addition, the laws of some countries do not protect our IP rights as fully as do the laws of other countries, and our ability to protect our IP rights will differ per jurisdiction. As a result, we may not be able to prevent competitors or other third parties from developing and commercializing competitive products and technologies in all such fields and jurisdictions.

Even if our IP applications are granted, the granted protection may not fully shield us from competitive pressures, given the inherent limitations on both the duration of patent protection and the scope of coverage. For instance, in China, the validity periods for invention patents and utility model patents are 20 years and 10 years from the filing date, respectively, and the approved products or solutions face competition after the patent protection expired.

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In addition, we face significant risks related to IP rights enforcement and protection. Legal actions initiated by us against third parties IP infringement, while necessary to defend our rights, can be costly, time-intensive, and may ultimately weaken our IP position. Such litigation could result in the invalidation or unenforceability of our IP rights, or create other negative business impacts. Conversely, we may also be targeted by claims alleging our infringement of others’ IP rights. Even when we pursue legal action against alleged infringers, these suits can adversely affect our operations. The resolution of such disputes typically demands substantial time and financial resources, diverting management’s focus from core business activities.

Additionally, monitoring unauthorized use and disclosures of our proprietary technology, IP, and confidential information can be difficult and expensive. We cannot be sure that the steps we have taken will prevent misappropriation, infringement and violation of our IP or proprietary rights. If we are unable to adequately protect, establish, maintain or enforce our IP or other proprietary rights, our business, financial condition, and results of operations may be adversely affected.

Our commercial success depends significantly on our ability to operate without infringing upon, misappropriating or otherwise violating the IP rights of third parties.

We operate in markets shaped by rapid technological change and intense intellectual property litigation. Our competitors may have far greater resources to build strong patent portfolios and develop competing technologies. They could obtain patents that hinder our ability to make, use, or sell our solutions. Many third-party patents exist in our technology fields, and identifying all relevant rights is challenging. Some patent applications remain confidential, so we may be unaware of potential conflicts until after they are granted. If issued, such patents could block our use of key technologies. Failure to secure necessary licenses could harm our business, finances, and operations and expose us to litigation.

Even with our own IP protections, third parties may allege infringement and pursue injunctions or other equitable relief, potentially halting our product development, service offerings, or regulatory approvals. Defending such claims, regardless of outcome, could be costly, distract management, and consume significant resources. Adverse rulings or perceptions could negatively impact our cash position and [REDACTED]. In addition, IP litigation entails extensive discovery, raising the risk of exposing confidential information. Publicity around hearings or rulings may also affect investor sentiment and share value. We may lack the financial resources to sustain prolonged litigation, especially against competitors with deeper pockets and stronger IP portfolios.

Any of these events could increase operating costs, divert resources from R&D or commercialization, and materially harm our business, financial condition, and results of operations.

We face risks related to instances of food-borne illnesses, health epidemics, natural disasters and other catastrophic events. The outbreak of any severe contagious diseases, if uncontrolled, could adversely affect our business and results of operation.

Our business is susceptible to food-borne illnesses, health epidemics and other outbreaks. We cannot guarantee that our internal controls and trainings will be fully effective in preventing all food-borne illnesses. Furthermore, we rely on third-party raw material suppliers in our operations, which may increase such risk. New illnesses resistant to any precautions or diseases with long incubation periods could arise on a retroactive basis. Reports in the media of instances of food-borne illnesses could, if highly publicized, negatively affect our industry and us. This risk exists even if it were later determined that the illness in fact were not spread by our products.

We also face risks related to health epidemics. Past occurrences of epidemics or pandemics, depending on their scale of occurrence, have caused different degrees of damage to the national and local economies in China. An outbreak of any epidemics or pandemics in China may adversely affect the local economy and willingness to spend in local areas and result in a decrease in the number of our customers in such areas. Any of the above may cause material disruptions to our operations, which in turn may materially and adversely affect our financial condition and results of operations. Our operations are also vulnerable to natural disasters and other catastrophic events, including wars, terrorist attacks, earthquakes, typhoons, fires, floods, extreme high temperature events, power failures and shortages, water shortages, information system failures, and similar events that may or may not be foreseeable.

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In addition, if any of our employees is infected or affected by any severe infectious diseases, it could adversely affect or disrupt our production at the relevant production facility and adversely affect our business operations as we may be required to close our production facilities to prevent the spread of the disease. If any of such diseases occur, our ability to operate our facilities may be restricted and we may have to incur substantial additional expenses for the well-being of our employees. The spread of any severe infectious disease in jurisdictions where we operate may also affect the operations of our suppliers, distributors and customers, causing delivery disruptions, which could in turn adversely affect our operating results.

RISKS RELATING TO THE JURISDICTIONS IN WHICH WE OPERATE OUR BUSINESS

Changes in Chinese economic, political and social conditions, as well as government policies, laws and regulations, and industry practice guidelines could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Substantially all of our business assets are located in China. Accordingly, our results, financial position and prospects are subject, to a significant degree, to the economic, political and legal developments of China. Political and economic policies of the Chinese government could affect our business and financial performance and may result in our being unable to sustain our growth. In recent years, the Chinese government implemented a series of laws, regulations and policies which imposed stricter standards with respect to, among other things, quality and safety control, and supervision and inspection of enterprises operating in our industry. See “Regulatory Overview.” If the Chinese government continues to impose stricter regulations on our industry, we could face higher costs in order to comply with those regulations, which may impact our profitability.

The economy of China differs from the economies of most developed countries in a number of respects, including the extent of government involvement, level of development, growth rate, and control of foreign exchange. China has been reforming the Chinese economic system, and has also begun reforming the government structure in recent years. Although these reforms have resulted in significant economic growth and social progress, we cannot predict whether changes in Chinese political, economic and social conditions, laws, regulations and policies will have any adverse effect on our future business, results or financial condition. Moreover, the Chinese government continues to play a significant role in regulating industrial development. It also exercises significant control over China’s economic growth through the allocation of resources, controlling payment of foreign currency denominated obligations, setting monetary policies and providing preferential treatments to particular industries or companies. All of these factors could affect the economic conditions in China and, in turn, our industry and our Company.

Our manufacturing operations are subject to a variety of food safety, environmental protection, health, fire safety and other safety laws and regulations.

As a manufacturer of confectionery products, we are subject to extensive government laws and regulations in relation to food safety in China, and we are required to maintain various licenses and permits in order to operate our business. For example, the Food Safety Law of the PRC (《中華人民共和國食品安全法》) requires all enterprises engaged in food production to obtain food production license. It also sets out stringent safety standards with respect to food and food additives, packaging and information to be disclosed on packaging, as well as safety requirements for food production and sites, facilities and equipment used for the transportation and sale of food. In addition, relevant government authorities are empowered to conduct random testing of food. Further, relevant administrative authorities in relation to food safety and quality supervision are empowered to enter into production facilities to conduct on-site inspection, sample testing of food, food additives and food-related products being produced.

Failure to comply with food safety laws or other legal requirements applicable to our business may result in fines, suspension of operations, loss of licenses, and in more extreme cases, criminal proceedings against us and our management. Any of these events will have an adverse impact on our business, results of operations and financial condition.

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In addition, we are subject to a variety of laws and regulations imposed by the Chinese government relating to environmental protection, health, fire safety and other safety. Compliance with existing and future environmental protection, health, fire safety and other safety laws could subject us to costs or liabilities, including monetary damages and fines; impact our production capabilities; result in suspension of our business operations; and general impact our financial performance. If we are held liable for damages in the event of any pollution, injury or other violation of applicable environmental protection, health, fire safety or other safety laws, we may also be subject to adverse publicity and our financial condition and results of operations could be materially and adversely affected.

Further, there is no assurance that the Chinese government will not impose additional or more stringent laws or regulations on food safety, environmental protection, health, fire safety or otherwise related to our business in the future, the compliance of which may require us to incur significant capital expenditure.

The relevant laws and regulations may be subject to further interpretation and enforcement, which may affect the legal protections available to our business and our shareholders.

Our subsidiaries in Chinese Mainland are subject to various laws and regulations generally applicable to companies in China. The PRC legal system is a civil law system based on written statutes. There is a limited volume of published court decisions, which may be cited for reference but are not binding on subsequent cases and have limited precedential value unless the Supreme People’s Court otherwise provides. However, since some of these laws and regulations are relatively new, the relevant laws, regulations and rules may be subject to further interpretation and enforcement, which may materially affect our business and our ability to continue our operations, and may further affect the legal remedies and protections available to [REDACTED], which may, in turn, affect the value of your [REDACTED].

The laws and regulations concerning the confectionery industry are developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations, and to avoid conducting any noncompliant activities under the applicable laws and regulations, the relevant government authorities may promulgate new laws and regulations regulating the confectionery industry in the future. As these laws and regulations are continually evolving in response to changing economic and other conditions, these laws and regulations may be subject to further interpretation and enforcement. Changes in current laws or regulations, or the imposition of new laws and regulations regarding our industries in our geographic markets may adversely affect our industries and our financial condition and results of operations. In addition, we cannot assure you that our practice would not be deemed to violate any new laws or regulations relating to internet information service. Moreover, developments in the confectionery industry may lead to further legal or regulatory scrutiny on the industries where we operate in the future, or in the interpretation and application of existing laws, regulations and policies that may affect confectionery industry, which could materially affect our business and operations.

Any major changes in relation to food safety regulations and relevant policies may affect our business.

Manufacturers within the confectionery industry in China must comply with Chinese food safety laws and regulations. These food safety laws and regulations require all enterprises engaged in the production of food to obtain the food production permits. They also set out safety standards with respect to food and food additives, packaging and containers, information to be disclosed on packaging as well as requirements for food production and sites, facilities and equipment used for the transportation and sale of food. In recent years, the Chinese government has been strengthening the supervision of food safety. The newly revised Food Safety Law of the People’s Republic of China (中華人民共和國食品安全法) and the Implementation Regulations for the Food Safety Law of the PRC (中華人民共和國食品安全法實施條例) stipulate that businesses engaged in food production should conduct their production and operation activities according to the applicable laws and regulations and food safety standards, establish a comprehensive food safety management system, and take effective measures to prevent and control food safety related risks to ensure the safety of the food produced. This may increase the compliance costs of

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Chinese confectionery companies, including us. Any failure to comply with Chinese food safety related laws and regulations may result in order of rectification, fines, confiscation of illegal gains, order of suspension of operations, revocation of food production and operating permits and, in more extreme cases, prosecution for criminal liabilities. Although we are in compliance with current food safety laws and regulations, in the event that the Chinese government further makes changes on food safety regulation, our production, sales and distribution costs may increase, and we may be unable to successfully pass on these additional costs, which could adversely affect our business, financial condition and development prospects.

According to relevant regulation on food safety, the national standards on food safety shall be uniformly implemented in all provinces of China. For local food specialties with no applicable national standard, the provincial authorities may develop and publish local food safety standards. At the same time, the state encourages food production enterprises to develop standards more stringent than the national or local food safety standards, and such standards shall be submitted to the provincial health administrative department for recordation. However, unclear or ununified food safety standards may pose risks to our business. The lack of a clear categorization led to inconsistent regulatory standards across different provinces.

We have now adopted more stringent enterprise standards for our main products than the current national standards and applicable local standards, if any. However, we cannot assure you that inconsistencies in the application of regulatory standards will not recur in the future. As we continue to upgrade existing products and introduce new products, local authorities may consider that our enterprise standards for new products conflict with new or existing national standards or local standards, if any. In such events, we may fail food inspections, which could adversely affect our business, financial condition and development prospects.

We may be subject to regulatory requirements relating to laws and regulations in connection with our capital raising activities issued by PRC government authorities.

On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”), which came into effect on March 31, 2023, and five supporting guidelines (which came into effect on February 17, 2023) (the “**Overseas Listing Regulations**”). The Overseas Listing Regulations are applicable to overseas securities offer and list conducted by issuers who are (i) companies incorporated in the PRC (“**PRC domestic companies**”) and (ii) companies incorporated overseas with substantial operations in the PRC. The Overseas Listing Regulations lay out the arrangements for regulatory filings for both direct and indirect overseas offerings, and clarify the determination criteria for indirect overseas offerings in overseas markets. The Overseas Listing Regulations stipulate that such issuer shall submit the filing to the CSRC within three working days after it makes an application for offering and listing in an overseas stock market. According to the Overseas Listing Regulations, we, as a PRC domestic company seeking to [REDACTED] and [REDACTED] securities in overseas markets, are required to submit the filing to the CSRC within three working days after submitting the [REDACTED] documents to the overseas supervisory authorities and report relevant information.

We are required to comply with the filing procedures of the CSRC under the Overseas Listing Trial Measures, the failure of which may restrict our ability to complete future overseas capital raising activities. We may be subject to approval, filing or other requirements by other PRC government authorities under the PRC laws in the future, and we cannot assure you that we will be able to get clearance of our filing procedures for any of our capital raising activities under the Overseas Listing Regulations on a timely basis, or at all. Any failure on our part to fully comply with the new regulatory requirements may have an adverse effect on our capital raising activities or significantly limit or completely hinder our ability to continue to sell our securities to [REDACTED], cause significant disruption to our business operations, and severely damage our reputation, which could affect our financial condition and results of operations and cause our securities to decline in value or become worthless.

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Our Company is a PRC enterprise and is subject to PRC tax on our global income, and any gains on the sales of our H Shares by [REDACTED] and dividends paid to [REDACTED] on our H Shares may be subject to PRC tax.

Under the current PRC tax laws and regulations, non-PRC individuals and non-PRC enterprises are subject to different tax obligations with respect to dividends paid to them by us and any gains realized upon the sale or other disposition of our H Shares.

Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20%. We are required to withhold related tax from dividend payments paid to non-PRC resident individuals, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us.

Considering the situations, non-resident individual holders of our H Shares should be aware that they may be obligated to pay PRC income tax on dividend and bonuses income realized from the H Shares.

According to the Circular Declaring that Individual Income Tax Continues to Be Exempted over Individual Income from Transfer of Shares issued by the MOF and the STA (《財政部、國家稅務總局關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) effective as of March 30, 1998, income from individuals' transfer of stocks of listed companies continued to be temporarily exempted from individual income tax. As of the Latest Practicable Date, no aforesaid provisions had expressly provided whether individual income tax shall be levied from non-PRC individuals on the transfer of shares in PRC enterprises listed on overseas stock exchanges, but there is no assurance that the PRC tax authorities will not change these practices, which could result in levying income tax on non-PRC individuals on gains from the sale of our H shares.

For non-PRC enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of our H Shares are subject to PRC enterprise income tax at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by STA on November 6, 2008, the withholding tax rate for dividends payable to non-PRC enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC enterprise holders of our H Shares (including [REDACTED]). Non-PRC enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the interpretation and application of applicable PRC tax laws and regulations by the competent tax authorities will be in accordance with the then effective laws and regulations and may change, and new taxes may be imposed, which in either case may adversely affect the value of your [REDACTED] in our H Shares.

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We could be subject to changes in our tax rates, the adoption of new overseas tax legislation or exposure to additional tax liabilities.

We operate in countries and regions overseas and are subject to various taxes. See “Financial Information — Description of Major Components of Our Results of Operations — Income Tax Expenses.” Due to the fact that the tax environment can be different in different jurisdictions and that the regulations regarding various taxes, including but not limited to corporate income tax, are complex, our overseas operations may expose us to risks associated with the overseas tax policy changes. Due to economic and political conditions, tax rates in various jurisdictions may be subject to significant change. Our effective tax rate could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities or changes in tax laws or their interpretation. Dealing with such regulatory complexities and changes may require us to divert more managerial and financial resources, which in turn could affect our results of operations.

We are also subject to the examination of our tax returns and other tax matters by local and overseas tax authorities and governmental bodies. The tax treatments of our transaction arrangements may be subject to interpretation by the respective tax authorities, and there can be no assurance as to the outcome of these examinations. If our weighted average effective tax rate was to increase, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results and cash flows could be adversely affected.

We may be subject to additional contributions of social insurance premium and housing provident funds, and late payments and fines imposed by relevant governmental authorities.

We are subject to various laws and regulations in the PRC and other jurisdictions in which we operate and are required to comply with all relevant requirements and standards. For example, we are required to contribute to a number of social insurance funds, including funds for pension insurance, unemployment insurance, basic medical insurance, work-related injury insurance, maternity insurance and housing provident fund on behalf of our employees in Chinese Mainland. According to the Regulation on the Management of Housing Provident Funds (《住房公積金管理條例》), a Chinese Mainland enterprise is required to set up housing provident fund accounts and pay the housing provident fund in time and in full for its employees. According to the PRC Social Insurance Law (《中華人民共和國社會保險法》), a Chinese Mainland enterprise is required to complete social insurance registration for its employees and to pay the social insurance contributions in time and in full. Moreover, the Interpretation II of the Supreme People’s Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**New Judicial Interpretation**”) was enacted by the Supreme People’s Court on July 31, 2025 and effective as of September 1, 2025. According to the New Judicial Interpretation, if the employer and its employee agree or the employee undertakes that social insurance contributions need not be paid, the People’s Court shall deem such agreement or undertaking invalid. Furthermore, where the employer fails to pay social insurance contributions in accordance with the applicable laws, and the employee seeks to terminate the labor contract and claims economic compensation from the employer pursuant to the Labor Contract Law of the PRC, the People’s Court shall support such claims.

During the Track Record Period, we did not make full social insurance and housing provident fund contributions for our employees, as required by relevant laws and regulations. During the Track Record Period, the shortfall amount of social insurance and housing fund were RMB13.4 million, RMB16.3 million and RMB28.4 million in 2023, 2024 and 2025. Our Directors are of the view that the amount of shortfall was immaterial, and will not have a material adverse impact on our operations or financial performance. As of the Latest Practicable Date, we had not received any notice or been subject to any administrative penalties or other disciplinary actions from the relevant governmental authorities in relation to the above-mentioned arrangements as to our social insurance and housing provident funds contribution. As advised by our PRC Legal Adviser, based on the current laws, regulations and supervisory requirements and in light of the absence of any material proceedings or complaints, the risk we would be required to pay all historical shortfalls or be subject to material administrative penalties is considered remote. Accordingly, we did not make any provision. However, we cannot assure you that the relevant

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governmental authorities will not require us to pay the shortfall amount and impose late fees or fines, pecuniary penalties or other administrative actions on us. If the relevant PRC authorities determine that we shall make supplemental social insurance and housing fund contributions or that we are subject to fines, penalties, and compulsory execution in relation to our failure to make social insurance and housing fund contributions in full for our employees, our business, financial condition and results of operations may be adversely affected.

It may be difficult to effect service of process upon us or our Directors or executive officers who reside in the PRC or to enforce against them in the PRC any judgments obtained from non-Chinese courts.

We are a company incorporated under the laws of the PRC. The majority of our Directors and senior management reside within the PRC. The assets of these Directors and senior management also may be located within the PRC. As a result, it may not be possible to affect service of process upon most of our Directors and senior management outside the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts in the United States, the United Kingdom or Japan. However, judgments rendered by Hong Kong courts may be recognized and enforced in the PRC if the requirements set forth by the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) are met. Therefore, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions other than Hong Kong in relation to any matter not subject to binding arbitration provisions may be difficult or impossible.

Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the [REDACTED] of our H Shares on the Stock Exchange, the holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong.

RISKS RELATING TO THE [REDACTED]

There has been no prior [REDACTED] for our H Shares and an active [REDACTED] market for our H Shares may not develop or be sustained.

There was no [REDACTED] for our H Shares prior to the [REDACTED]. There can be no guarantee that a [REDACTED] for our H Shares with adequate liquidity and [REDACTED] volume will develop and be sustained following the completion of the [REDACTED]. In addition, the initial [REDACTED] of our H Shares is expected to be fixed by agreement between the Overall Coordinators (for itself and on behalf of the [REDACTED]) and us, which may not be indicative of the [REDACTED] of our H Shares following the completion of the [REDACTED]. If an active [REDACTED] for our H Shares does not develop following the completion of the [REDACTED], the [REDACTED] and liquidity of our H Shares may be materially and adversely affected.

The [REDACTED] volume and [REDACTED] of our H Shares following the [REDACTED] may be volatile, which could result in substantial losses to you.

The [REDACTED] volume and [REDACTED] of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, Chinese Mainland, the United States and elsewhere in the world. In particular, the performance and fluctuation of the trading volume and market price of other companies with business operations located mainly in Chinese Mainland that have listed their securities in Hong Kong may affect the volatility in the price of and [REDACTED] volumes for our H Shares. A number of Chinese Mainland-based companies have listed their securities, and some are in the process of preparing for listing their securities, in Hong Kong. Some of these companies have experienced significant volatility, including significant price declines and trading volume fluctuation after their initial public offerings. The trading

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performances of the securities of these companies at the time of or after their offerings may affect the overall investor sentiment towards Chinese Mainland-based companies listed in Hong Kong and consequently may impact the [REDACTED] performance of our H Shares. These factors may significantly affect the [REDACTED] and volatility of our H Shares, regardless of our actual operating performance.

You will incur immediate and significant dilution and may face further dilution if we issue additional Shares in the future.

The [REDACTED] of our [REDACTED] is higher than the net tangible asset value per Share immediately prior to the [REDACTED]. Therefore, purchasers of our [REDACTED] in the [REDACTED] will experience an immediate dilution. Existing Shareholders will receive an increase in the [REDACTED] adjusted consolidated net tangible assets value per share of their shares. See Unaudited [REDACTED] Financial Information in Appendix II to this Document.

Our Controlling Shareholders have significant influence over us and their interests may not always be aligned with the interest of our other Shareholders.

Immediately upon the completion of the [REDACTED], without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], our Controlling Shareholders, will control [REDACTED]% of our total issued Shares. Our Controlling Shareholders will, through their voting power at the Shareholders’ meetings and their delegates or positions on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the approval of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as a part of a sale of our Company and may significantly reduce the price of our H Shares.

We cannot assure you that we will declare and distribute any dividends in the future. If we do not pay dividends in the foreseeable future after the [REDACTED], you must rely on price appreciation of our H Shares for a return on your [REDACTED].

There is no assurance that dividends of any amount will be declared or distributed by us in the future after the [REDACTED]. Dividend proposal will be made by the Board which will be subject to the shareholder approval, and our ability to pay dividends or make other distributions to our Shareholders is subject to various factors, including our business and financial performance, capital and regulatory requirements and general business conditions. We may not be able to have sufficient or any profits to enable us to make dividend distributions to our Shareholders in the future, even if our financial statements indicate that our operations have been profitable. As a result of the above, we cannot assure you that we will make/can make dividend payments on our H Shares in the future. For details, see “Financial Information — Dividends.”

Even if we decide to declare and pay dividends, the timing, number and form of future dividends, if any, will depend on our future results of operations and cash flow, our financial condition, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions and other factors deemed relevant by our Board. Accordingly, the return on your [REDACTED] in our H Shares will likely depend entirely upon any future price appreciation of our H Shares. There is no guarantee that our H Shares will appreciate in value after the [REDACTED] or even maintain the price at which you purchased the H Shares. You may not realize a return on your [REDACTED] in our H Shares and you may even lose your entire [REDACTED] in our H Shares.

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A future or perceived significant increase in the supply of our Shares in [REDACTED] could cause the [REDACTED] of our H Shares to decrease significantly, and dilute shareholdings of holders of H Shares.

The [REDACTED] of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [REDACTED], or the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or anticipated sales, of substantial amounts of our securities, including any future offerings, could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

Our future financing may cause dilution of your shareholding or impose restrictions on our operations.

In order to raise capital and expand our business, we may consider [REDACTED] and issuing additional shares or other securities convertible into or exchangeable for our shares in the future other than on a pro rata basis to our then existing Shareholders. As a result, the equity interest of those Shareholders may experience dilution in net asset value per Share. If additional funds are to be raised through debt financing, certain restrictions may be imposed on our business operations, which may further limit our ability or discretion to pay dividends, increase our risks in adverse economic conditions, adversely affect our cash flows or limit our flexibility in business development and strategic plans.

Future sales or perceived sales of substantial amount of our H Shares in the [REDACTED], especially by our Directors, executive officers, Controlling Shareholders and substantial Shareholders, could materially and adversely affect the prevailing [REDACTED] of our H Shares.

Future sales of a substantial number of our H Shares, especially by our Directors, executive officers, controlling shareholders and substantial Shareholders, or the perception or anticipation that such sales might occur, could negatively impact the [REDACTED] of our H Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. All H Shares controlled by our existing Shareholders are subject to certain lock-up periods beginning on the date on which [REDACTED] in our H Shares commences on the Stock Exchange. While we currently are not aware of any intention of such persons to dispose of significant amounts of their H Shares after the expiry of the lock-up periods, we cannot assure you that they will not dispose of any H Shares they may own now or in the future. Market sale of H Shares by such Shareholders and the availability of these H Shares for future sale may have a negative impact on the [REDACTED] of our H Shares.

Certain facts, forecasts and statistics derived from official government sources contained in this Document have not been independently verified and the market opportunity estimates may not be accurate.

We have derived certain facts and other statistics in this Document, particularly those relating to the general economy and the industry, from information provided by official government sources and other third-party sources. We have not independently verified information and statistics from official government sources, and there can be no assurance as to the accuracy and reliability of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other data problems, the statistics herein may be inaccurate. You should consider carefully how much weight or importance you should attach to or place on such facts or statistics.

Market opportunity estimates included in this Document, including our ability to capture a meaningful share of the relevant markets, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there can be no assurance that our market

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opportunity estimates will materialize as anticipated. Any expansion in our market depends on a number of factors, including the cost, performance, and perceived value associated with our business and those of our competitors. Even if the market in which we compete meets the size estimates and growth forecasted in this Document, our business could fail to grow at similar rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is inherently subject to certain risks and uncertainties.

[REDACTED] should read the entire Document carefully and should not consider any particular statements in this Document or in published media reports without carefully considering the risks and other information contained in this Document.

The [REDACTED] is being made solely on the basis of the information and representations contained in this Document, which are true and accurate to the best of our knowledge and belief. Any information not contained in this Document should not be relied upon in making an [REDACTED] decision with respect to the securities being [REDACTED]. Prior to the publication of this Document, there has been coverage in the media regarding us and the [REDACTED], which may have contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. [REDACTED] should be aware that information and opinions published by third-party sources may have been based on outdated, incomplete, or inaccurate information. These sources may also have conflicts of interest, and their opinions may not be independent or objective. The media’s coverage of our Company and the [REDACTED] may be influenced by a wide range of factors, including the bias of individual journalists, the preferences of media outlets, and the demand of advertisers.

WAIVERS

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules:

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 of the Listing Rules may be waived by having regard to, among other considerations, our arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Our headquarters are based in China, and most of the business operations of our Company and our subsidiaries are managed and conducted outside Hong Kong, China. Our executive Directors ordinarily reside in the PRC. Given they play very important roles in our Company’s business operations, it is in our best interests for them to be based in places where our Group has significant operations. We consider it practically difficult and commercially unreasonable for us to arrange for two executive Directors to be ordinarily resident in Hong Kong, either by means of relocation of our executive Directors or appointment of additional executive Directors. Therefore, our Company does not have, and does not contemplate in the foreseeable future that we will have, sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] us, a waiver from strict compliance with Rules 8.12 of the Listing Rules subject to the following conditions:

- (a) we have appointed Mr. Ma, our executive Director, and Mr. Tse Yu Yeung (謝愉陽) (“**Mr. Tse**”), our joint company secretary, as our authorized representatives (“**Authorized Representatives**”) pursuant to Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our Company’s principal channel of communication with the Hong Kong Stock Exchange. The Authorized Representatives will be readily contactable by phone and email to promptly deal with enquiries from the Hong Kong Stock Exchange, and will also be available to meet with the Hong Kong Stock Exchange to discuss any matter within a reasonable period of time upon request of the Hong Kong Stock Exchange;
- (b) when the Hong Kong Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) and senior management team promptly at all times. Our Company will also inform the Hong Kong Stock Exchange promptly in respect of any changes in the Authorized Representatives. Our Company has implemented a policy whereby (i) each Director has provided his or her valid phone numbers or other means of communication to the Authorized Representatives; (ii) in the event that a Director expects to travel or is otherwise out of office, he or she will provide his or her phone number of the place of his or her accommodation to the Authorised Representatives or maintain an open line of communication via his or her mobile phone; and (iii) each Director has provided his or her mobile phone number, office phone number, e-mail address and, where available, fax number to the Stock Exchange and will inform the Stock Exchange promptly if there are any changes to the contact details of the Directors;
- (c) all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period;
- (d) we have appointed Somerley Capital Limited as our compliance adviser (the “**Compliance Adviser**”) upon [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year

WAIVERS

commencing after the [REDACTED]. The Compliance Adviser will have access at all times to our Authorized Representatives, our Directors and our senior management, who will act as the additional channel of communication with the Hong Kong Stock Exchange when the Authorized Representatives are not available. The contact details of the Compliance Adviser have been provided to the Stock Exchange. We will keep the Stock Exchange up to date in respect of any change in the Compliance Adviser. Our Authorized Representatives, Directors and other officers of our Company will provide promptly such information and assistance as the Compliance Adviser may reasonably require in connection with the performance of the Compliance Adviser’s duties as set forth in Chapter 3A of the Listing Rules. There will be adequate and efficient means of communication between our Company, Authorized Representatives, Directors and other officers of our Company and the Compliance Adviser, and to the extent reasonably practicable and legally permissible, we will keep the Compliance Adviser informed of all communications and dealings between the Stock Exchange and us;

- (e) we will appoint other professional advisers (including legal advisers in Hong Kong) after the [REDACTED] to assist us in dealing with any questions which may be raised by the Stock Exchange and to ensure that there will be prompt and effective communication with the Stock Exchange; and
- (f) our Company has designated one of our staff members who will be responsible for maintaining day-to-day communication with the Authorized Representatives and our Company’s professional advisers in Hong Kong, including our legal advisers in Hong Kong and the Compliance Adviser, to keep abreast of any correspondences and/or enquiries from the Stock Exchange and report to our executive Directors to further facilitate communication between the Stock Exchange and our Company.

WAIVER IN RESPECT OF APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Note 1 to Rule 3.28 of the Listing Rules provides that the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further provides that the Hong Kong Stock Exchange considers the following factors in assessing the “relevant experience” of the individual:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant laws and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

WAIVERS

Our Company has appointed Ms. Zheng Lijun (鄭黎君) (“**Ms. Zheng**”) as one of our joint company secretaries. She has extensive experience in handling administrative and corporate related matters of the Group but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, we have appointed Mr. Tse, an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Zheng for an initial period of three years from the [REDACTED] to enable Ms. Zheng to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under Rules 3.28 and 8.17 of the Listing Rules.

Since Ms. Zheng does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such that Ms. Zheng may be appointed as a joint company secretary of our Company. Pursuant to paragraph 13 of Chapter 3.10 of the Guide for New Listing Applicants, the waiver will be for a fixed period of time (“**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 and is appointed as a joint company secretary throughout the Waiver Period; and (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer. The waiver is valid for an initial period of three years from the [REDACTED], and is granted on the condition that Mr. Tse will work closely with Ms. Zheng to jointly discharge the duties and responsibilities as company secretary and assist Ms. Zheng in acquiring the relevant experience as required under Rules 3.28 and 8.17 of the Listing Rules. Mr. Tse will also assist Ms. Zheng in organizing Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Mr. Tse is expected to work closely with Ms. Zheng and will maintain regular contact with Ms. Zheng, the Directors and the senior management of our Company. The waiver will be revoked immediately if Mr. Tse ceases to provide assistance to Ms. Zheng as a joint company secretary for the three-year period after the [REDACTED] or where there are material breaches of the Listing Rules by our Company. In addition, Ms. Zheng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED]. Ms. Zheng will also be assisted by (a) Compliance Adviser of our Company, particularly in relation to compliance with the Listing Rules; and (b) the Hong Kong legal advisers of our Company, on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations.

Before the expiration of the initial three-year period, the qualifications and experience of Ms. Zheng and the need for on-going assistance of Mr. Tse will be further evaluated by our Company. We will demonstrate and seek the Hong Kong Stock Exchange’s confirmation that Ms. Zheng, having benefited from the assistance of Mr. Tse for the preceding three years, will have acquired the skills necessary to carry out the duties of company secretary and the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Directors

Mr. Ma Enduo (馬恩多)	Room 202, Dormitory Building No. 3 Jingye Road Yanchuan Community, Yanluo Street Baoan District, Shenzhen Guangdong PRC	Chinese

Ms. Wu Weijia (伍薇佳)	No. 2129 Dongmen Middle Road Luohu District, Shenzhen Guangdong PRC	Chinese

Mr. Ma Hongfan (馬紅帆)	Room 1314, Dormitory Building No. 180 Shengli South Road Jianghai District, Jiangmen Guangdong PRC	Chinese

Mr. Ye Hai (葉海)	No. 3018 Dongmen South Road Luohu District, Shenzhen Guangdong PRC	Chinese

Mr. Yang Xinquan (楊新權)	20G, Building 5 Chongdeyongcuihuafu, Yuyage Dongxiao Street, No. 4088 Taibai Road Luohu District, Shenzhen Guangdong PRC	Chinese

Non-executive Director

Mr. Cong Yonggang (叢永罡)	Room 1401, Unit 1, Building 3 Guorui City East District Dongcheng District, Beijing PRC	Chinese

Independent Non-executive Directors

Mr. Liao Qian (廖騫)	Room 4B, Building 2 Building 1-3 Amber Regent Garden No. 6012 Shennan Avenue Futian District, Shenzhen Guangdong PRC	Chinese

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address	Nationality
Mr. Lin Sen (林森)	Room 23AB, Unit 1, Building 7 Peninsula City State Phase 2 No. 2 Jinshiji Road Nanshan District, Shenzhen Guangdong PRC	Chinese
Dr. Wang Wenbo (王文博)	Flat A, 3/F, Block 15 HKUST Senior Staff QTRS I University Road Sai Kung, New Territories Hong Kong	Chinese

Note: For details with respect to our Directors, see “Directors and Senior Management.”

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Merrill Lynch (Asia Pacific) Limited

55/F, Cheung Kong Center
2 Queen’s Road Central, Central
Hong Kong

China Merchants Securities (HK) Co., Limited

32/F, One Exchange Square
8 Connaught Place, Central
Hong Kong

J.P. Morgan Securities (Far East) Limited

28/F, Chater House
8 Connaught Road Central
Hong Kong

Sponsor-OCs, Overall Coordinators, [REDACTED], [REDACTED], [REDACTED] and [REDACTED]

Merrill Lynch (Asia Pacific) Limited

55/F, Cheung Kong Center
2 Queen’s Road Central, Central
Hong Kong

China Merchants Securities (HK) Co., Limited

32/F, One Exchange Square
8 Connaught Place, Central
Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited

28/F, Chater House
8 Connaught Road Central
Hong Kong

Legal Advisers to our Company

As to Hong Kong law and United States law

Davis Polk & Wardwell

10/F, The Hong Kong Club Building
3A Chater Road
Central, Hong Kong

*As to PRC law, including PRC cybersecurity
and data privacy law*

Sundial Law Firm

11F-12F., Taiping Finance Tower
No. 6001 Yitian Road, Futian District
Shenzhen, China

Legal Advisers to the Joint Sponsors and the [REDACTED]

As to Hong Kong law and United States law

Linklaters

11/F, Alexandra House
Chater Road
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

As to PRC law

Jingtian & Gongcheng

34/F, Tower 3, China Central Place
77 Jianguo Road, Chaoyang District
Beijing, China

Reporting Accountants and Independent Auditor

Ernst & Young

*Certified Public Accountants and
Registered Public Interest Entity Auditor
under the Accounting and Financial Reporting
Council Ordinance*

27/F, One Taikoo Place, 979 King’s Road
Quarry Bay, Hong Kong

Industry Consultant

**Frost & Sullivan (Beijing) Inc.,
Shanghai Branch Co.**

Room 2504, Wheelock Square
1717 Nanjing West Road
Shanghai, PRC

Property Valuer

**Jones Lang LaSalle Corporate
Appraisal and Advisory Limited**

7th Floor, One Taikoo Place
979 King’s Road, Hong Kong

Transfer Pricing Consultant

Ernst & Young (China) Advisory Limited

50/F, Shanghai World Financial Center
100 Century Avenue
Pudong New Area
Shanghai, PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office, Headquarter and Principal Place of Business in the PRC

Section C, 6th Floor
Xinruike Building, Futian Free Trade Zone
Fubao Street
Futian District, Shenzhen
Guangdong
PRC

Principal Place of Business in Hong Kong

46/F, Hopewell Centre
183 Queen’s Road East
Wan Chai
Hong Kong

Company’s Website

www.amos-sweets.com
(the information contained on this website does not form part of this Document)

Joint Company Secretaries

Ms. Zheng Lijun (鄭黎君)
Section C, 6th Floor
Xinruike Building, Futian Free Trade Zone
Fubao Street
Futian District, Shenzhen
Guangdong
PRC

Mr. Tse Yu Yeung (謝倫陽)
(ACG, HKACG)
46/F, Hopewell Centre
183 Queen’s Road East
Wan Chai
Hong Kong

Authorized Representatives

Mr. Ma Enduo (馬恩多)
Section C, 6th Floor
Xinruike Building, Futian Free Trade Zone
Fubao Street
Futian District, Shenzhen
Guangdong
PRC

Mr. Tse Yu Yeung (謝倫陽)
46/F, Hopewell Centre
183 Queen’s Road East
Wan Chai
Hong Kong

Audit Committee

Mr. Lin Sen (林森) *(Chairperson)*
Mr. Liao Qian (廖騫)
Dr. Wang Wenbo (王文博)

Remuneration Committee

Mr. Lin Sen (林森) *(Chairperson)*
Mr. Ma Enduo (馬恩多)
Mr. Liao Qian (廖騫)

CORPORATE INFORMATION

Nomination Committee

Dr. Wang Wenbo (王文博) (*Chairperson*)
Ms. Wu Weijia (伍薇佳)
Mr. Lin Sen (林森)

Strategy and ESG Committee

Mr. Ma Enduo (馬恩多) (*Chairperson*)
Ms. Wu Weijia (伍薇佳)
Mr. Ma Hongfan (馬紅帆)
Mr. Ye Hai (葉海)

Compliance Adviser

Somerley Capital Limited
20/F, China Building
29 Queen’s Road Central
Hong Kong

[REDACTED]

Principal Banks

Bank of Ningbo Co., Ltd., Shenzhen Branch
1/F-5/F, Podium Building of
Huangting Center Building
Jintian Road, Futian District
Shenzhen, Guangdong
PRC

**China Merchants Bank Co., Ltd.,
Shenzhen Luohu Branch**
1/F, Block A, Shenfeng Plaza
Renmin South Road, Luohu District
Shenzhen, Guangdong
PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this Document were extracted from the Frost & Sullivan Report, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the [REDACTED]. We believe that the sources of this information are appropriate sources for such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Joint Sponsors, Joint Overall Coordinators, [REDACTED], [REDACTED], [REDACTED], [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

ANALYSIS OF THE GLOBAL CONFECTIONERY MARKET

Overview of the Global Confectionery Market

Confectionery, including sugar confectionery and chocolate, as globally long-established categories of sweet food products in the global food system, have combined essential physiological needs and profound socio-cultural attributes. With universal consumer recognition and a solid demand foundation, it has evolved into a core fast-moving consumer goods segment in the global consumer market with a mature scale and prominent resilience.

From the perspective of the core value of the category, it possesses irreplaceable dual attributes. At the physiological level, the preference for sweet foods is innate to humans. Confectionery products are the economical and efficient source of basic energy supply for the human body, which can be quickly absorbed to meet the basic metabolic needs of the brain and muscles. Meanwhile, with their portability advantage, confectionery products can adapt to the needs of instant energy replenishment in diverse scenarios. At the socio-cultural level, confectionery has long transcended the scope of ordinary food products and become a core carrier of emotional comfort, social connection and cultural rituals. It serves as a universal medium for expressing emotions and sentiments, and celebrating special occasions.

Global confectionery consumption is driven by both high-frequency daily consumption and concentrated demand during festive occasions. In daily consumptions, confectionery products are deeply embedded in modern fast-paced lifestyle, covering diverse scenarios such as energy replenishment during daily commutes, emotional healing for stress relief, and social sharing at gatherings with family and friends. Meanwhile, confectionery products have been increasingly tailored to meet the differentiated needs of consumers of all age groups, establishing a high-frequency and stable foundation for daily consumption. In festive consumption scenarios, confectionery is deeply bound to festivals and important life ceremonies across all regions of the world. Chinese New Year, Valentine’s Day, Easter, Halloween, Christmas, wedding celebrations, and other important festivals and ceremonies create consumption peaks, driving solid support for the continuous expansion of the industry.

Confectionery products have continued to innovate in product forms, formulas and production processes, targeting to elevate consumers’ experience across multiple sensory dimensions including taste, visual appeal, aroma, texture and sound, while continuously broadening consumption scenarios. The global confectionery industry is undergoing long-term in-depth development towards both fun-oriented and nutritional directions. Fun-oriented sugar confectionery products feature innovative shapes, while nutritional products focus on the addition of nutritional ingredients, the homology of medicine and food, as well as sugar-reduced and low-sugar formulas, to create more better-for-you confectionery products.

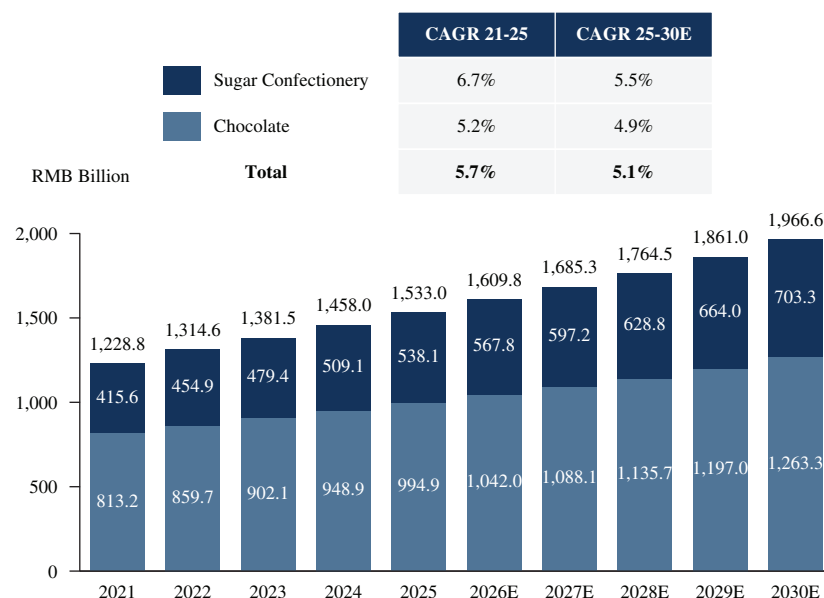
INDUSTRY OVERVIEW

Global Confectionery Market Size

The global confectionery market has maintained a steady growth trajectory. In terms of retail sales value, the global confectionery market size increased from approximately RMB1,228.8 billion in 2021 to approximately RMB1,533.0 billion in 2025. Within this market, the sugar confectionery and chocolate segments reached RMB538.1 billion and RMB994.9 billion in 2025, respectively, with CAGR of 6.7% and 5.2% from 2021 to 2025, respectively. The growth of the chocolate market during the historical period was primarily driven by the recovery of offline festive consumption scenarios, the structural upgrade of high-end products, and the continuous penetration of distribution channels in emerging markets. Looking ahead, as the growth space in mature markets narrows, the overall growth trend of the chocolate market is expected to moderate, creating an urgent need for innovative products and brands to drive expansion. In contrast, sugar confectionery has outpaced chocolate in terms of growth rate. This outperformance is primarily driven by greater product innovation, which enables sugar confectionery to meet global consumers’ demands for novel product formats and healthier ingredients, with gummies serving as the core growth engine. In addition, the continued penetration of omnichannel sales and distribution networks, along with the expansion of diverse consumption scenarios such as daily snacking and festive gifting, has further driven the expansion of the global sugar confectionery market.

The global confectionery market is expected to reach RMB1,966.6 billion by 2030, of which the sugar confectionery segment is projected to account for approximately RMB703.3 billion, representing a CAGR of 5.5% from 2025 to 2030. Going forward, the confectionery market is expected to sustain steady growth, supported by continued expansion in consumer demand, ongoing product innovation, and further extension of distribution channels and consumption occasions.

Confectionery Market Size (In Terms of Retail Sales Value, by Product Categories), Global, 2021-2030E



Source: Fine Chocolate Industry Association (FCIA), National Confectioners Association (NCA), Frost & Sullivan

As one of the key markets in the global confectionery industry, North America’s confectionery market will grow from RMB342.0 billion in 2025 to RMB427.5 billion by 2030 in terms of retail sales value, representing a CAGR of 4.6% over the period. Besides, Europe’s confectionery market will grow from RMB550.3 billion in 2025 to RMB702.6 billion by 2030 in terms of retail sales value, representing a CAGR of 5.0% over the period. China’s confectionery market shows an increasing trend as well, which is expected to grow from RMB100.7 billion in 2025 to RMB125.7 billion by 2030 in terms of retail sales value, representing a CAGR of 4.5% over the period.

INDUSTRY OVERVIEW

Analysis of Global Confectionery Consumption Level

The global per capita consumption of confectionery products exhibits pronounced regional disparities, with differences closely linked to local dietaries and consumer purchasing power. In 2025, per capita confectionery consumption in North America, Oceania and Europe reached 10.0 kg, 9.7 kg and 8.6 kg, respectively, significantly exceeding the global average of 3.1 kg. In those developed markets, confectionery products are deeply integrated into multiple consumption scenarios, including daily snacking, festive occasions, and gifting, resulting in stable demand. These markets have entered a phase of stock-driven optimization, with growth primarily driven by structural upgrades toward premium and health-oriented products. In China, per capita confectionery consumption reached 2.3 kg in 2025, slightly below the global average. The primary growth potential is attributable to continuing upgrades toward healthier and more creative product offerings, which are expected to unlock further per capita consumption potential and, supported by a large population base, contribute to a sizable incremental market.

In addition, per capita confectionery consumption in Latin America was broadly in line with the global average in 2025. The growth momentum of the confectionery market in this region is mainly derived from a young demographic structure, ongoing urbanization, the expansion of the middle class, and the continued penetration of modern retail channels. Per capita confectionery consumption in less developed regions in Asia, such as Southeast Asia, is below the global average. Confectionery consumption in these regions remains largely concentrated in festive occasions, while daily penetration is relatively limited constrained by lower per capita income levels.

ANALYSIS OF THE GLOBAL SUGAR CONFECTIONERY MARKET

Overview of the Global Sugar Confectionery Market

Sugar confectionery refers to sweet solid or semi-solid food products that use saccharides including sucrose, glucose syrup, high fructose corn syrup as the main raw materials, usually supplemented by auxiliary ingredients such as fruit juice, dairy products, nuts and seeds, fruit and vegetable components, edible colloids, and compliant food additives. These products are manufactured through standardized or specialized processing techniques including boiling, formulation, mixing, molding, and packaging.

As a classic fast-moving consumer good with emotional attributes, social attributes and universal consumption applicability, sugar confectionery has a long industry development history, with a mature and complete global and domestic industrial system. It has strong consumption resilience and low economic cyclicity characteristics. After years of market evolution and successive waves of consumer upgrading, the confectionery category has progressed beyond basic sensory enjoyment, and has increasingly diversified into development pathways centered on health orientation, nutritional benefits, personalization, and scenario-based consumption. It is deeply integrated into the consumption scenarios of global consumers including daily leisure, festival gifting and mood regulation. It is both a leisure food category with extremely high penetration in daily mass consumption, and an important consumption carrier bearing sense of festive ritual, emotional expression and collective cultural memory.

Global Sugar Confectionery Market Size

Driven by the deepening health-focused dietary trend, continuous improvement of consumption power in emerging markets, and iterative product innovation, the global sugar confectionery market is developing steadily in a healthier and more diversified direction. In terms of retail sales value, the global sugar confectionery market grew from RMB415.6 billion in 2021 to RMB538.1 billion in 2025, representing a CAGR of 6.7% over the period. It is projected to grow at a CAGR of 5.5% to reach RMB703.3 billion by 2030. Affected by core factors including consumption power, regional dietary culture, policy and regulatory standards, and retail channel structure, regional markets show significant differences in growth trajectories and development characteristics.

INDUSTRY OVERVIEW

North America: In 2025, the North American sugar confectionery market grew from RMB107.3 billion in 2021 to RMB141.5 billion, representing a CAGR of 7.2% over the period. It is projected to grow at a CAGR of 5.6% to reach RMB185.5 billion by 2030. As the world’s leading mature sugar confectionery market, it has a solid demand foundation. Traditional festivals generate stable demand, and the penetration rate of confectionery in daily leisure scenarios is among the highest globally. The region has a mature and densely covered network of offline supermarkets and convenience stores, with steadily expanding scale of new offline retail formats including membership-based warehouse supermarkets and discount retailers with snack categories forming an in-depth multi-channel distribution landscape.

Europe: In 2025, the European sugar confectionery market grew from RMB121.4 billion in 2021 to RMB157.8 billion, representing a CAGR of 6.8% over the period. It is projected to grow at a CAGR of 5.2% to reach RMB202.9 billion by 2030, making it the largest regional sugar confectionery market globally. The region has a long history of confectionery consumption and a mature market landscape, with the world’s leading food regulatory standards. Clean label and sustainable production have become core market access requirements. Mature markets in Western Europe form the core support for stable regional demand, while emerging markets in Eastern Europe provide the main growth momentum. The regional distribution network is centered on chain supermarkets and community convenience stores, with a significantly higher share of specialty confectionery stores than other regions globally. Future growth will focus on health-focused iteration of traditional categories and sustainable upgrading of supply chains.

China: In 2025, China’s sugar confectionery market grew from RMB51.1 billion in 2021 to RMB60.8 billion, representing a CAGR of 4.5% over the period. It is projected to grow at a CAGR of 4.7% to reach RMB76.4 billion by 2030. As one of the core consumer markets in Asia, the Chinese market faced growth pressure on traditional high-sugar and homogeneous categories in the early stage due to the impact of the health-focused consumption trend. Through systematic structural optimization including low-sugar and nutritional product iterations, consumption scenario expansion from low-frequency festive occasions to high-frequency daily consumption, and omni-channel distribution system upgrade, the market has addressed the core supply-demand mismatches and has entered a phase of recovery. On the channel side, the region has the world’s leading online e-commerce penetration rate, with new retail channels including live streaming e-commerce, interest-based e-commerce and snack collection stores have become core carriers for brands to achieve breakthrough growth and expand into lower-tier markets. Offline traditional mom-and-pop stores and wholesale channels still hold the core share of lower-tier markets. In addition, membership-based supermarkets, discount snack stores, chain convenience stores and regional supermarket networks continue to deepen their layout, while instant retail has closed the online and offline fulfillment loop.

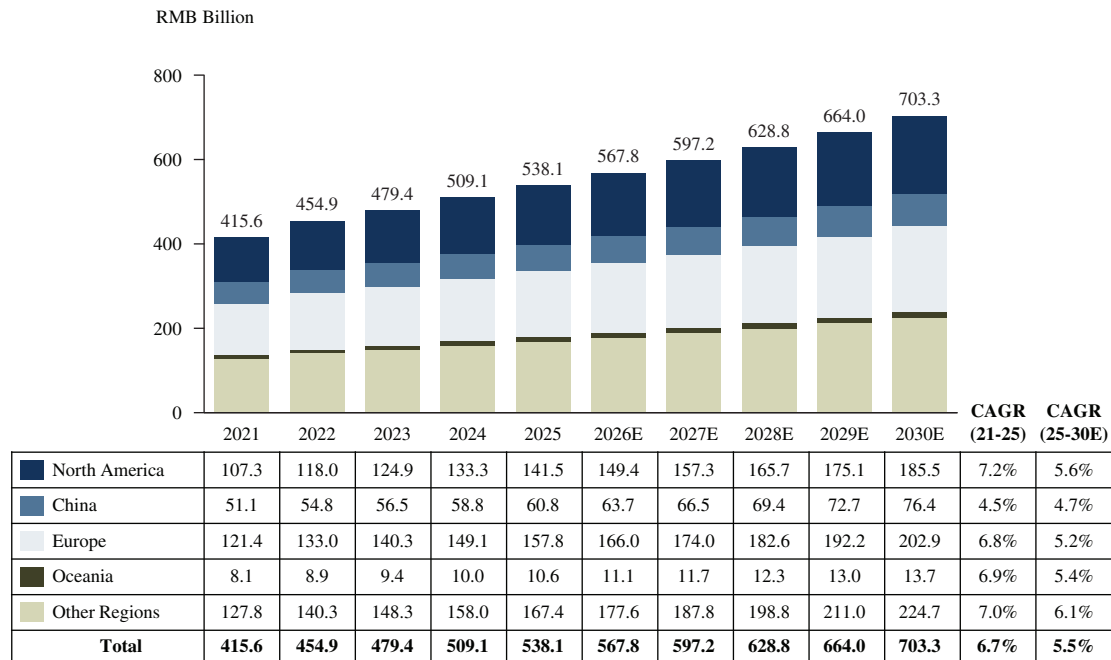
Oceania: In 2025, the Oceania sugar confectionery market grew from RMB8.1 billion in 2021 to RMB10.6 billion, representing a CAGR of 6.9% over the period. It is projected to grow at a CAGR of 5.4% to reach RMB13.7 billion by 2030. As a lucratively mature confectionery market, it has a stable market size and a high level of consumption maturity. The region has a deeply rooted health-focused dietary concept and strict food regulatory standards, with consumers having some of the world’s highest requirements for clean labels, natural ingredients and sustainable production. Nutritional candies and sugar-free organic candies are the core growth drivers of the market, while traditional festivals and daily leisure consumption form a stable demand foundation. The region has a mature omnichannel operation system, and will achieve steady growth in the future relying on innovation in health-focused product categories.

In addition, other regions in Asia recorded a sugar confectionery market size of RMB83.3 billion in 2025 and are projected to reach RMB114.0 billion by 2030, with Southeast Asia and South Asia as core incremental markets and rapidly rising penetration of modern supermarkets and e-commerce. Latin America, the Middle East and Africa recorded market sizes of RMB49.9 billion and RMB34.2 billion respectively in 2025, and are projected to reach RMB65.5 billion and RMB45.2 billion respectively by 2030. Both serve as key incremental sources of growth in emerging markets. Among them, Latin America has entered the consumption upgrade stage, the Middle East has prominent festive gifting attributes, while Africa is still in the early stage of industry development with broad space for channel and category upgrading.

INDUSTRY OVERVIEW

Overall, the regional divergence characteristics of the global sugar confectionery market will continue to be prominent. Mature markets take structural upgrading towards health, high-end and nutritional products as the core development trend, while emerging markets achieve growth both in volume and price driven by demographic dividends, consumption upgrading and channel penetration. Together, these market dynamics jointly underpin the industry’s long-term steady growth trajectory.

Sugar Confectionery Market Size, (In Terms of Retail Sales Value, by Regions), Global, 2021-2030E



Source: National Confectioners Association (NCA), Frost & Sullivan

In terms of texture of sugar confectionery, hard candies currently dominate the market with a larger share of the total size. However, gummies have become the main driver of market growth with a higher growth rate, gradually capturing market share from traditional hard candies. In 2025, the global gummy market reached approximately RMB242.1 billion, with a CAGR of 15.3% between 2021 and 2025. It is projected to grow at a 2025-2030 CAGR of 10.6% to reach RMB400.9 billion by 2030, a growth rate significantly higher than the 0.4% CAGR of the hard candy market during the same period.

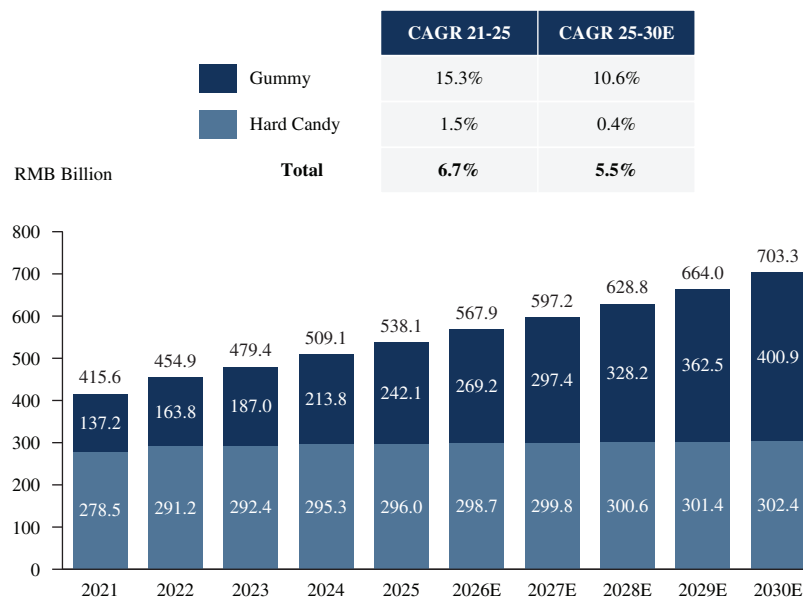
The significantly faster growth of the gummy segment stems from its precise alignment with the core development trends of the global confectionery industry. Among diverse sugar confectionery segments, gummy’s differentiated competitive advantages enables it to contain in-depth coverage of all consumer groups and scenarios.

In terms of taste and form innovation, gummies rely on the gel molding process characteristics, and can achieve diversified textures including elasticity, softness, popping, sandwich and flowing core through innovative technologies such as precision temperature-controlled gelation and 3D printing. This completely breaks through the single crisp and hard taste limitation of traditional hard candies. Meanwhile, gummies can be flexibly designed into interesting, scenario-based and customized shapes, balancing sensory experience and novel consumption demand while breaking the category form boundary of traditional hard candies. This makes them more adaptable to the mainstream youth-oriented and personalized consumption trends in the global market.

INDUSTRY OVERVIEW

In terms of product formulation and health-focused upgrading, the low-temperature gel molding production process for gummies can retain the activity of nutritional ingredients including probiotics, vitamins and plant extracts to the maximum extent, compared with the traditional high-temperature boiling process for hard candies. It is also easier to implement low-sugar or sugar-free formulas, natural raw materials and plant-based gel systems, fully capturing the development dividends of global nutritional confectionery, and building core product competitiveness that is difficult for traditional hard candies to replicate. Gummies normally conduct a higher average retail sales price, with higher overall gross profit margin of than that of traditional hard candies. The higher profitability further drives enterprises to increase R&D investment, forming a positive feedback loop for category growth. Meanwhile, gummies impose higher requirements on enterprises in terms of raw material cost control and supply chain system management. Besides, the product characteristics of gummies give them strong localization adaptability. They can quickly complete product innovation combined with characteristic ingredients and flavor preferences of different regions, helping brands achieve the coordination of global layout and localized operation, and further opening up the long-term growth space of the global market.

Sugar Confectionery Market Size (In Terms of Retail Sales Value, by Texture), Global, 2021-2030E



Source: National Confectioners Association (NCA), Frost & Sullivan

Drivers of the Global Sugar Confectionery Market

Young Generation Driving Demand Iteration: Young consumer groups have become the core consumption force of the global sugar confectionery market. This group is no longer satisfied with the single sweet attribute of traditional confectionery, and exhibits stronger demands for novel experience, social attribute and emotional value of products. Demand from young consumers promotes creative upgrading of confectionery products, supports the high-end development of the category, and makes consumers willing to pay a higher premium for differentiated products. This drives the optimization of industry structure and the continuous expansion of the market.

Rising Health Consumption Awareness: Through nutritional innovation, sugar confectionery products provide supplementation of nutritional elements while satisfying consumers’ taste pleasure, aligning with the global pursuit of healthy foods among consumers. The nutritionalization of snack foods and the snackification of nutritional foods drive the further iterative upgrading of the food industry represented by confectionery, and have become a new driving force for market growth.

INDUSTRY OVERVIEW

Omnichannel System Optimization Unleashing Consumption Potential: The global confectionery channel system continues to optimize. Traditional supermarkets in mature markets have completed structural upgrade of product category, and traditional retail outlets in emerging markets have achieved standardized coverage. New offline retail channels such as discount stores and membership-based warehouse stores are expanding rapidly, combined with the in-depth integration of online marketing and channel networks. This breaks the coverage barriers of traditional channels, promotes the extension of consumption scenarios from low-frequency festival scenarios to high-frequency daily scenarios, increases consumption frequency, and continuously releases market increment.

Emerging Markets Unleashing Incremental Potential: In emerging markets including Southeast Asia, South Asia, Latin America, and the Middle East and Africa, confectionery consumption demand is steadily released along with the continuous population growth, rising per capita disposable income, cultivation of consumption awareness and continuous improvement of the retail channel network. Traditional confectionery categories still have room for growth, while the penetration rate of creative confectionery and nutritional confectionery is rising rapidly, becoming key incremental sources of growth for the global sugar confectionery market.

Development Trends of the Global Sugar Confectionery Market

Continuous Deepening of Creative Product Innovation: Creative innovation is an important direction for the global confectionery industry to expand consumption scenarios and adapt to consumption trends. The industry will continue to iterate around texture and taste, shape design, scenario adaptation and interactive experience, launching seasonally limited, scenario-customized and interesting innovative products. At the same time, health-focused designs such as sugar reduction and natural raw materials will be integrated into creative upgrading, balancing novel consumption experience and health demand to match the youth-oriented and personalized consumption trends.

Accelerated Rise of the Better-for-You Sugar Confectionery Segment: The Better-for-You sugar confectionery segment is emerging as a key development trend in the industry. A small number of enterprises leverage processes such as low-temperature gelation and active ingredient embedding, the industry will add nutritional ingredients including vitamins, probiotics and plant extracts on the basis of low-sugar, sugar-free and clean label formulas, while optimizing product taste and form. This balances nutrition and experience, and broadens the consumption boundary of the category. In addition, the concept of homology of medicine and food has been gradually applied to sugar confectionery, empowering products with more diverse nutritional values.

Product Segmentation Adapting to Diversified Needs: The industry will further achieve in-depth segmentation according to consumer groups, nutritional needs and consumption scenarios. It will create exclusive formulas and product forms for different groups including children, teenagers, pregnant and lying-in women, and the middle-aged and elderly. These include interesting creative confectionery for children, social creative confectionery for teenagers, low-sugar nutritional confectionery for the middle-aged and elderly, and nutritional confectionery for workplace groups, tapping the potential of each segmented market.

Technology Empowering Product Innovation: The application of food technologies such as 3D printing and molecular cuisine will break the inherent form of confectionery, enabling creative confectionery to achieve more complex structures and visual effects. Nutritional confectionery will achieve efficient activity retention of nutritional ingredients through R&D and process upgrading. Meanwhile, the application of natural raw materials and plant-based formulas will become the industry standard, strengthening the health attribute of products.

Coordination of Localization and Globalization: More localized confectionery products combined with specific regional ingredients and cultural customs will emerge, which not only meet the emotional resonance of local consumers, but also enable global companies with insight into local consumers to provide products that meet consumer demand combined with their own supply chain integration advantages. At the same time, leading brands will accelerate global layout, adapt to the consumption preferences of different regions through localized R&D and supply chain integration, and promote the global popularization of creative and nutritional confectionery.

INDUSTRY OVERVIEW

Popularization of Sustainable Concepts: The application of environmentally friendly packaging and degradable materials is gradually popularized to reduce carbon emissions and packaging waste in the production process. Meanwhile, natural raw materials and no artificial additives have become the basic requirements for product R&D, balancing health attributes and environmental responsibility to comply with the global sustainable development trend.

Competitive Landscape of the Global Sugar Confectionery Industry

In terms of retail sales value, the total size of the global gummy market was RMB242.1 billion in 2025, with the top five gummy companies accounting for 58.8% of the total market share combined. In 2025, the Company ranked fifth among all companies globally with gummies retail sales value of RMB5.4 billion, holding a global market share of 2.2%.

Sugar Confectionery Companies Ranking (In Terms of Gummy Retail Sales Value), Global, 2025

Ranking	Company Name	Retail Sales Value (RMB Billion)	Market Share	Whether Chinese Company
1	Company A	63.6	26.3%	No
2	Company B	39.0	16.1%	No
3	Company C	22.0	9.1%	No
4	Company D	12.5	5.2%	No
5	The Company	5.4	2.2%	Yes
	Others	99.7	41.2%	
	Total	242.1	100.0%	

Note: The ranking is based on retail sales value generated by each company.

Company A is headquartered in Germany. It is a private company founded in 1920, engaged in the R&D, production and sales of gummies.

Company B is headquartered in the United States. It is a private company founded in 1908, engaged in the R&D, production and sales of sugar confectionery, particularly gummies and sour candies.

Company C is headquartered in the United States. It is a NASDAQ-listed company founded in 2012, engaged in the R&D, production and sales of snack foods including biscuits, chocolates, sugar confectionery and chewing gum.

Company D is headquartered in the United States. It is a private company founded in 1911, engaged in the R&D, production and sales of chocolates, sugar confectionery and pet food.

Source: Company Reports, Frost & Sullivan

In 2025, in terms of global sugar confectionery retail sales value of Chinese sugar confectionery companies, the Company ranked first with a retail sales value of RMB5.9 billion.

Chinese Sugar Confectionery Companies Ranking (In Terms of Sugar Confectionery Retail Sales Value), Global, 2025

Ranking	Company Name	Retail Sales Value (RMB Billion)	Market Share
1	The Company	5.9	1.1%
2	Company E	4.1	0.8%
3	Company F	0.9	0.2%

Note: The ranking is based on retail sales value generated by each company.

Company E is headquartered in Taiwan, China. It is a Stock Exchange of Hong Kong-listed company founded in 1962, engaged in the R&D, production and sales of snack foods and beverages.

Company F is headquartered in Shanghai, China. It is a state-owned enterprise founded in 2006, engaged in food sectors including dairy products, confectionery, grain and oil, food processing and retail.

Source: Company Reports, Frost & Sullivan

INDUSTRY OVERVIEW

Entry Barriers of the Global Sugar Confectionery Market

Product Development and Production Barriers: Different types of sugar confectionery impose varying requirements on enterprises. For example, the differentiated shape design and special texture molding processes for creative confectionery require long-term technical accumulation and support from a mature production system. The formulation of nutritional ingredients and activity retention technology for nutritional confectionery require cross-disciplinary R&D accumulation, while balancing nutrition, eating taste and regulatory compliance. Sugar confectionery enterprises need to possess production qualifications that comply with international food safety standards and establish a robust quality control system, while also possessing large-scale and flexible manufacturing capabilities to meet differentiated supply demands for different products, different regions and different festivals. It is difficult for new entrants to quickly develop the above capabilities.

Supply Chain Barriers: The confectionery supply chain covers the procurement of upstream natural raw materials and nutritional ingredients, midstream customized production and mold processing, and downstream omnichannel warehousing, logistics and quality control assurance, requiring efficient collaboration across all links. The special-shaped forms of creative confectionery rely on customized molds and flexible production, while nutritional confectionery requires stable supply and activity retention of core raw materials. New entrants can hardly build a complete supply chain system in a short period of time, and are prone to problems such as unstable raw material supply and uneven quality control.

Brand Trust Barriers: Confectionery consumption is highly related to consumer experience and health and safety. Leading brands have accumulated profound brand reputation and consumer trust through long-term quality control management, market education and consumption experience. The effectiveness of ingredients in nutritional confectionery and the quality stability of creative confectionery both require long-term market verification. New entrants can hardly establish consumer recognition through marketing means in a short period of time, facing a long reputation accumulation cycle.

Channel Barriers: Market coverage of the confectionery category is highly dependent on the depth and breadth of the omnichannel distribution network. Leading brands have established long-term and stable cooperative relationships with the world’s mainstream chain supermarkets, convenience stores and new retail platforms, and built a distribution system covering segmented scenarios in mature markets and lower-tier regions in emerging markets. New entrants face strict channel access thresholds, high market entry costs and supply chain coordination challenges, and can hardly achieve large-scale market coverage quickly.

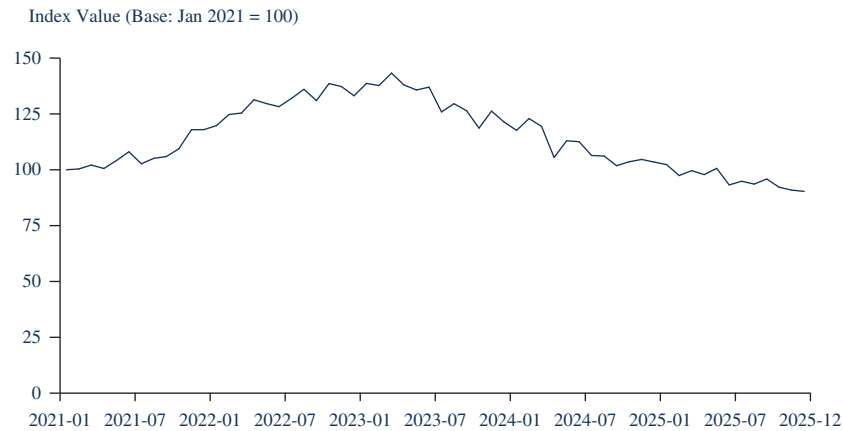
Marketing Barriers: Consumption decisions in the confectionery category are highly dependent on brand mindshare accumulation and scenario-based marketing penetration. Leading brands have long-term locked-in core global social media KOL resources and built a mature scenario-based content communication system. The social fission communication of creative confectionery and consumer education of nutritional confectionery both require a complete marketing system support. New entrants lack brand accumulation, face high costs of traffic acquisition and user mindshare capture, and can hardly quickly establish market awareness.

Price Analysis of Key Raw Materials for Sugar Confectionery

China’s gelatin export price index rose moderately in early 2021. From mid-2021 to mid-2023, the index climbed steadily and reached its periodic peak around mid-2023, driven by tightening raw material supply on the breeding side, explosive demand for downstream gummies, and global supply chain fluctuations. After mid-2023, the index entered a volatile downward channel. Since 2024, with the recovery of raw material production capacity, eased supply-demand balance and moderated downstream demand growth, the index has continued to decline and returned to a level close to the baseline of early 2021 by the end of 2025.

INDUSTRY OVERVIEW

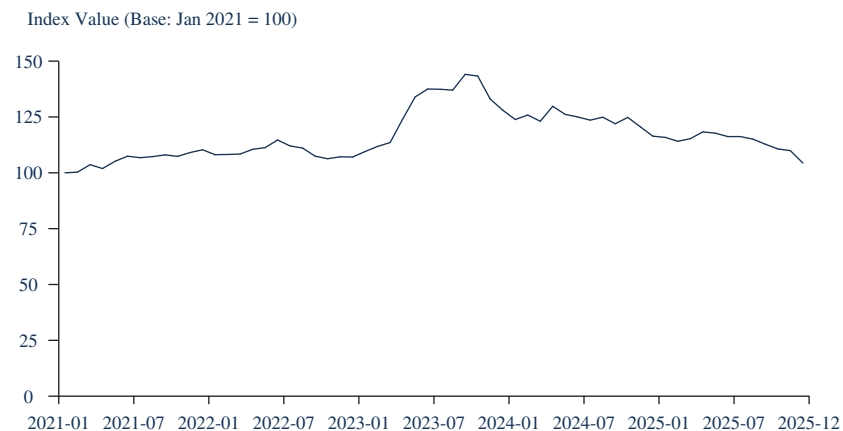
Gelatin Export Price Index (Monthly), China, 2021-2025



Source: Frost & Sullivan

Between 2021 and 2025, the global sugar spot price index showed a three-stage characteristic of stable operation, rapid surge, and shock decline. From 2021 to early 2023, the index fluctuated within a narrow range against the background of balanced supply and demand and stable costs. Starting from early 2023, driven by factors including drought-induced production reduction in Brazil, tightened exports in India and rising energy costs, the index rose rapidly to a periodic high. After 2024, as production recovered in major producing countries, supply and demand eased, and inflationary pressure subsided, the index gradually fell back to a level close to that in early 2021. This fluctuation had an impact on the confectionery industry. In the stage of rising sugar prices, traditional confectionery enterprises faced cost compression pressure, and needed to respond through price increases, sugar substitute replacement and product structure upgrading. In the stage of falling sugar prices, enterprises saw eased cost pressure, and could build up growth momentum through price adjustment, quality optimization and channel expansion.

Sugar Spot Price Index (Monthly), Global, 2021-2025



Source: Frost & Sullivan

INDUSTRY OVERVIEW

SOURCE OF INFORMATION

We commissioned Frost & Sullivan to conduct market research on global sugar confectionery and prepare the Frost & Sullivan Report. Frost & Sullivan is an independent global consulting firm founded in 1961 in New York that offers industry research and market strategies. We have contracted to pay RMB600,000 to Frost & Sullivan for compiling the Frost & Sullivan Report.

In preparing the Frost & Sullivan Report, Frost & Sullivan conducted detailed primary research which involved discussing the status of the industry with certain leading industry participants and conducting interviews with relevant parties. Frost & Sullivan also conducted secondary research which involved reviewing company reports, independent research reports and data based on its own research database. Frost & Sullivan obtained the figures for the estimated total market size from historical data analysis plotted against macroeconomic data as well as considered the above-mentioned industry key drivers. Its market engineering forecasting methodology integrates several forecasting techniques with the market engineering measurement-based system and relies on the expertise of the analyst team in integrating the critical market elements investigated during the research phase of the project. These elements primarily include expert-opinion forecasting methodology, integration of market drivers and restraints, integration with the market challenges, integration of the market engineering measurement trends and integration of econometric variables.

The Frost & Sullivan Report is compiled based on the following assumptions: (i) the social, economic and political environment of the globe and Chinese Mainland is likely to remain stable in the forecast period; and (ii) related industry key drivers are likely to drive the market in the forecast period.

REGULATORY OVERVIEW

OVERVIEW OF LAWS AND REGULATIONS IN THE PRC

We are subject to a variety of PRC laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

REGULATIONS RELATING TO FOOD PRODUCTION, OPERATION AND FOOD SAFETY

Food Production License

The General Administration of Quality Supervision, Inspection and Quarantine of the PRC (now merged into SAMR) promulgated the Measures for the Administration of Food Production Licensing (the “Food Production Measures”) (《食品生產許可管理辦法》) and last amended on January 2, 2020, which came into effect on March 1, 2020. According to the Food Production Measures, a food production license shall be obtained in accordance with the law to engage in food production activities within the PRC. The SAMR shall be responsible for the supervision and guidance of the nationwide food production licensing administration. Local departments for market regulation at or above the county level shall be responsible for the food production licensing supervision and administration within their respective administrative areas. The validity term for a food production license is 5 years. If the enterprise that has the food production license needs to extend the validity term of its food production license, it shall file an application for renewal of the license with the original licensing authority within 30 business days prior to the expiry of the validity term of the food production license.

Food Operation License and Record Filing

According to the Administrative Measures for Food Operation Licensing and Record-filing (the “Food Operation Measures”) (《食品經營許可和備案管理辦法》), which was promulgated by the SAMR on June 15, 2023 and became effective on December 1, 2023, entities and/or individuals engaging in the operation of food shall obtain a food operation license. The food operation license is issued by the administration for market regulation at or above the county level and is valid for five years. An entity trading in food but only for sale of prepackaged food does not require a food operation license, but shall be filed with the competent market supervision authority at or above county level in accordance with the law. Food producers that have already obtained a food production license and sell only food they produce either at their production and processing premises or through online channels are not required to obtain a food operation license. Those who have obtained food operation licenses are not required to go through the record-filing where the business scope is extended to include the sale of prepackaged food.

Food Safety

According to the Food Safety Law of the PRC (《中華人民共和國食品安全法》), or the Food Safety Law, which was promulgated by the NPCSC and last amended on September 12, 2025, which came into effect on December 1, 2025, and the Implementation Regulations for the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》) promulgated by the State Council and last amended on October 11, 2019, which came into effect on December 1, 2019, anyone who engages in food production, food selling, or catering services shall obtain the license according to the Food Safety Law. Food producers and business operators shall take and conform to the measures specified in the Food Safety Law and its Implementation. The Food Safety Law sets out, as penalties for violation, various legal liabilities in the form of warnings, orders to rectify, confiscations of illegal gains, confiscations of utensils, equipment, raw materials and other articles used for illegal production and operation, fines, recalls and destructions of food in violation of laws and regulations, orders to suspend production and/or operation, revocations of production and/or operation license, and even criminal punishment.

REGULATORY OVERVIEW

Food Recall System

According to the currently effective Administrative Measures for Food Recalls (《食品召回管理辦法》), which was promulgated by the SAMR and came into effect on October 23, 2020, a food producer or business operator shall assume primary responsibilities for food safety, by establishing a sound management system, collecting and analysing food safety information and performing legal duties of the cease of production and operation of as well as recall and disposal of unsafe food. Further, where the food producer or business operator fails to forthwith cease production or business operation, to make a voluntary recall, to start a recall within the prescribed time limit, to recall according to its recall plan or to dispose of unsafe food as required, the local administration for market regulation shall give a warning and concurrently impose a fine of not less than RMB10,000 but not more than RMB30,000.

Food Labeling Management

According to the Food Safety Law, prepackaged food shall be labeled. The labels shall include, among other things, the following information: (i) name, specification, net weight, and production date, (ii) content or ingredient table, (iii) name, address and contact information of the manufacturer, (iv) expiration date, (v) the standard code of the product, (vi) storage conditions, (vii) generic names of food additives used according to the national standards, (viii) the production license number, and (ix) other information as required by laws, regulations and food safety standards. Food operators shall sell food products in accordance with warning marks, warning specifications or cautions stated on labels thereof.

The Provisions on the Administration of Food Labels (《食品標識管理規定》) promulgated by the General Administration of Quality Supervision, Inspection and Quarantine and came into effective on October 22, 2009 applies to the labeling and administration of food produced (including repackaging) and sold within the territory of the PRC. On March 14, 2025, the SAMR promulgated the Measures for the Supervision and Administration of Food Labels (《食品標識監督管理辦法》), which shall come into force on March 16, 2027 and repeal the above Provisions on the Administration of Food Labels upon effectiveness, which further standardized, among other things, the basic requirements for food labeling, the labeling method of food additives, and the classification and labeling of the ingredient list.

Food Advertisement

According to the Advertising Law of the PRC (《中華人民共和國廣告法》) promulgated by the NPCSC and last amended on April 29, 2021, no advertisement shall contain any false or misleading information, and shall not deceive or mislead consumers. Any advertiser, advertising agent or advertisement publisher shall, when engaging in advertising activities, comply with laws and administrative regulations, act in good faith, and conduct fair competition. In any advertisement, where there are statements regarding the performance, function, place of origin, purpose, quality, ingredients, price, producer, shelf life and guarantees of the product, or the content, provider, form, quality, price and guarantees of the service, such statements shall be accurate, clear and explicit.

Online Food Operation

According to the Measures for the Investigation and Punishment of Illegal Acts Concerning Online Food Safety (《網絡食品安全違法行為查處辦法》) promulgated by the SAMR and last amended on March 18, 2025, which came into effect on May 1, 2025, online food producers and operators must conduct business within their licensed scope. Food producers with a food production license do not need a separate food operation license for online sales of their own products. All online food operators must display their food production and food operation license prominently: on the main business page for third-party platform sellers, and on the homepage for self-built website operators.

REGULATORY OVERVIEW

Health Food Registration, Filing

According to the Administrative Measures for Health Food (《保健食品管理辦法》), which was promulgated by the original Ministry of Health of the PRC on March 15, 1996 and came into effect on June 1, 1996, and the Administrative Measures for Health Food Registration and Filing (《保健食品註冊與備案管理辦法》), as last amended by SAMR on October 23, 2020, health food refers to the food with specific health care functions, which is suitable for specific groups due to its body regulating functions and not for the purpose of disease treatment. The production and import of the following products shall be subject to an application for health food registration: (i) health foods using raw materials not included in the Catalogue of Health Food Raw Materials; and (ii) health foods imported for the first time (excluding those that supplement nutrients such as vitamins and minerals). The production and import of the following health foods shall be subject to filing in accordance with the law: (i) health foods whose raw materials used have been included in the Catalogue of Health Food Raw Materials; and (ii) health foods imported for the first time that are intended to supplement nutrients such as vitamins and minerals, and such nutrients shall be substances included in the Catalogue of Health Food Raw Materials.

REGULATIONS RELATING TO PRODUCT QUALITY AND PROTECTION OF CONSUMER RIGHTS AND INTERESTS

According to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) last amended and came into effect on December 29, 2018 and the Civil Code of the PRC (《中華人民共和國民法典》) promulgated by the NPC on May 28, 2020 and came into effect on January 1, 2021, for damages arising from a defective product, the infringed party may seek compensation from either the producer or seller of the said product. If the product defect is caused by the producer, the seller shall be entitled to seek reimbursement from the producer upon compensation. If the product defect is caused through the fault of the seller, the producer shall be entitled to seek reimbursement from the seller upon compensation. If a defect is found in a product after it has been put into circulation, the producer and the seller shall take remedial measures in a timely manner including stopping sales, issuing warnings, and conducting recalls.

According to the Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》), which was promulgated by the NPCSC, last amended on October 25, 2013 and became effective on March 15, 2014, where a business operator engages in fraudulent conduct in providing goods or services, it shall, at the request of the consumer, increase compensation for the losses suffered by the consumer. The amount of such additional compensation shall be three times the price of the goods purchased by the consumer or the cost of the services received; if the amount of additional compensation is less than 500 yuan, it shall be 500 yuan. Where otherwise provided by law, such provisions shall prevail. Where a business operator, clearly aware of defects in the goods or services, nevertheless provides them to consumers, causing death or serious bodily injury to consumers or other victims, the victims shall have the right to require the business operator to compensate for the losses in accordance with the relevant provisions of this Law, and shall also have the right to claim punitive damages of not more than two times the losses suffered.

REGULATIONS RELATING TO FOOD IMPORT AND EXPORT

Food Import and Export

According to the Measures for the Administration of Import and Export Food Safety of the PRC (《中華人民共和國進出口食品安全管理辦法》) promulgated by the General Administration of Customs on April 12, 2021 and came into effect on January 1, 2022, overseas exporters or agents exporting food to the territory of China shall file with the General Administration of Customs. Food importers shall file with the customs authorities at their place of domicile. Food export production enterprises shall file with the Customs at their place of domicile. Export food shall be subject to inspection and quarantine by the Customs at the place of origin in accordance with the law.

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Foreign Trade

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), promulgated by the NPCSC and last amended on December 27, 2025, which came into effect on March 1, 2026, no registration of foreign trade operators is required. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations.

Customs Declaration

According to the Customs Law of the PRC (《中華人民共和國海關法》), and the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), all transports, goods and articles entering or exiting the PRC must pass through a designated customs office. Customs declaration and duty payment may be handled by the consignees or consignors of imported and exported goods, or their entrusted customs clearing enterprises. Such entities shall duly complete and obtain customs declaration entity recordation. The recordation of the customs declaration entities is valid for an indefinite period of time, while the temporary recordation is valid for one year, after the expiry reapplication of recordation can be made.

REGULATIONS RELATING TO CORPORATION, FOREIGN INVESTMENT AND OVERSEAS INVESTMENT

The establishment, operation and management of corporate entities in the PRC are governed by the PRC Company Law (《中華人民共和國公司法》), which was promulgated by the NPCSC and last amended on December 29, 2023, which came into effect on July 1, 2024.

According to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) which became effective on January 1, 2020, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. Foreign investments beyond the negative list are entitled to national treatment which refers to granting to foreign investors and their investments, in the stage of investment access, the treatment no less favorable than that granted to domestic investors and their investments.

The negative list sets forth industries in which foreign investments are prohibited or restricted, which will be issued, amended or released upon approval by the State Council from time to time. The currently effective negative list is the Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》), which was promulgated by the NDRC and the MOFCOM on September 6, 2024 and came into effect on November 1, 2024.

In addition, the State, in accordance with the needs of national economic and social development, encourages and guides foreign investors to invest in specified industries, fields, and regions. According to the Catalog of Industries for Encouraging Foreign Investment (2025 Version) (《鼓勵外商投資產業目錄(2025年版)》) (“Encouraging Catalog”), which was promulgated by the NDRC and the MOFCOM on December 15, 2025 and came into effect on February 1, 2026, as of the Latest Practicable Date, confectionery production belongs to the encouraged industries for foreign investment.

REGULATIONS RELATING TO INFORMATION SECURITY AND DATA PRIVACY

On November 7, 2016, the NPCSC promulgated the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (“Cybersecurity Law”), which was last amended on October 28, 2025 and came into effect on January 1, 2026. In accordance with the Cybersecurity Law, network operators must comply with applicable laws and regulations and fulfill their obligations to safeguard network security in conducting business and providing services. Network service providers must take technical and other necessary measures as required by laws, regulations and mandatory requirements to safeguard the operation of networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data.

REGULATORY OVERVIEW

On August 20, 2021, the NPCSC promulgated the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (“Personal Information Protection Law”), which came into effect on November 1, 2021. The Personal Information Protection Law integrates the scattered rules with respect to personal information rights and privacy protection.

On June 10, 2021, the NPCSC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (“Data Security Law”), which came into effect on September 1, 2021. In accordance with the Data Security Law, the conduct of data processing activities shall be in compliance with the provisions of laws and administrative regulations, establishing and completing a data security management system for the entire workflow, organizing and conducting data security education and training, adopting corresponding technical measures and other necessary measures to ensure data security, strengthening risk monitoring, taking immediate disposition measures and promptly reporting to relevant authorities when data security incidents occur.

On September 24, 2024, the State Council promulgated the Regulation on Network Data Security Management (《網絡數據安全管理條例》), which came into effect on January 1, 2025. The Regulations on Network Data Security Management prescribes several key obligations, including requiring network data handlers to specify the purpose and method of personal information processing, as well as the types of personal information involved, before any personal information is processed. It also clarifies definitions for important data, outlines the obligations of those handling important data, establishes broader contractual requirements for data sharing between data handlers, and introduces a new exemption for regulatory obligations regarding cross-border data transfers. The regulation also provides that network data processors conducting any data processing activities that affect or may affect national security shall undergo national security review in accordance with relevant national regulations.

REGULATIONS RELATING TO THE LAND AND DEVELOPMENT AND CONSTRUCTION PROJECTS

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》), which was last amended on August 26, 2019 and came into effect on January 1, 2020, land users can obtain land use rights for construction land in accordance with the Land Administration Law. Under relevant PRC laws and regulations on urban and rural planning, construction administration and quality management, for construction projects involving the transfer of the right to use State-owned land or located within urban or town planning areas, the project owner shall obtain a land use planning permit and a construction project planning permit from the competent authorities, and, unless exempted, a construction permit before commencing works. Upon completion, the construction unit must organize the relevant design, construction, and supervision entities to conduct a completion inspection, and, after passing such inspection, file the completion record with the competent construction department of the local people’s government at or above the county level.

REGULATIONS RELATING TO THE MANAGEMENT OF LEASE HOUSING

Pursuant to the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》) and the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), when leasing premises, the lessor and lessee are required to enter into a written lease contract. Both the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days from the execution of the property lease contract with the real estate administration department where the leased property is located. If the lessor and lessee fail to go through the registration and filing procedures, both lessor and lessee may be subject to fines ranging from RMB1,000 to RMB10,000.

REGULATORY OVERVIEW

REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) was last amended on April 23, 2019 and came into effect on November 1, 2019. The Regulations for the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) were last amended on April 29, 2014 and came into effect on May 1, 2014. According to these laws and regulations, the validity period of a registered trademark is 10 years from the date of approval. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period.

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) was last amended on October 17, 2020 and came into effect on June 1, 2021. The Detailed Rules for the Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) was last amended on December 11, 2023 and came into effect on January 20, 2024. According to the foregoing provisions, patents in China are categorized into three types: invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all of which are calculated from the filing date.

Copyright

The Copyright Law of the PRC (《中華人民共和國著作權法》) (the “Copyright Law”) was last amended on November 11, 2020, and came into effect on June 1, 2021. According to the Copyright Law, Chinese citizens, legal entities or other organizations own copyright in their copyrightable works (whether published or not), including ingenious intellectual achievements in the fields of literature, art and science that are original and can be expressed in certain forms.

Domain Name

The Internet Domain Name Management Measures (《互聯網域名管理辦法》) were issued on August 24, 2017 and came into effect on November 1, 2017. According to the foregoing provisions, domain name registration is conducted through domain name root servers and their operating institutions, domain name registration management institutions and domain name registration service institutions established in accordance with the relevant regulations.

REGULATIONS RELATING TO WORK SAFETY

Pursuant to the Work Safety Law of the PRC (《中華人民共和國安全生產法》) (the “Work Safety Law”) promulgated by the NPCSC on June 29, 2002 and last amended on June 10, 2021, which came into effect on September 1, 2021, entities shall strengthen the management, establish and improve responsibility systems and policies, improve conditions, strengthen the standardized and information technology development of work safety and improve the production level to ensure their production safety. The principal persons in charge of the production and operation entities are fully responsible for the production safety of their entities. Violation of the Work Safety Law may result in fines and penalties, suspension of operation, an order to cease operation, or even criminal liability in severe cases.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) promulgated by the NPCSC and last amended on April 24, 2014, which came into effect on January 1, 2015, any entity which releases or will release pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities.

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On March 12, 2026, the NPCSC promulgated the Ecological Environment Code of the PRC (《中華人民共和國生態環境法典》) (“**Ecological Environment Code**”), which will come into effect on August 15, 2026, and will repeal the current Environmental Protection Law of the PRC. As a comprehensive and fundamental legal framework for ecological and environmental protection, the Ecological Environment Code systematically integrates existing environmental laws and regulations. It strengthens the legal mechanisms for environmental impact assessments, pollution control, and the promotion of green and low-carbon transformation.

Pursuant to the Environmental Impact Assessment Law of the PRC (《中華人民共和國環境影響評價法》) promulgated by the NPCSC and last amended, which came into effect on December 29, 2018, for construction projects that have an impact on the environment, entities shall prepare an environmental impact report, report form or registration form in accordance with the severity of the impact that the project may have on the environment.

Pursuant to the Regulations on the Administration of Pollutant Discharge Permits (《排污許可管理條例》) promulgated by the State Council on January 24, 2021 and came into effect on March 1, 2021, entities that generate or release significant volumes of pollutants, or which cause a substantial environmental impact, shall apply for pollutant discharge permits. Entities that generate and release only minor volumes of pollutants and cause a limited environmental impact, shall fill out pollutant discharge registration forms, and are not required to apply for a pollutant discharge permit.

REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

Employment

The major PRC laws and regulations that govern employment relationships are the PRC Labor Law (《中華人民共和國勞動法》), the PRC Labor Contract Law (《中華人民共和國勞動合同法》) and its implementation regulations, which impose stringent requirements on the employers in relation to entering into employment contracts, hiring of part-time employees and dismissal of employees.

The Interpretation II of the Supreme People’s Court on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “New Judicial Interpretation”) was enacted by the Supreme People’s Court on July 31, 2025 and came into effect on September 1, 2025. According to the Article 19 of the New Judicial Interpretation, if an employer and an employee agree or the employee commits that social insurance contributions are not required to be paid, the People’s Court shall deem such agreement or commitment invalid, and where an employer fails to pay social insurance contributions, and the employee requests to terminate the labor contract and claims economic compensation from the employer in accordance with the PRC Labor Contract Law, the People’s Court shall support such claims.

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the “Social Insurance Law”), which was issued by the NPCSC and last amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council and last amended on March 24, 2019, enterprises shall register for social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of their employees. Any employer who fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and a late payment surcharge at a rate of 0.05% per day shall be imposed starting from the date of the arrears. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

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Housing Provident Fund

Pursuant to the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》), which was promulgated by the State Council and last amended on March 24, 2019, employers in China shall provide their employees with housing provident fund. Employers who fail to contribute to the above housing provident funds may be ordered to make full payment within a prescribed time period by the housing provident fund management center. If an employer fails to make the payment towards the housing provident fund within a prescribed time limit, an application may be made to the people’s court for enforcement.

REGULATIONS RELATING TO FOREIGN EXCHANGE

Pursuant to the Foreign Exchange Administrative Regulations of the PRC (《中華人民共和國外匯管理條例》), which was promulgated by the State Council and last amended on August 5, 2008, and the Administrative Regulations on Foreign Exchange Settlement, Sales and Payment (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on June 20, 1996 and came into effect on July 1, 1996, Renminbi is freely convertible for payments of current account items such as trade and service-related foreign exchange transactions and dividend payments after the relevant financial institutions have reasonably examined the authenticity of the transaction documents and their consistency with foreign exchange receipts and payments, but is not freely convertible for capital expenditure items such as direct investment, loans or investments in securities outside the PRC unless the approval of the SAFE or its local counterparts is obtained in advance.

According to the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on December 26, 2014, a domestic company shall, within 15 working days after the completion of its overseas listing, go through the registration of overseas listing with the foreign exchange bureau at its place of registration.

According to the Guidance on Foreign Exchange Business for Capital Account (2024 Edition) (《資本項目外匯業務指引(2024年版)》), proceeds raised by domestic companies through overseas listings shall, in principle, be repatriated to China in a timely manner, either in Renminbi or foreign currency. The use of proceeds must be consistent with the relevant content disclosed in public documents such as prospectuses, corporate bond offering circulars, shareholders’ circulars, board of directors or shareholders’ meeting resolutions. Where domestic companies use proceeds raised from overseas listings to engage in activities such as outbound direct investment, overseas securities investment, or overseas lending, they must comply with the relevant foreign exchange regulations.

According to (1) the Circular of the State Administration of Foreign Exchange on Reforming and Regulating Policies for the Administration over Foreign Exchange Settlement of Capital Accounts (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) promulgated by SAFE which came into effect on June 9, 2016, and was last amended on December 4, 2023; (2) the Notice of the State Administration of Foreign Exchange on Further Deepening Reform to Promote Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步深化改革促進跨境貿易投資便利化的通知》) announced which came into effect on December 4, 2023; and (3) the Circular of the State Administration of Foreign Exchange on Matters Concerning Deepening the Reform of Foreign Exchange Administration for Cross-Border Investment and Financing (《國家外匯管理局關於深化跨境投融資外匯管理改革有關事宜的通知》) promulgated by SAFE which came into effect on September 12, 2025, the foreign exchange receipts under capital accounts of domestic institutions are subject to discretionary settlement policies. The foreign exchange receipts under capital accounts (including foreign exchange capital, foreign debts, and repatriated funds raised through overseas listing) subject to discretionary settlement as expressly prescribed in the relevant policies may be settled with banks according to the actual need of the domestic institutions for business operation. Domestic institutions may, at their discretion, settle up to 100% of foreign exchange receipts under capital accounts for the time being, SAFE may adjust the above proportion in due time according to the balance of payments. While eligible for the discretionary settlement of foreign exchange receipts under capital accounts, domestic institutions may also opt to use their foreign exchange receipts according to the payment-based settlement system. A bank shall, in

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handling each transaction of foreign exchange settlement for a domestic institution according to the principle of payment-based settlement, review the authenticity and compliance of the use of the funds settled in the previous foreign exchange settlement (including discretionary settlement and payment-based settlement) of such domestic institution. Domestic institutions’ foreign exchange receipts under the capital account and the Renminbi funds obtained from the settlement thereof shall not (i) directly or indirectly, be used for expenditure beyond the enterprise’s business scope or expenditure prohibited by laws and regulations of the state, (ii) unless otherwise expressly specified, directly or indirectly, be used for investments in securities or other investments or wealth management (excluding financial products with a risk rating no higher than level II and structured deposits), and (iii) be used for the granting of loans to non-affiliated enterprises (except where it is expressly permitted in the business scope).

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business by the State Administration of Foreign Exchange (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) promulgated by the SAFE on April 10, 2020, eligible enterprises are allowed to make domestic payments by using receipts under capital accounts, such as their capital funds, foreign credits and the income from overseas listing, without the need to provide the evidentiary materials concerning authenticity on a transaction-by-transaction basis to banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of receipts under capital accounts. Local foreign exchange authorities shall strengthen monitoring analysis and interim and post regulation.

The Circular of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds Raised through Overseas Listings by Domestic Enterprises (《中國人民銀行、國家外匯管理局關於境內企業境外上市募集資金管理有關事項的通知》), or the Circular, came into effect on April 1, 2026, replacing the Notice on Issues Concerning the Foreign Exchange Administration of Overseas Listing (《關於境外上市外匯管理有關問題的通知》), and materially revise the regulatory regime governing the administration of funds raised through overseas listings. According to the Circular, the overseas listing registration deadline will be extended to 30 working days from the first trading day or the completion of over-allotment and the registration authority will be changed from the SAFE to designated banks. Proceeds raised by domestic enterprises through overseas listings shall, in principle, be repatriated to China in a timely manner. Where such proceeds are to be retained offshore for purposes such as outbound direct investment, overseas securities investment, or overseas lending, the enterprise shall obtain the approval or filing documents from the competent authorities prior to the conclusion of the overseas listing issuance or the completion of over-allotment, and shall comply with the relevant regulations on cross-border capital management.

REGULATIONS RELATING TO TAXATION

Enterprise Income Tax (“EIT”)

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”) which was promulgated by the NPCSC and last amended on December 29, 2018, a unified income tax rate of 25% will be applied to foreign investment and foreign enterprises which have set up institutions or facilities in the PRC as well as PRC enterprises. Under the EIT Law, enterprises established outside China whose “de facto management bodies” are located in China are considered “resident enterprises” and will generally be subject to the unified 25% enterprise income tax rate as to their global income.

According to the Announcement of the Ministry of Finance and the State Taxation Administration on Preferential Income Tax Policies for Small and Low-Profit Enterprises and Self-Employed Individuals (《財政部稅務總局關於小微企業和個體工商戶所得稅優惠政策的公告》) (No. 6 [2023]) issued by the MOF and the STA on March 26, 2023, for the period from January 1, 2023 to December 31, 2024, the portion of the annual taxable income of a small and low-profit enterprise that does not exceed RMB1 million shall be included in the taxable income at a reduced rate of 25% and subject to corporate income tax at the rate of 20%. According to the Announcement on Relevant Tax Policies for Further Supporting the Development of Micro and Small-sized Enterprises and Individually Owned Businesses (《關於進一

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步支持小微企業和個體工商戶發展有關稅費政策的公告》) (No. 12 [2023]), the policy of computing taxable income amount at a reduced rate of 25% for small and low-profit enterprises and paying corporate income tax at a tax rate of 20% continues to apply until December 31, 2027.

Value-Added Tax (“VAT”)

According to the Provisional Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例》) (the “VAT Provisional Regulations”), the Notice on the Adjustment of Value-added Tax Rates (《財政部、國家稅務總局關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), and the Announcement on Relevant Policies for Deepening the Value-added Tax Reform (《關於深化增值稅改革有關政策的公告》), the applicable value-added tax rates for general taxpayers are 13%, 9% and 6% respectively, and the applicable value-added tax rate for small-scale taxpayers is 3%.

On December 25, 2024, the NPCSC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) (the “VAT Law”), which came into effect on January 1, 2026 and replaced and repealed VAT Provisional Regulations. According to the VAT Law, entities and individuals that sell goods, services, intangible assets, real estate, and import goods within the territory of China are regarded as value-added tax payers and shall pay value-added tax in accordance with the said Law. The term “selling goods, services, intangible assets, and real estate” refers to the transfer of ownership of goods and real estate for consideration, the provision of services, and the transfer of ownership or the right to use intangible assets. The value-added tax rates are set at 13%, 9%, 6%, and 0%, depending on the nature of the transactions. The tax rate applicable under the simplified tax calculation method is 3%. Taxpayers calculate VAT payable mainly by offsetting input tax against output tax, unless otherwise provided by law.

According to the Circular on VAT and Consumption Tax Policies for Exported Goods and Labour Services (Caishui [2012] No. 39) (《關於出口貨物勞務增值稅和消費稅政策的通知》), which was promulgated by the MOF and the STA, manufacturing enterprises exporting self-produced goods, deemed self-produced goods, providing external processing, repair and maintenance services, and listed manufacturing enterprises exporting non-self-produced goods shall be exempted from VAT, the corresponding input tax credits shall be offset against the payable VAT amount, and any unoffset portion shall be refunded; foreign trade enterprises or other entities exporting goods and labour services shall be exempted from VAT and granted a refund of the corresponding input tax credits.

Furthermore, on January 30, 2026, the MOF and the STA promulgate the Announcement on the Value-Added Tax and Consumption Tax Policies for Export Business (《關於出口業務增值稅和消費稅政策的公告》), which came into effect on January 1, 2026, for the purpose of ensuring a smooth policy transition following the implementation of the Value-Added Tax Law of the PRC and the Regulations for the Implementation of the Value-Added Tax Law of the PRC, and continue the existing systems and practices. The Circular on VAT and Consumption Tax Policies for Exported Goods and Labour Services (Caishui [2012] No. 39) (《關於出口貨物勞務增值稅和消費稅政策的通知》) has been repealed.

According to the Provisions on the Application of VAT Zero Rate and Exemption Policies to Cross-border Taxable Activities (《跨境應稅行為適用增值稅零稅率和免稅政策的規定》), domestic entities and individuals that provide eligible cross-border services and transfers of intangible assets are entitled to VAT exemption.

Tax on Dividends

For Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》), or the Individual Income Tax Law, amended by the NPCSC on August 31, 2018 and came into effect on January 1, 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on December 18, 2018, and came into effect on January 1, 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅

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發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong.

According to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on August 21, 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷稅漏稅的安排》第五議定書) (the “**Fifth Protocol**”) came into effect on December 6, 2019, provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

For Enterprise Investors

According to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), or the EIT Law, last amended by the NPCSC and came into effect on December 29, 2018, and the Implementation Rules of the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法實施條例》), or the Implementation Rules of the EIT Law, last amended by the State Council and came into effect on January 20, 2025, a non-resident enterprise is subject to a reduced rate of 10% enterprise income tax on PRC-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the PRC or has an establishment or place of business in the PRC but the PRC-sourced income is not actually connected with such establishment or place of business in the PRC. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted according to an applicable treaty for the avoidance of double taxation.

According to the Notice from the STA on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《國家稅務總局關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) promulgated by the STA and came into effect on November 6, 2008, a PRC resident enterprise is required to withhold enterprise income tax at a rate of 10% on dividends paid to non-PRC resident enterprise holders of H Shares which are derived out of profit generated since 2008.

According to the Fifth Protocol, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

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Tax related to equity transfer income

For Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. According to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and the STA and came into effect on March 30, 1998, from January 1, 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. According to the Announcement of the MOF and the STA on the Catalogue of Continuing Effective Preferential Individual Income Tax Policies (《財政部國家稅務總局關於繼續有效的個人所得稅優惠政策目錄的公告》) promulgated by the MOF and the STA on December 29, 2018, the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) shall continue to be effective. As of the Latest Practicable Date, the foregoing provisions did not explicitly provide for the imposition of individual income tax on non-PRC resident individuals in respect of the equity transfer of PRC resident enterprises listed on overseas stock exchanges.

For Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to enterprise income tax at the rate of 10% with respect to PRC-sourced income, including gains derived from the disposal of shares in a PRC resident enterprise, if it does not have an establishment or premises in the PRC or has an establishment or premises in the PRC but the PRC-sourced income is not actually connected with such establishment or premises in the PRC. The aforementioned income tax payable by non-PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under applicable tax treaties or arrangements.

Shanghai-Hong Kong Stock Connect Taxation Policy

According to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《財政部、國家稅務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the STA and the CSRC on October 31, 2014 and came into effect on November 17, 2014, transfer spread income derived by mainland enterprises from stock investment listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax according to law. For dividends and bonuses received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for providing the register of mainland individual investors to the H-share companies and withhold individual income tax at the rate of 20% on behalf of the H-share companies. According to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which was promulgated on August 21, 2023 and came into effect on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027. According to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《財政部、國家稅務總局、中國證券監督管理委員會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by mainland enterprises from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to Enterprise Income Tax according to law. According to this Notice, dividend income obtained by mainland resident enterprises from holding H shares for 12 consecutive months shall be exempted from enterprise income tax according to law. H-share companies shall not withhold income tax on dividends and bonus income for mainland enterprises investors. The tax payable shall be declared and paid by the enterprise itself.

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Shenzhen-Hong Kong Stock Connect Taxation Policy

According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the STA and the CSRC on November 5, 2016 and came into effect on December 5, 2016, transfer spread income derived by mainland enterprises from stock investment listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to enterprise income tax according to law. For dividends and bonuses received by mainland individual investors from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDC for providing the register of mainland individual investors to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the investors. According to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》), promulgated on August 21, 2023 and came into effect on the same date, the transfer spread income derived by mainland individual investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be exempted from individual income tax from December 5, 2019 to December 31, 2027. According to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by mainland enterprises investors from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to Enterprise Income Tax according to law. In particular, dividend and bonus income obtained by mainland resident enterprises from holding H shares for 12 consecutive months shall be exempted from enterprise income tax according to law. H-share companies shall not withhold income tax on dividends and bonus income for mainland enterprises. The tax payable shall be declared and paid by the enterprise itself.

REGULATIONS RELATING TO OVERSEAS OFFERING AND LISTING

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall file in accordance with the provisions of the first paragraph of this article. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the supplementary issuer required within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

The Overseas Listing Trial Measures also set forth the issuer's reporting obligations in the event of occurrence of material events (“Material Events”) after the Overseas Offering and Listing. Upon the occurrence of any of the Material Events specified below after the Overseas Offering and Listing, the issuer shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event: (i) change in controlling rights; (ii) being subject to investigation, punishment or other measures by overseas securities regulatory authorities or the relevant authorities; (iii) changing listing status or changing the listing board; or (iv) voluntary or compulsory termination of listing. Besides, if any material change in the principal business and operation of the issuer after its Overseas Offering and Listing makes the issuer no longer within the scope of record-filing, the issuer shall submit a special report and a legal opinion issued by a PRC domestic law firm to the CSRC within three working days after the occurrence of the relevant change to provide an explanation of the relevant situation. According to the Overseas Listing Trial Measures, the PRC domestic enterprises engaging in Overseas Offering and Listing activities shall strictly comply with the PRC laws, administrative

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regulations, and relevant provisions on foreign investment, state-owned assets, industry regulation, overseas investment, etc., shall not disrupt domestic market order, and shall not harm national interests, public interests and the legitimate rights and interests of domestic investors.

Confidentiality and Archives Administration Concerning Overseas Listing

The Provisions on Strengthening the Confidentiality and File Management of Domestic Enterprises Related to Overseas Issuance of Securities and Listing (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) were promulgated by the CSRC together with the MOF, the National Administration of State Secrets Protection (國家保密局) and the National Archives Administration of the PRC (國家檔案局) on February 24, 2023 and came into effect on March 31, 2023. According to which, during the overseas offering and listing activities of domestic enterprises, domestic enterprises, securities companies and securities service providers providing corresponding services shall strictly abide by the relevant PRC laws and regulations as well as the requirements of the provisions, enhance legal awareness of guarding state secrets and strengthening the management of archives, establish and complete systems for confidentiality and archives work, take necessary measures to implement the responsibility for confidentiality and archives management, and shall not divulge state secrets and work secrets of state organs, and shall not harm the interests of state and the public. If domestic enterprises provide or publicly disclose to relevant securities companies, securities service providers, overseas regulatory agencies and other parties, or provide or publicly disclose documents and materials involving state secrets or state organ work secrets through the issuer, they shall report the matters to the competent authorities for examination and approval, and file them with the department for the administration and management of state secrets at the same level for the record.

Full Circulation of H Shares

According to the “Full Circulation” Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請“全流通”業務指引》) (“Full Circulation” Guidelines), promulgated by the CSRC on August 10, 2023, “Full circulation” represents listing and circulating on the Stock Exchange of the domestic unlisted shares of a domestic H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders.

According to the “Full Circulation” Guidelines, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for “full circulation”. Pursuant to the Overseas Listing Trial Measures, shareholders holding unlisted shares in the PRC shall comply with the relevant requirements of the CSRC and appoint a domestic enterprise to file report with the CSRC.

On December 31, 2019, CSDC and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share “Full Circulation” Business (《H股“全流通”業務實施細則》) (“Measures for Implementation”). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share “full circulation business”, are subject to these Measures for Implementation.

In order to fully promote the reform of H-shares “full circulation” and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, Shenzhen Branch of CSDC has issued the Guidelines to the Program for “Full Circulation” of H-shares (《中國證券登記結算有限責任公司深圳分公司H股“全流通”業務指南》) in September, 2024, which was last amended in June, 2025, and specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc.

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LAWS AND REGULATIONS IN THE U.S.

Businesses operating in the United States are subject to a range of federal, state and local laws and regulations. Regulations that may be material to the Company’s operations include those relating to food safety and compliance, customs and import requirements, and U.S. taxation.

Food Regulation

The U.S. Food and Drug Administration regulates food products marketed in the United States under the Federal Food, Drug, and Cosmetic Act, as amended (the “FD&C Act”), and related regulations.

Subject to applicable exemptions, facilities engaged in the manufacturing, processing, packing, or holding of food for consumption in the United States may be required to register with the FDA and comply with applicable regulatory requirements. Such registration is an establishment requirement and does not constitute FDA approval of products.

Food products marketed in the United States are required to comply with applicable labeling requirements, including ingredient disclosure and other mandatory labeling standards. The FDA does not generally pre-approve food labels.

To the extent the Company is considered the importer of food products into the United States, it may be subject to the Foreign Supplier Verification Program (FSVP) requirements under the Food Safety Modernization Act, which require importers to verify that their foreign suppliers produce food in compliance with applicable U.S. food safety standards.

Failure to comply with applicable FDA requirements may result in regulatory or enforcement actions, including inspections, product detention, refusal of admission, recalls or other administrative measures.

International Trade and Customs (Imports)

Importation of goods into the United States is administered by U.S. Customs and Border Protection. Importers are responsible for exercising “reasonable care” in connection with customs compliance, including the accuracy of import declarations.

U.S. law prohibits the entry of merchandise into U.S. commerce through material false statements or omissions and provides for civil penalties based on the level of culpability (including fraud, gross negligence or negligence) under 19 U.S.C. § 1592.

U.S. tariffs and other trade measures may apply to certain imported goods and are subject to change based on U.S. trade policy developments.

U.S. Corporate Income Tax and Transfer Pricing

U.S. federal corporate income tax is imposed on corporations at a rate of 21% under 26 U.S.C. § 11 (subject to applicable state and local taxes).

U.S. transfer pricing rules require that transactions between related parties be conducted on an arm’s length basis. Section 482 of the Internal Revenue Code and applicable Treasury regulations are intended to ensure that taxable income reflects the results that would have been realized if uncontrolled parties had engaged in the same transactions under similar circumstances.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

The predecessor of our Company, Shenzhen AMOS Sweets & Foods Co., Ltd. (深圳市金多多食品有限公司) was established in September 2004 as a limited liability company in the PRC. On March 10, 2026, our Company was converted into a joint stock limited company and renamed as Amos Food (Group) Co., Ltd. (阿麥斯食品(集團)股份有限公司). Under the leadership of Mr. Ma, we become a leading global sugar confectionery company. For details of the biographies of Mr. Ma, please refer to “Directors and Senior Management”.

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2004	Our predecessor, Shenzhen AMOS Sweets & Foods Co., Ltd., was established
2006	The construction of the Amos factory in Shenzhen, built in accordance with European and American food production standards, was completed
2008	The first Amos candy entered Walmart in the United States, marking the entry of our own brand into the mainstream market in North America
2013	Acquired the European Blink brand, which then, together with Amos brand, formally entered the China market, thereby establishing presence across both domestic and international markets
2015	Founded our “Biobor” brand and formulated the long-term dual-H development strategy of Happy + Healthy, and entered the nutritional candy segment
2016	Launched 4D gummy, thereby building a core category of creative candy and establishing a differentiated competitive advantage
2018	Launched active probiotic gummy
2019	Launched the Amos 4.0 strategic plan (our fourth five-year plan), aiming to establish ourselves as a leading global brand in category-defining sugar confectionery
	Expanded into the cross border e-commerce network, thereby building a comprehensive omni-channel system across online and offline channels
2020	Implemented our “global brand, local operations” strategy and initiated localized sales in the United States
2023	Inclusion of ourselves in the prestigious <i>Global Candy Industry Top 100</i> for the first time
2024	The construction of large-scale new production and research base in Jiangmen, Guangdong, was completed and put into operation, thereby further expanded our production capacity
	We offered the “Candy Dream Factory”, an integrated facility for tours, interaction, and education, at our production and research base in Jiangmen, Guangdong, thereby launching industrial tourism and consumer experiences, as well as word-of-mouth marketing

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Year	Milestone
	Hosted the Global Distributors Conference (全球經銷商大會) and the Greater Bay Area “Creative + Nutritional” Sugar Confectionery Industry Forum (大灣區“創意+營養”糖果產業論壇)
	Mr. Ma, our chairman, was inducted into the U.S. Candy Hall of Fame, becoming the first Chinese person in history to receive this honor
	Launched the Amos 5.0 strategic plan (our fifth five-year plan) to sustain our global leadership in category-defining sugar confectionery
2025	Amos became the fastest-growing company among the world’s top 30 sugar confectionery companies in terms of CAGR by retail sales value from 2023 to 2025
2026	Inclusion in the prestigious <i>Global Candy Industry Top 100</i> in 2026 for the fourth consecutive time, and were ranked among the top 50 therein

OUR MAJOR SUBSIDIARIES

The principal business activities and the dates of incorporation of our major subsidiaries which have made material contributions to our results of operations during the Track Record Period or have key strategic value to the Group are as follows. All of the following major subsidiaries are wholly owned by the Company.

No.	Name of major subsidiary	Place of incorporation	Date of establishment and commencement of business	Principal business activities
1 . . .	Shenzhen Amos Food Marketing Co., Ltd. (深圳市金多多食品營銷有限公司)	PRC	May 23, 2011	Sales within Chinese Mainland
2 . . .	AMOS SWEETS CO., LTD. (深圳市阿麥斯食品科技有限公司)	PRC	January 13, 2006	R&D and manufacturing of food products
3 . . .	Amos Food (Guangdong) Co., Ltd. (阿麥斯(廣東)食品科技有限公司)	PRC	July 15, 2020	R&D and manufacturing of food products
4 . . .	Amos Food (HK) Limited (阿麥斯食品(香港)有限公司)	Hong Kong	August 12, 2020	Overseas sales platform
5 . . .	AMOS SWEETS INC.	United States	September 28, 2020	Overseas sales platform
6 . . .	Biobor Health (Guangdong) Co., Ltd. (貝歐寶(廣東)健康科技有限公司)	PRC	March 17, 2023	Manufacture of nutritional food
7 . . .	Shenzhen AMOS E-commerce Co., Ltd. (深圳市金多多電子商務有限公司)	PRC	May 13, 2016	Online sales within Chinese Mainland

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

(1) Establishment of our Company and early shareholding changes between September 2009 and July 2013

On September 2004, the predecessor of our Company, Shenzhen AMOS Sweets & Foods Co., Ltd. (深圳市金多多食品有限公司), was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB2 million. Upon establishment, Mr. Ma, Ms. Wu, Ms. Li Xuting, Mr. Ye and Ms. Ma Yuan, held 83.00%, 6.00%, 4.00%, 4.00% and 3.00% of the then registered capital of our Company, respectively. Each of Ms. Li Xuting and Ms. Ma Yuan is an early investor and an Independent Third Party.

Between September 2009 and July 2013, as agreed between the relevant parties, there were several transfers of interests in our Company by and among our relevant Co-founders and the aforementioned early investors, which resulted in (i) such early investors ceasing to be Shareholders; and (ii) Mr. Ma Hongfan becoming a Shareholder. All considerations of such transfers were settled and equal to the subject amount of the registered capital of our Company for each transfer, which has been fully paid up.

Upon completion of the abovementioned equity transfers, our shareholding structure was as follows:

Name of Shareholder	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB)	(%)
Mr. Ma	1,580,000	79.00
Ms. Wu	200,000	10.00
Mr. Ma Hongfan	140,000	7.00
Mr. Ye	80,000	4.00
Total	2,000,000	100

(2) Capital increases between August 2013 and December 2014

In August 2013, to streamline the corporate shareholding structure of our Group, the registered capital of our Company increased from RMB2,000,000 to RMB3,000,000. The increased registered capital was subscribed by each of Mr. Ma, Ms. Wu, Mr. Ma Hongfan, and Mr. Ye, through contributing their then equity interests in Shenzhen Amos Food Marketing Co., Ltd. (深圳市金多多食品營銷有限公司) (“**Amos Food Marketing**”) in the following manner: (i) Mr. Ma subscribed for RMB790,000 of the increased registered capital of the Company by contributing his 79.00% equity interest in Amos Food Marketing; (ii) Ms. Wu subscribed for RMB100,000 of the increased registered capital of the Company by contributing her 10.00% equity interest in Amos Food Marketing; (iii) Mr. Ma Hongfan subscribed for RMB70,000 of the increased capital of the Company by contributing his 7.00% equity interest in Amos Food Marketing; and (iv) Mr. Ye subscribed for RMB40,000 of the increased registered capital of the Company by contributing his 4.00% equity interest in Amos Food Marketing. Upon completion of the above capital increase, Amos Food Marketing became a wholly-owned subsidiary of our Company. Such consideration was determined based on the appraised valuation of Amos Food Market as at June 30, 2013 appraised by an independent third party valuer.

In the same month, (i) the registered capital of our Company was further increased from RMB3,000,000 to RMB11,000,000, and the increased registered capital was subscribed by the Co-founders in proportion to their respective existing shareholding in the Company with a total cash consideration of RMB8,000,000, which is equal to the aggregate subject amount of increased registered capital so subscribed for by the Co-founders. After completion of such capital increase, our Company was owned by Mr. Ma, Ms. Wu, Mr. Ma Hongfan and Mr. Ye as to 79.00%, 10.00%, 7.00% and 4.00%, respectively; and (ii) the registered capital of our Company further increased from RMB11,000,000 to RMB13,859,150, and the increased registered capital of RMB2,859,150 was subscribed by Rothsni

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Company Limited (“**Rothsnix**”), an Independent Third Party, with a total cash consideration of US dollar equivalent to RMB50,000,000. Such consideration was determined based on arm’s length negotiation, taking into account, among other things, the then financial performance of the Company. Upon completion of such capital increase, the form of our Company was changed to a Sino-foreign joint venture enterprise.

In December 2014, the registered capital of our Company was further increased to RMB15,438,170, with the increased part of the registered capital being subscribed for by the Co-founders in the following manner: (i) RMB1,247,410 by Mr. Ma, with a cash consideration of RMB21,820,460; (ii) RMB157,910 by Ms. Wu, with a cash consideration of RMB2,755,000; (iii) RMB110,500 by Mr. Ma Hongfan, with a cash consideration of RMB1,943,740; and (iv) RMB63,200 by Mr. Ye, with a cash consideration of RMB1,107,130. These consideration were determined with reference to the valuation of the last round of financing.

After completion of such capital increase, the shareholding structure of our Company was as follows:

Name of Shareholder	Registered capital subscribed for	Corresponding equity interest in our Company
	(RMB)	(%)
Mr. Ma	9,937,410	64.37
Rothsnix	2,859,150	18.52
Ms. Wu	1,257,910	8.15
Mr. Ma Hongfan	880,500	5.70
Mr. Ye	503,200	3.26
Total	15,438,170	100.00

(3) Preliminary equity transfers relating to employee incentivization

On August 22, 2019, due to adjustment of the investment strategies of Rothsnix, Rothsnix and Shenzhen Amos Gongchuang Investment Consulting Partnership (Limited Partnership) (深圳市金多多共創投資諮詢合夥企業(有限合夥)) (“**Shenzhen Gongchuang**”), of which Mr. Ma is the general partner, entered into an equity transfer agreement, pursuant to which Rothsnix agreed to transfer its 18.52% equity interest in our Company to Shenzhen Gongchuang at the consideration of RMB65,000,000, which was determined based on arm’s length negotiation between the relevant parties taking into account, among other things, the pre-agreed investment return among the parties. Upon completion of such equity interest transfer, Rothsnix ceased to be a Shareholder, and Mr. Ma, Shenzhen Gongchuang, Ms. Wu, Mr. Ma Hongfan and Mr. Ye held 64.37%, 18.52%, 8.15%, 5.70% and 3.26% equity interest in our Company, respectively.

On November 25, 2020, Shenzhen Gongchuang entered into an equity transfer agreement with Gongqingcheng Gongchuang of which Mr. Ma is the general partner and the Co-founders were the limited partners at the relevant time, pursuant to which Shenzhen Gongchuang agreed to transfer its 18.52% equity interest of our Company to Gongqingcheng Gongchuang at the consideration of RMB69,200,000. Upon completion of such equity interest transfer, Shenzhen Gongchuang ceased to be a Shareholder, and Mr. Ma, Gongqingcheng Gongchuang, Ms. Wu, Mr. Ma Hongfan and Mr. Ye held 64.37%, 18.52%, 8.15%, 5.70% and 3.26% equity interest in our Company, respectively. Gongqingcheng Gongchuang later became an Employee Shareholding Platform. For details, see “— Employee Incentive Platform, Employee Incentive Schemes, and historical core management team incentivizations” below.

(4) Pre-[REDACTED] Investments from early Pre-[REDACTED] Investors

On December 18, 2020, as our Co-founders decided to broaden our investor base through Gongqingcheng Gongchuang, Gongqingcheng Gongchuang entered into equity transfer agreements with Beijing Xingshi Investment Management Center (Limited Partnership) (北京星實投資管理中心(有限合夥)) (“**Xingshi Investment**”), Gongqingcheng Xingtian Investment Partnership (Limited Partnership) (共青城星甜投資合夥企業(有限合夥)) (“**Xingtian Investment**”) and Shenzhen Nanhai Chengzhang

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Tongying Equity Investment Fund (Limited Partnership) (深圳南海成長同贏股權投資基金(有限合夥)) (“Nanhai Chengzhang”), respectively. Pursuant to such agreements, Gongqingcheng Gongchuang transferred its (i) 9.31% equity interest in our Company to Xingshi Investment at the consideration of RMB64.25 million; (ii) 0.11% equity interest in our Company to Xingtian Investment at the consideration of RMB750,000; and (iii) 1.64% equity interest in our Company to Nanhai Chengzhang at the consideration of RMB11.30 million. On the same date, Mr. Ma entered into an equity transfer agreement with Nanhai Chengzhang, transferring his 1.26% equity interest in our Company to Nanhai Chengzhang at the consideration of RMB8.70 million. The considerations of all such transfers were agreed after arm’s length negotiations between the relevant parties taking into account, among other things, the then financial performance of the Company.

(5) Employee Incentive Platform, Employee Incentive Schemes, and historical core management team incentivizations

Phase I Pre-[REDACTED] Employee Incentive Scheme and Gongqingcheng Gongchuang

In recognition of the contributions of our management and employees and to incentivize them to further promote our development, we adopted the phase I Pre-[REDACTED] Employee Incentive Scheme on December 10, 2020 (the “**Phase I Pre-[REDACTED] Employee Incentive Scheme**”). Following such adoption, all the then partners of Gongqingcheng Gongchuang resolved to utilize its then existing equity interests in the Company to grant interests to such relevant grantees under the Phase I Employee Incentive Scheme through introducing new limited partners, who were then existing employees of the Company, to the partnership of Gongqingcheng Gongchuang. As of the Latest Practicable Date, Gongqingcheng Gongchuang owned approximately 7.17% of the issued Shares, and had a total of 30 limited partners, none of which holds 30% or more partnership interests therein, comprising (i) Ms. Wu, holding 10.00% partnership interests therein; (ii) Mr. Ma Hongfan, holding 7.00% partnership interests therein; (iii) Mr. Ye, holding 4.00% partnership interests therein; (iv) Mr. Zhu Yong, our chief financial officer, holding 26.80% partnership interests therein; (v) Ms. Ma Enmei, our treasury manager, and the elder sister of Mr. Ma, holding 1.30% of partnership interest therein; (vi) Ms. Wang Xiaoqin (王曉琴), our deputy general manager of the production and R&D centre, and the sister-in-law of Mr. Ma, holding 1.56% partnership interests therein; and (vii) other 24 current employees as limited partners who are not Directors, senior management or connected persons of our Company. The general partner of Gongqingcheng Gongchuang is Mr. Ma, who holds 16.61% of partnership interest therein.

Historical core management team incentivisations

On December 24, 2021, to recognize the contributions of our core management team, Mr. Ma. decided to directly incentivise certain of our core management by transferring his 1.00% and 0.60% equity interest in our Company to Ms. Wu and Mr. Ma Hongfan, respectively.

Phase II Pre-[REDACTED] Employee Incentive Scheme and Amos Gongchuang

On April 14 2026, we adopted the phase II Pre-[REDACTED] employee incentive scheme (the “**Phase II Pre-[REDACTED] Employee Incentive Scheme**”, and together with the Phase I Pre-[REDACTED] Employee Incentive Scheme, the “**Pre-[REDACTED] Employee Incentive Schemes**”). Accordingly, on April 20, 2026, Amos Gongchuang subscribed for 236,834 Shares, and introduced new limited partners who are our existing employees. As of April 20, 2026, Amos Gongchuang had a total of 28 limited partners, none of which holds 30% or more partnership interests therein, comprising (i) Mr. Yang Xinquan, our executive Director, who holds 2.11% partnership interest therein; (ii) Ms. Zheng Lijun, our Board secretary, who holds 21.11% partnership interest therein; (iii) Ms. Ma Enmei, holding 3.52% partnership interest therein; (iv) Ms. Wang Xiaoqin (王曉琴), holding 3.52% partnership interests therein; and (v) other 24 current employees as limited partners who are not the Directors, senior management or connected persons of our Company. The general partner of Amos Gongchuang is Mr. Ma, who holds 0.42% of partnership interest therein.

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All the interests in our Company held by such relevant grantees through Employee Shareholding Platforms under the Pre-[REDACTED] Employee Incentive Schemes are subject to certain transfer and disposal restrictions pursuant to the partnership agreement, the terms of the relevant Pre-[REDACTED] Employee Incentive Scheme, and relevant award confirmation letters thereof. On April 20, 2026, all interests subject to the Pre-[REDACTED] Employee Incentive Schemes were granted, vested and subscribed for by the relevant participants, and no further interests will be granted under such schemes following the [REDACTED].

(6) Pre-[REDACTED] Investments in March 2022

On March 9, 2022, Shenzhen Yinji Guangda Cultural Industry Equity Investment Fund Partnership (Limited Partnership) (深圳印紀光大文化產業股權投資基金合夥企業(有限合夥)) (“**Yinji Guangda**”) and Zhengzhou Tongchuang Caijin Equity Investment Fund Partnership (Limited Partnership) (鄭州同創財金股權投資基金合夥企業(有限合夥)) (“**Tongchuang Caijin**”) made Pre-[REDACTED] Investments in our Company. See “— Pre-[REDACTED] Investments” below for further information of shareholding changes in connection with the Pre-[REDACTED] Investments. Our PRC Legal Adviser has confirmed that, all the capital increases as described in this section were properly and legally completed, and all necessary filings and registrations from the relevant PRC authorities have been obtained and completed.

(7) Subsequent Shareholding Changes and Conversion into a Joint Stock Limited Company

On January 20, 2026, due to an adjustment in the internal shareholding structure within the same investor group, Xingshi Investment entered into equity transfer agreements with its affiliates subject to common control, namely Zhuhai Xinyi Enterprise Management Partnership (Limited Partnership) (珠海鑫熠企業管理合夥企業(有限合夥)) (“**Zhuhai Xinyi**”) and Wuhan Xinmeng Venture Capital Fund Partnership (Limited Partnership) (武漢市鑫盟創業投資基金合夥企業(有限合夥)) (“**Wuhan Xinmeng**”), respectively, pursuant to which Xingshi Investment transferred its 5.91% and 3.08% equity interest in the Company to Zhuhai Xinyi at a consideration of RMB177.151 million and to Wuhan Xinmeng at a consideration of RMB92.48 million. Based on the Company’s knowledge, the considerations of the aforementioned transfers were determined with reference to, among other things, our then valuations as agreed between the relevant parties. Xingshi Investment ceased to be a Shareholder upon completion of such transfer.

On February 24, 2026, our then Shareholders passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock limited company and the change of name of our Company to Amos Food (Group) Co., Ltd. (阿麥斯食品(集團)股份有限公司). Pursuant to the promoters’ agreement dated February 24, 2026 entered into by all the then Shareholders, all promoters approved the conversion of the net assets value of our Company as of August 31, 2025 into 50,000,000 shares with a nominal value of RMB1.00 each of our Company, with the remaining RMB415,973,719.38 in net assets included as capital reserves of the Company. Details of the promoters are as follows:

Shareholder	Number of shares	Ownership percentage
		%
Mr. Ma	29,685,099	59.37
Ms. Wu	4,415,871	8.83
Gongqingcheng Gongchuang	3,601,241	7.20
Mr. Ma Hongfan	3,040,435	6.08
Zhuhai Xinyi	2,952,521	5.91
Mr. Ye	1,573,041	3.15
Wuhan Xinmeng	1,541,336	3.08
Nanhai Chengzhang	1,398,865	2.80
Yinji Guangda	1,086,958	2.17
Tongchuang Caijin	652,174	1.30
Xingtian Investment	52,459	0.10
Total	50,000,000	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

On March 1, 2026, our Company convened the founding conference, and passed related resolutions approving the conversion of our Company into a joint stock limited company, articles of association and relevant procedures. Upon completion of the conversion, the registered capital of our Company became RMB50,000,000 divided into 50,000,000 shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company immediately before the conversion. The conversion was completed on March 10, 2026 when our Company obtained a new business license as a joint stock limited company.

Following the above conversion, our shareholding changed again due to the subscription of Shares by Amos Gongchuang, an Employee Shareholding Platform under the Phase II Pre-[REDACTED] Employee Incentive Scheme. For details, see “— (5) Employee Incentive Platform, Employee Incentive Schemes, and historical core management team incentivizations” above.

COMPLIANCE WITH PRC LAWS AND REGULATIONS

As advised by our PRC Legal Adviser, all the above mentioned capital increases and equity transfers of our Company and our subsidiary are effective, legally binding and in compliance with the PRC laws and regulations and their respective articles of association. All necessary filings and registrations from the relevant PRC authorities have been obtained and/or completed.

MAJOR ACQUISITIONS AND INVESTMENTS

We have not conducted any acquisitions, disposals or mergers during the Track Record Period that we consider to be material to us.

REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its H Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company’s business, to strengthen our Company’s working capital and to further raise our business profile and global presence.

For further details of our future plans, see “Future Plans and Use of [REDACTED]”.

PRE-[REDACTED] INVESTMENTS

Overview

For early Pre-[REDACTED] Investments, see “— Corporate Development and Major Shareholding Changes — (4) Pre-[REDACTED] Investments from early Pre-[REDACTED] Investors” above. In March 2022, our Company, the Co-founders, Gongqingcheng Gongchuang, Xingshi Investment, Xingtian Investment and Nanhai Chengzhang entered into a capital increase agreement with Yinji Guangda and Tongchuang Caijin for details, see the table below.

Upon completion of the above capital subscription, the registered capital of our Company was increased from RMB15,438,170 to RMB15,994,502.

Principal Terms of the Pre-[REDACTED] Investments and Pre-[REDACTED] Investors’ Rights

The relevant details and principal terms of the Pre-[REDACTED] Investments are set out below:

Date of agreements	March 9, 2022	March 9, 2022
Investors	Yinji Guangda	Tongchuang Caijin
Registered capital subscribed for . .	RMB347,707	RMB208,624
Amount of consideration paid	RMB50,000,000	RMB30,000,000

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Basis of determination of the valuation and consideration	The determination of the valuation and consideration is based on arm’s-length negotiations between the relevant parties with reference to among others, (i) business performance of our Company in the previous year, (ii) the then business prospect of the Company, and (iii) the market conditions and the market value of comparable companies at the relevant time.	
Date of settlement of consideration	March 28, 2022	April 6, 2022
Approximate cost per Share⁽¹⁾	RMB46.00	
[REDACTED]⁽²⁾	[REDACTED]%	
Use of Proceeds from the Pre-[REDACTED] Investment. . .	We utilized the proceeds from the Pre-[REDACTED] Investments for the principal business of our Group as approved by the Board, including but not limited to research and development activities, the growth and expansion of our Company’s business and general working capital purposes. As of the Latest Practicable Date, all proceeds from the Pre-[REDACTED] Investments had been utilized in full.	
Lock-up Period	Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], the Shares issued by the Company prior to the [REDACTED] (including those held by the Pre-[REDACTED] Investors at the time of the [REDACTED]) are restricted from transfer.	
Strategic benefits of the Pre-[REDACTED] Investors brought to our Company and the reasons for their respective investments	At the time of the relevant Pre-[REDACTED] Investments, our Directors were of the view that our Group could benefit from the additional funds provided by the Pre-[REDACTED] Investments and the knowledge and experience of the Pre-[REDACTED] Investors in the industry we operate, and that the Pre-[REDACTED] Investments demonstrated the Pre-[REDACTED] Investors’ confidence in the operation and development of our Group.	

Notes:

1. Adjusted based on the relevant conversion rate upon which our then registered capital is converted into Shares.
2. Calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per H Share (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]).

Special Rights of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors were granted certain special rights in relation to the Company, including, among others, redemption rights granted by our Co-founders (the “**Redemption Rights**”), rights of first refusal, anti-dilution rights and information rights, for their respective investments. Pursuant to a supplemental agreement to the Shareholders Agreement entered into by our Company and, among others, the then Shareholders of the Company dated April 23, 2026 (the “**Supplemental Agreement**”), the Redemption Rights, among others, have been terminated prior to the first filing of the [REDACTED], and all other special rights will be terminated prior to [REDACTED]. According to the Supplemental Agreement, the Redemption Rights are subject to the reinstatement in the event that (i) the Company withdraws the [REDACTED] or the submitted [REDACTED] lapsed and there is no subsequent refiling of the same within six months since the date of lapse; (ii) the [REDACTED] is rejected, returned, not approved or terminated for vetting; (iii) the [REDACTED] is not completed within the validity period of the [REDACTED] approval; or (iv) the [REDACTED] is not completed within 24 months from the date of the first filing of the [REDACTED] by the Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

There was no redemption rights granted by the Company.

Joint Sponsors’ Confirmation

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was irrevocably settled more than 28 clear days before the date of our first submission of the [REDACTED] to the Stock Exchange; and (ii) the special rights granted to the Pre-[REDACTED] Investors pursuant to the relevant Pre-[REDACTED] investment agreements have been terminated immediately before submission of the first [REDACTED] and/or will be terminated no later than the [REDACTED], as the case may be, the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

Information about our Pre-[REDACTED] Investors

The background information of the Pre-[REDACTED] Investors is set out below:

Fosun Entities

Xingtian Investment

Gongqingcheng Xingtian Investment Partnership (Limited Partnership) (共青城星甜投資合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC on November 30, 2020, with its general partner being Zhuhai Fuhong Information Consulting Co., Ltd. (珠海復宏信息諮詢有限公司), an indirect wholly-owned subsidiary of Fosun International Limited (復星國際有限公司) (“**Fosun International**”) (a company listed on the Stock Exchange, stock code: 0656, and an Independent Third Party). Mr. Cong Yonggang, our non-executive Director, holds approximately 76.91% of the partnership interests in Xingtian Investment as limited partner, and none of the other limited partners of Xingtian Investment holds 30% or more of the partnership interests in Xingtian Investment.

Zhuhai Xinyi

Zhuhai Xinyi Enterprise Management Partnership (Limited Partnership) (珠海鑫熠企業管理合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC on November 21, 2025. The general partner of Zhuhai Xinyi is Zhuhai Xingyi Enterprise Management Partnership (Limited Partnership) (珠海星蟻企業管理合夥企業(有限合夥)) (“**Zhuhai Xingyi**”), holding approximately 0.0053% partnership interest. The general partner of Zhuhai Xingyi is Zhuhai Fuhong Information Consulting Co., Ltd. (珠海復宏信息諮詢有限公司) (“**Zhuhai Fuhong**”), holding 5% partnership interest. The limited partner of Zhuhai Xingyi is Yadong Xingshang Changge Venture Investment Co., Ltd. (亞東星尚長歌創業投資有限公司) (“**Yadong Xingshang Changge**”), holding 95% partnership interest. Each of Zhuhai Fuhong and Yadong Xingshang Changge is a subsidiary of Fosun International.

Zhuhai Xinyi has seven limited partners, among whom, Mr. Cong Yonggang, our non-executive Director, holds approximately 0.0053% partnership interest, Xiamen Heiyi No. 3 Equity Investment Partnership (Limited Partnership) (廈門黑蟻三號股權投資合夥企業(有限合夥)) (“**Xiamen Heiyi**”) holds approximately 59.6675% partnership interest, Suzhou Yitian Equity Investment Partnership (Limited Partnership) (蘇州逸恬股權投資合夥企業(有限合夥)) (“**Suzhou Yitian**”) holds approximately 39.7783% partnership interest and none of other limited partners holds more than 30% partnership interest.

The general partner of Xiamen Heiyi is Xiamen Yiyuan Investment Partnership (Limited Partnership) (廈門逸源投資合夥企業(有限合夥)) (“**Xiamen Yiyuan**”), holding approximately 2.3961% partnership interest. Xiamen Heiyi has 30 limited partners and none of the limited partners hold more than 30% partnership interest. The general partner of Xiamen Yiyuan is Hainan Yilue Investment Co., Ltd. (海南逸略投資有限公司) (“**Hainan Yilue**”), holding approximately 2.0408% partnership interest. Hainan Yilue is held by He Yu (何愚) and Zhang Peiyuan (張沛元), as at 68% and 32% equity interest, respectively, each of them is an Independent Third Party. Xiamen Yiyuan has three limited partners, Xiamen Yirui Enterprise Management Partnership (Limited Partnership) (廈門翼瑞企業管理合夥企業(有限合夥)) (“**Xiamen Yirui**”) holds approximately 87.7551% partnership interest and none of other limited partners holds more

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

than 30% partnership interest. The general partner of Xiamen Yirui is Xiamen Yichang Consulting Management Co., Ltd. (廈門逸昶諮詢管理有限公司), a wholly-owned subsidiary of Hainan Yilue, holding 5% partnership interest. The limited partner of Xiamen Yirui is BA Egret Hong Kong Limited, which is controlled by He Yu (何愚).

The general partner of Suzhou Yitian is Xiamen Yiyuan, holding 0.01% partnership interest. The limited partner of Suzhou Yitian is BA Bottle Hong Kong Limited, holding 99.99% partnership interest are controlled by He Yu (何愚).

Wuhan Xinmeng

Wuhan Xinmeng Venture Capital Fund Partnership (Limited Partnership) (武漢市鑫盟創業投資基金合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC on December 9, 2025. The general partner of Wuhan Xinmeng is Zhuhai Xingyi, holding approximately 1.0144% partnership interest. Wuhan Xinmeng has 11 limited partners, among which, Mr. Cong Yonggang, our non-executive Director, holds approximately 5.0007% partnership interest and Beijing Yizhou Yunting Private Equity Fund Management Co., Ltd. (北京壹舟雲亭私募基金管理有限公司) (“**Beijing Yizhou**”) holds 57.19% of the partnership interests. Beijing Yizhou was owned as to 82.72% by Beijing Challenger Technology Co., Ltd. (北京挑戰者科技有限公司), which was in turn owned as to 98.44% by Tang Binsen (唐彬森), an Independent Third Party. None of the other limited partners hold 30% or more of the partnership interests in Wuhan Xinmeng.

Tongchuang Entities

Nanhai Chengzhang

Shenzhen Nanhai Chengzhang Tongying Equity Investment Fund (Limited Partnership) (深圳南海成長同贏股權投資基金(有限合夥)) is a limited partnership established under the laws of the PRC on July 20, 2017, with its general partner being Shenzhen Tongchuang Jinxiu Asset Management Co., Ltd. (深圳同創錦繡資產管理有限公司) (“**Shenzhen Tongchuang Jinxiu**”). Shenzhen Tongchuang Jinxiu is wholly owned by Shenzhen Tongchuang Weiye Asset Management Co., Ltd. (深圳同創偉業資產管理股份有限公司) (“**Shenzhen Tongchuang Weiye**”) (a company listed in National Equities Exchange and Quotations, stock code: 832793 and an Independent Third Party). Save for Shenzhen Nanhai Chengzhang Tongsheng Equity Investment Fund (Limited Partnership) (深圳南海成長同盛股權投資基金(有限合夥)) (whose general partner is Tibet Leading Chengzhang Enterprise Management Co., Ltd. (西藏領先成長企業管理有限公司), a wholly-owned subsidiary of Shenzhen Tongchuang Weiye), none of the limited partners of Nanhai Chengzhang holds 30% or more of the partnership interests in Nanhai Chengzhang.

Tongchuang Caijin

Zhengzhou Tongchuang Caijin Equity Investment Fund Partnership (Limited Partnership) (鄭州同創財金股權投資基金合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC on July 7, 2021, with its general partner being Shenzhen Tongchuang Jinxiu. Save for Shandong Caijin Technological Innovation Equity Investment Fund Partnership (Limited Partnership) (山東財金科技創新股權投資基金合夥企業(有限合夥)) which holds 48.5149% of the partnership interests in Zhengzhou Tongchuang Caijin Equity Investment Fund Partnership (Limited Partnership), none of the other limited partners of Tongchuang Caijin holds 30% or more of the partnership interests in Tongchuang Caijin.

Yinji Guangda

Shenzhen Yinji Guangda Cultural Industry Equity Investment Fund Partnership (Limited Partnership) (深圳印紀光大文化產業股權投資基金合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC on July 6, 2016, with its general partner being Shenzhen Guangdian Capital Equity Investment Management Partnership (Limited Partnership) (深圳光點資本股權投資管理合夥企業(有限合夥)), “**Shenzhen Guangdian Capital**”). The general partner of Shenzhen Guangdian Capital is Beijing Guangdian Capital Management Co., Ltd. (北京光點資本管理有限公司), which is ultimately

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

controlled by Chai Peizhang (柴培章), an Independent Third Party. Shenzhen Yinji Guangda Cultural Industry Equity Investment Fund Partnership (Limited Partnership) is primarily engaged in equity investment in private companies. None of the limited partners of Yinji Guangda holds 30% or more of its partnership interests.

PUBLIC FLOAT

Our Company has applied for [REDACTED], and the CSRC [issued notice] of filing on [●] for the conversion of [REDACTED] of its Unlisted Shares into H Shares upon the [REDACTED]. Upon completion of the [REDACTED] and the conversion of Unlisted Shares into H Shares, the remaining [REDACTED] Unlisted Shares held by the existing Shareholders, representing approximately [REDACTED]% of our total issued Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), will not be [REDACTED] upon the completion of the [REDACTED] and hence will not be considered as part of the public float.

[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the [REDACTED] (assuming the [REDACTED] is not exercised):

	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED]					
Shareholders	Number of Shares	Approximate ownership percentage	Number of H Shares Held	% of issued H Shares	Number of Unlisted Shares Held	% of issued Unlisted Shares	Approximate ownership percentage	Whether the H Shares will be counted towards the public float
Controlling Shareholders								
Mr. Ma	29,685,099	59.09%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
Gongqingcheng Gongchuang	3,601,241	7.17%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
Amos Gongchuang	236,834	0.47%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
Directors (other than Controlling Shareholders)								
Ms. Wu	4,415,871	8.79%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
Mr. Ye	1,573,041	3.13%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
Mr. Ma Hongfan	3,040,435	6.05%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%	[REDACTED]
Other Shareholders								
Fosun Entities								
– Zhuhai Xinyi	2,952,521	5.88%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]
– Wuhan Xinmeng	1,541,336	3.07%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]
– Xingtian Investment	52,459	0.10%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]
Tongchuang Entities								
– Nanhai Chengzhang	1,398,865	2.78%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]
– Tongchuang Caijin	652,174	1.30%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]
Yinji Guangda	1,086,958	2.16%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]
[REDACTED] taking part in the [REDACTED]	–	–	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]
Total	50,236,834	100%	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%	[REDACTED]%	

The following chart sets forth our Group's corporate and shareholding structure immediately after completion of the [REDACTED], assuming that the [REDACTED] is not exercised:



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OVERVIEW

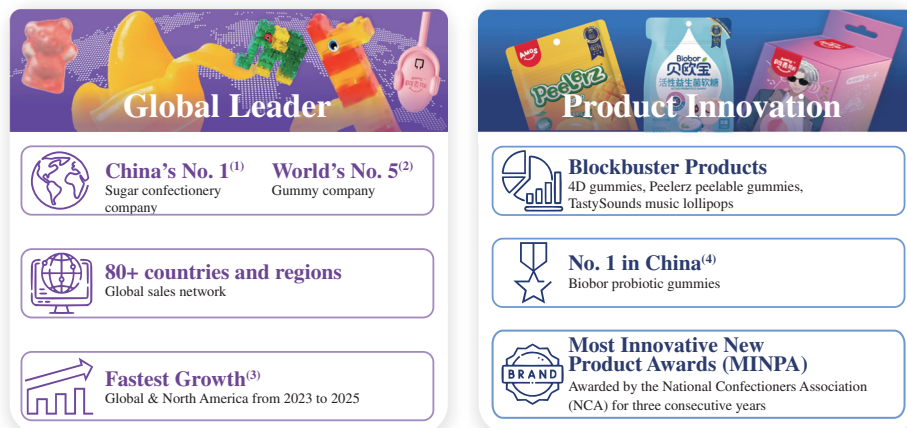
We are a leading global sugar confectionery company. We are engaged in the design, manufacturing and sales of innovative products designed to deliver both happiness and health to consumers worldwide. We market our products primarily under two brands, Amos and Biobor.

Founded and defined with a mission to serve as the sweet messenger of the world, we focus on high-growth categories of confectionery products — including both creative and nutritional candies — through our omni-channel sales network spanning over 80 countries and regions. As an innovator and promoter of “Happy and Healthy” confectionery consumption, we have redefined the way sugar confectionery is consumed, set the development trend of the Chinese confectionery industry, and advanced the brand globalization and global footprint of the Chinese confectionery industry.

Our business model is built on a fully integrated value chain, which seamlessly connects deep consumer and market trend insights, and innovation-driven product development, with world-class manufacturing and global channel and marketing. This end-to-end integration leads to high-quality, impactful products and ensures efficiency of manufacturing, sales and operation and a rapid “concept-to-shelf” product pipeline on a global scale.

Focused on the high-growth “joy and wellness” segments as the new disruptors to the traditional confectionery landscape, we are rapidly scaling the global expansion of our category-defining brands, creative candy brand Amos and nutritional candy brand Biobor. Our industry leadership is validated by our inclusion in the prestigious Global Candy Industry Top 100 in 2026. According to Frost & Sullivan:

- We are the largest Chinese sugar confectionery company and the fifth largest gummy company globally, in each case by retail sales value in 2025.
- We were the fastest-growing company among the world’s top 30 sugar confectionery companies by retail sales value from 2023 to 2025, with a CAGR of 61.9%, as compared to an industry average of 5.9% during the same period.
- We had the largest overseas market share among all Chinese sugar confectionery companies in terms of overseas revenue in 2025.



Notes:

- (1) In terms of global retail sales value of sugar confectionery in 2025 among Chinese sugar confectionery companies, according to Frost & Sullivan.
- (2) In terms of global retail sales value of gummies in 2025 among sugar confectionery companies, according to Frost & Sullivan.

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- (3) In terms of CAGR of sugar confectionery retail sales value from 2023 to 2025 among top 30 sugar confectionery companies in the corresponding region, according to Frost & Sullivan. The ranking of “top 30 sugar confectionery companies” is based on sugar confectionery retail sales value in the corresponding region, according to Frost & Sullivan.
- (4) In terms of retail sales value of probiotic gummies in 2025 among sugar confectionery companies in China’s market, according to Frost & Sullivan.

Our Brands

Our creative sugar confectionery brand, *Amos*, has revitalized the traditional confectionery landscape through category-focused product innovation. Our brand Amos represents “a moment of sweets”, “a moment of smile”, “a moment of sharing” and “a moment of sincerity.” It was recognized by *Numerator*, a leading consumer data analytics institution, as a fastest-growing brands to watch in 2025 in the U.S. market and we are the only sugar confectionery company included. Leveraging a comprehensive R&D framework and highly scalable product development and channel execution capabilities, we pioneered the transition of creative product concepts into both flexible, customized manufacturing and high-volume, scalable production for blockbuster products. This innovation-driven “concept-to-shelf” methodology has yielded a portfolio of blockbuster products with proven track records across retail channels and consumer segments, including:

- **Peelerz Gummies:** Our signature fruit-flavored peelable gummies, represented by our mango-shaped gummies, have redefined the consumer experience with its unique texture and interactive “peeling” experience.
- **4D (“3D + Delicious”) Blocks Gummies:** By introducing a playful “stackable” format, we also created a new category of creative gummies that included fruit-flavored and animal-shaped varieties.
- **Seasonal Confectionery:** Our seasonal confectionery products have generated stable sales growth across major global retail chains and e-commerce platforms over the years, with products designed for Chinese New Year, Valentine’s Day, Easter, Halloween, Christmas, etc.
- **TastySounds Audio Lollipop:** Including music lollipops and lollipops featuring various cultural elements, demonstrate our ability to integrate cultural elements and technology into confectionery, enabling cross-domain innovation.



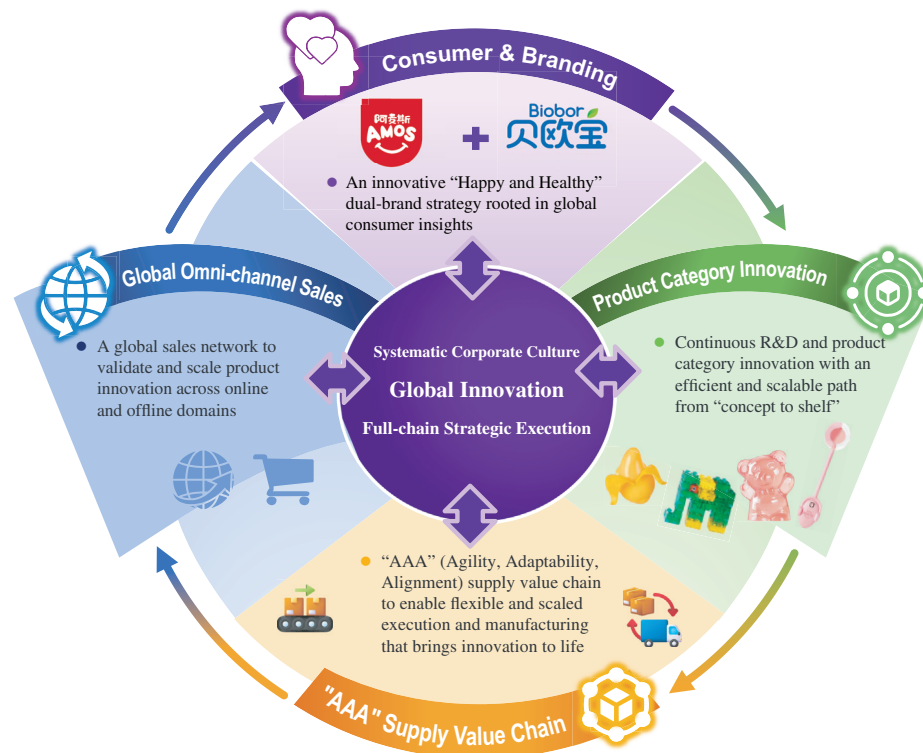
Building on our success in the creative sugar confectionery segment and witnessing the structural shift towards health-conscious consumption, we launched *Biobor* — our brand focused on the high-growth nutritional, “better-for-you” sugar confectionery segment. As the industry pioneer in active probiotic gummies in China, Biobor bridges the gap between joy and wellness through science-driven formulations. Biobor’s commercial viability and R&D capabilities are underscored by its consistent performance and prestigious industry recognition. Its probiotic gummies ranked No. 1 best-selling products in this category in China in 2025, in terms of retail sales value, according to Frost & Sullivan. Supported by these cross-category accolades and a tailwind of global wellness trends, Biobor is positioned as our second growth engine by capturing a fast-growing sophisticated consumer segment with its wellness benefits.

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Our Business Model

With a systematic corporate culture as our core and full-chain strategic execution as our foundation, and drawing on global consumer insights and market development trends, we have established a full value chain business model spanning research and development, production, sales channels and brand building, which continuously drives innovation on a global scale.



Market Opportunity

The global sugar confectionery market is large and highly fragmented, with a stable consumption base and broad cross-market appeal. According to Frost & Sullivan, the global sugar confectionery market was approximately RMB538.1 billion in 2025 and is expected to reach approximately RMB703.3 billion by 2030. Market growth is expected to be driven by generational shifts in consumption, rising health awareness, increasing demand for products associated with emotional value, and product mix upgrades in

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mature markets. Within the broader confectionery market, creative, nutritional and health-oriented products are becoming important drivers of segment growth. Younger consumers increasingly seek novelty, interactive product experiences and products with social sharing appeal, which is supporting demand for creative confectionery products. Meanwhile, health-oriented consumption trends continue to expand globally, and nutritional gummy products remain at a relatively early stage of development. In addition, leading global retail channels continue to demand innovative products and reliable supply. Companies with product development capabilities, scaled manufacturing capacity and regulatory compliance across multiple markets may be better positioned to benefit from these industry trends. We believe our product development capabilities and global operating platform position us to capture opportunities in these segments and support our future growth.

Our Financial Performance

As a result of our “Happy and Healthy” product strategy, we achieved strong revenue and profit growth during the Track Record Period. Our revenue increased from RMB1,070.4 million in 2023 to RMB2,782.1 million in 2025, representing a CAGR of 61.2%. Our net profit increased from RMB137.0 million in 2023 to RMB600.0 million in 2025, and our net profit margin increased from 12.8% to 21.6%, reflecting improved operating leverage and efficiency. We also maintained solid cash flow generation, providing support for continued investment in our business, and ability to generate shareholder returns. During the Track Record Period, cash flow generated from operating activities remained positive and increased over time.

OUR STRENGTHS

A World-Class Chinese Confectionery Enterprise with Global Branding Influence

We are a world-class Chinese sugar confectionery enterprise with global branding influence, according to Frost & Sullivan, leading the transition from “product export” to “brand globalization.” Through an integrated business model that unifies strategic vision with operational execution and global scalability with continuous innovation, we have built our competitive foundation. Starting from the two largest sugar confectionery consumption markets globally, the U.S. and China, our integrated global expansion strategy, together with online and offline sales, and an extensive omni-channel distribution network, enables market penetration and channel efficiency.

Leveraging our global distribution network and cross-regional production capabilities, we are scaling our operations and transforming confectionery from a seasonal treat to a year-round daily consumption category that caters to all occasions and consumer segments. Through continuous product innovation, we consistently extend product life cycles. Integrated development and optimization are core operational mechanisms, embedded in our talent management, organizational structure, and daily business practices.

By leveraging this integrated business model as our core competitive strength, we have developed strong resilience to navigate industry cycles and the ability to scale through replication, enabling us to break through in the global confectionery landscape. This competitiveness has been demonstrated by our growing global market performance and elevated industry standing. According to Frost & Sullivan, by global retail sales in 2025, we are the largest Chinese sugar confectionery company. In terms of overseas revenue in 2025, we have the largest overseas market share among Chinese sugar confectionery companies. Moreover, we are the fifth largest gummy company globally by retail sales value in 2025. We were also the fastest-growing company among the world’s top 30 sugar confectionery companies by retail sales from 2023 to 2025, with a CAGR of 61.9%, significantly outperforming the industry’s average CAGR of 5.9%. This strong performance validates the replicability and sustainability of our globalization strategy.

In the competitive North American market, we have established strong brand influence and market penetration. Our products are widely available in leading retailers such as Walmart, Costco, Target, and 7-Eleven. North America contributed 52.7% of our total revenue in 2025, and was one of our fastest-growing markets from 2023 to 2025, underscoring our strength as a significant competitor in the global sugar confectionery industry.

In the China market, we have a solid business foundation and clear competitive advantages. We maintain leading positions in key retail and distribution channels. For example, according to Frost & Sullivan, we ranked first in China’s probiotic gummy markets in terms of retail sales value in 2025. In addition, in terms of retail sales value in 2025, among the top five Chinese sugar confectionery companies, we were the fastest-growing company by retail sales value CAGR from 2023 to 2025, further consolidating

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our leadership in China. Leveraging the channel expansion and operational excellence we’ve cultivated in North America and China, we have replicated this success in over 80 countries and regions worldwide, including Europe, Australia, and Southeast Asia markets, establishing a global business footprint.

Strategically focused on “creative” and “nutritional” sugar confectionery, our Amos and Biobor brands have built strong brand recognition. Amos enjoys prominent awareness, particularly among young consumers, for its creative design while Biobor has strong appeal among sophisticated consumers seeking healthier confectionery options, according to Frost & Sullivan. By transforming our supply chain advantages into globally influential brand assets, our own-brand model has granted us greater pricing power and brand premiums.

Reshaping Global Confectionery Landscape with “Happy and Healthy” Product Portfolio

We are committed to becoming an innovation-driven global confectionery enterprise. Through deep consumer insights and continuous, integrated R&D, we operate under our “Happy and Healthy” strategy and launched Amos and Biobor. We have reshaped the global sugar confectionery landscape with our trend-setting products.

Leading the Trend Toward Creative Confectionery Through Structural Innovation

Our Amos brand, a leading creative confectionery brand, has attracted consumers worldwide who seek fun, interactive experiences and strong emotional engagement. Among them, Peelerz — a signature peelable gummy series under Amos — breaks the traditional gummy formats by simulating the real fruit-peeling experience. Taking the mango flavor Peelerz as an example, it resembles the authentic experience of peeling and tasting a juicy mango. According to Frost & Sullivan, by global retail sales values in 2025, Peelerz is the largest peelable gummy brand worldwide and has become a category-defining brand.

Our 4D gummy blocks employ proprietary mold and forming systems, precision injection molding, and zoned gelation technology to create a unique “build, stack & snack” experience. In addition, our 4D fruit-flavored gummies adopted proprietary stable juice-filled formulation technique. Our 4D candy series has won broad recognition across the globe, including being featured in *Der Spiegel*, a recognized news magazine in Germany.

In seasonal confectionery, we focus on a “themed shape + gifting packaging” strategy. We consistently launch tailored items and extend offerings to other key occasions like Chinese New Year, Valentine’s Day, Easter, Halloween and Christmas, continuously reinforcing brand perception and increasing brand momentum. Meanwhile, channel-exclusive and customized SKUs further strengthen our strategic partnerships with mainstream retail channels.

Additionally, our audio lollipop merges confectionery with technology, music, and cultural elements. Through continuous iterations, it enhances the product emotion and social interaction value, attracting strong attention across social media channels.

Leading the Trend Toward Nutritional Confectionery Through a Systematic Strategic Expansion into the Better-for-You Sector.

In response to the global wave of health-conscious consumption, we launched Biobor, a pioneering nutritional sugar confectionery brand in China. We have made advancements in key technologies such as probiotic stability. Through exclusive strategic partnerships with leading global ingredient suppliers, we have effectively addressed industry challenges like probiotic inactivation during gummy production and shelf life, ensuring our products deliver both superior taste and nutrition. We transform various traditional dietary and nutritional products into delicious gummies, building a lifecycle-wide nutritional confectionery matrix with pricing premium that serves a broad consumer base including children, women, fitness enthusiasts, and seniors. According to Frost & Sullivan, by retail sales value in 2025, Biobor has become China’s largest probiotic gummy brand and a market-leading brand.

A Collaborative Product Development Ecosystem

We have established a collaborative product development ecosystem with a global vision, oriented by our keen observation of global consumer needs and our pursuit of high-quality products. This enables us to swiftly capture global trends in healthy ingredients, taste enhancement, fun and creative packaging and product innovation.

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We possess industry-leading product development and innovation capabilities, with an efficient system for incubating blockbuster products and sustaining a creative output pipeline. From concept validation, formulation adjustment, mold development, and stability testing to commercial mass production, we can complete a new product launch within a cycle of as short as three months, enabling rapid response to market demands. Building on this, we extend the lifecycle of blockbuster products through continuous micro-iterations and creative expansions such as seasonal editions, while consistently introducing new products.

We leverage consumer insights from online channels to inform product iterations. For instance, in response to global consumers’ preference for clean products, we swiftly optimized better-for-you formulations demonstrating our R&D agility.

Our product development team comprises 210 professionals, and we maintain industry-academia-research collaborations with academicians of the Chinese Academy of Engineering and the School of Food Science and Technology at Jiangnan University via the establishment of a joint lab. Together, we focus on food science and engineering and nutritional science research, precise confectionery ingredient formulation, and the integration of optimal flavor and nutrition, building technical barriers in fundamental ingredient research, process innovation, and functional validation.

Global Omni-Channel Sales Network with Proven Replication Capabilities

We have built a multi-dimensional sales network covering more than 80 countries and regions worldwide, achieving deep penetration into the key retail channels of core global markets. This deep penetration into mainstream channels not only serves as a core driver of our revenue growth but also forms a channel advantage against peers.

High Barriers to Entry in Major Channels and Stable Customer Relationships

Global retail chains impose stringent entry standards for food manufacturers, typically involving multi-year factory audits, ESG compliance reviews, and supply chain stress tests. Through over a decade of accumulation, we have become one of the few Chinese sugar confectionery companies capable of simultaneously meeting multiple global quality certification systems, complying with the access requirements of global retail chains.

We have established deep strategic partnerships with key channels, such as Walmart, Costco, Sam’s Club, Target and 7-Eleven, spanning from product development to end-sales. We provide comprehensive offerings that cover both daily core SKUs and seasonal products. We also work with leading retailers and produce sugar products customized to meet specifications under an ODM model. We believe that we can benefit from such collaborations by deepening our relationships with selected leading retailers gaining insights into consumer trends.

Proven Capability to Replicate and Expand Globally

Our successful operational experience accumulated in North America and China has been transformed into a replicable market expansion framework. Leveraging the business relationships established with global retail giants at their U.S. headquarters, as well as our strong performance in the North American and China markets, we have extended cooperation to their global networks in Australia, Europe, Asia, and elsewhere. Concurrently, we rapidly replicate best-selling products and shelf-display solutions that have been validated in mature markets to emerging markets, reducing the trial-and-error costs and time required for new market development.

Our market-entry strategy typically prioritizes major local channels. By entering leading retail chains, we establish a premium brand image and pricing benchmark, then leverage the resulting brand momentum to empower local distributor networks for broader penetration. We have established local sales teams in North America and China, effectively combining the leading product innovation capabilities with local channel resources and market insights. Our products are currently available in major retail channels across globe, such as Walmart and Target in North America, Sam’s Club and Costco in China, Carrefour in Europe and 7-Eleven in Asia-Pacific. Moreover, we are expanding our business presence in emerging markets such as Latin America, Southeast Asia and Middle East, demonstrating our capability for cross-cultural and cross-regional global operation and expansion.

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Omni-Channel Synergy

While solidifying our strong offline shelf presence, we actively develop online channels in both overseas and China markets, promoting brand visibility. During the Track Record Period, the CAGR of our online sales exceeded 60%. We established strong presence in both Chinese and overseas online platforms such as Amazon, TikTok and Tmall, and received wide exposure on global leading social media platforms.

By continuing to expand our brand influence across both online and offline channels, we seek to create synergies across our omnichannel network by catering to evolving consumer purchasing preferences.

A Global Supply Chain Supporting Flexible Manufacturing and Scalable Business Expansion

“China Plus One” Production Layout for Efficient Global Service

Currently, we operate three modern production factories in Jiangmen, and Shenzhen, Guangdong Province, and are constructing a fourth factory in Vietnam, establishing a “China Plus One” production layout. The Jiangmen and Shenzhen factories serve as our manufacturing and innovation hubs, focusing on the R&D and production of high-technology, high-value-added products, such as 4D gummies, Peelerz peelable gummies, and probiotic gummies, providing core support for global product iteration. Our Vietnam base under construction is planned to house four production lines, with an estimated annual designed production capacity of 13.3 thousand tons. This base will leverage cost advantages of local labor and certain raw materials, enhancing regional delivery efficiency. This forward-looking integrated capacity layout affords us greater pricing flexibility and supply chain resilience.

Hybrid Production Capability Balancing Scale and Flexibility

Guided by our “AAA” supply chain strategy — agility, adaptability, and alignment, we operate automated production lines to support the scaled manufacturing of globally bestselling products, maximizing production efficiency and minimizing unit costs. Simultaneously, to meet seasonal customization demands, we maintain flexible production lines. We can complete mold changes and complex packaging assembly in a very short time, responding nimbly to the diverse and fragmented procurement needs and shelf strategies of global retailers. This dual capability — excelling in both high-volume runs and complex customizations — strengthens customer reliance on us.

Efficient Global Logistics and Localized Fulfillment System

We have partnered with global warehousing and logistics service providers, establishing localized fulfillment capabilities, thereby improving order fulfillment timeliness and turnover efficiency, and meeting the stringent demands of leading retailers for supply chain agility.

Quality Control System Meeting Stringent International Standards

Our production bases comply with stringent international food safety standards. Our Amos factory in Shenzhen has obtained BRCGS A+, ISO22000 and HACCP certifications; Amos factory in Jiangmen has obtained BRCGS A+ and FSSC 22000 certifications; Biobor factory in Jiangmen has obtained BRCGS A+, FSSC 22000 and NSF/ANSI 455-2 certifications. Compliance with these applicable international regulations established us as a confectionery manufacturer with global access.

We have established a nationally accredited CNAS laboratory in Jiangmen, Guangdong Province and introduced advanced testing equipment and technologies into the production process, ensuring consistency in taste, appearance, and safety for every piece of candy. Our consistent pursuit of quality is the foundation of earning the long-term trust of our global customers.

Vertically Integrated Supply Chain Management

We are integrated into the upstream industry chain, building a vertically integrated supply chain ecosystem. Through strategic direct procurement and joint R&D with global raw material suppliers, such as gelatin and probiotic suppliers, we have effectively secured priority access to high-quality ingredients and smoothed procurement price fluctuations. Effective from 2026, we obtained the exclusive supply for

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high-grade BC30 probiotic strain — known for exceptional heat and acid/base tolerance — for use in the gummies in China. On the procurement front, for each category of core raw materials and packaging materials, we implement a diversified global supplier portfolio strategy, ensuring stable quality, secure supply, reliable delivery, and continuous cost optimization. Furthermore, we possess in-house mold development and packaging design capabilities, which not only accelerate “concept-to-shelf” for new products but also improve our production cost-efficiency.

Experience- and Digital-Driven Branding with Global Influence

We have built a multi-dimensional marketing system that integrates online digital interaction with offline instant experience. This system effectively transcends cultural and geographical boundaries, enabling us to efficiently reach and retain young consumer groups worldwide. We analyze real-time social media feedback and trends, applying these insights to product development and marketing strategies to ensure our brand remains aligned with trends globally.

Empowering Brand Value Through Collaborations

We actively pursue strategic crossover collaborations with globally influential events and brands. Notable partnerships include serving as the exclusive VIP gifting candy partner for the 68th Annual Grammy Awards and becoming the globally licensed confectionery brand for the Milan Winter Olympics. Additionally, we collaborate with contemporary art institutions and trending artists to develop innovative products such as audio lollipops and artist collaboration gift sets. These “confectionery + art/sports/music” collaborations enhance our brand’s premium positioning and cultural relevance.

Creating the “Candy Dream Factory” Immersive Experience

We are dedicated to extending the brand experience from shelves to consumers’ lives. At our Jiangmen production center, we offer the “Candy Dream Factory,” an integrated facility for tours, interaction, and education. Through transparent production showcases and interactive installations engagement, it conveys the brand ethos of “Happy and Healthy” to consumers. We plan to further enhance this experiential model to continuously strengthen the brand’s offline touchpoints and user engagement.

Experienced Leadership Team with Global Vision and Local Market Expertise

Visionary Leadership with Global Experience

Our founding team has an average of more than 20 years of experience in the confectionery industry and international trade, with complementary and long-term stable collaborations in strategic planning, global expansion, brand positioning, product management, global marketing, food safety and supply chain management in accordance with international standards. Our founder and Chairman, Mr. Ma Enduo, has devoted more than 20 years to the confectionery industry. Drawing on his academic training in international trade and marketing, his doctoral research in food engineering, and over 20 years of practical experience, Mr. Ma has consistently applied a systematic and forward-looking strategic approach, driving product upgrades through cultural and technological innovation. He has led our team in the transformation from a traditional industry player into a leading company in an emerging sector, establishing a robust corporate culture that includes a clear and ambitious vision, a mission that combines strong commercial value with a genuine sense of social responsibility, and a business philosophy that respects the fundamentals of business development and delivering sustainable growth across the full value chain, including strategy execution, insights into market trends product development, international-standard manufacturing, channel establishment and brand building. Mr. Ma has continued to advance our international expansion and shape our global growth story. Guided by a strong commitment to innovation and intellectual property rights, grounded in a systematic approach to corporate management and strategic execution and the pursuit of both commercial and social value, he has earned broad respect in international markets and received repeated recognition from leading industry institutions. His honors include his induction into the Candy Hall of Fame in the United States in 2024, making him the first Chinese hall-of-famer in history; the Harvard Business Review Ram Charan Award for Distinguished Management Practice in 2022; and recognition as a Forbes China 2025 Industry Innovation Leader, a Benchmark Figure

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for Growth in China’s Food Industry, and a Shenzhen Industry Leading Figure for three consecutive terms. These distinctions reflect the high regard in which we are held by global industry peers and underscore our leadership position in the sector.

Ms. Wu Weijia is a specialist in international confectionery trade and was honored with the U.S. sugar confectionery 2026 IMPACT Award, further demonstrating the high level of recognition and appreciation from international peers for the broad influence we have brought to the global confectionery market. Mr. Ma Hongfan is an expert in international food safety management, with extensive experience in production operations and management in compliance with internationally recognized food standards. Mr. Ye Hai has deep expertise in global procurement and international logistics management. Together, our founding team provides strong professional support across the key areas of our global development, and this stable management and organizational structure underpins the effective execution of our long-term strategy.

The “Sweet Messenger of the World” Promoting Welfare Globally

Guided by our mission to serve as the sweet messenger of the world, we go beyond offering “happy and healthy” products and actively promote charity and welfare initiatives for children, women and those in need across regions and cultural groups. In the area of social responsibility, we have consistently used confectionery as a carrier for public good, with an enduring commitment to the well-being of children and women around the world. Our initiatives include long-term support for rural education, assistance for children with disabilities, and programs dedicated to women’s care and empowerment. We also provide charitable support in response to urgent social needs and emergency situations, including donations made in 2025 to residents affected by the Tai Po fire in Hong Kong. In environmental protection, we proactively fulfill our corporate social responsibility by continuously promoting energy conservation and carbon reduction. We are gradually adopting recyclable packaging materials to reduce plastic usage, and using plant-based ingredients, implementing low-carbon, green, and sustainable business practices.

“Glocal” Talent Strategy

Moreover, we adopt a “glocal” talent strategy, establishing local sales and operations teams in key overseas markets including the U.S., Asia, Latin America and Oceania. This enables us to gain precise insights into local consumer demand, collaborate efficiently with international retail partners, and ensure the effective implementation of our strategies worldwide. On the back-end operational front, we have deployed the SAP system, constructing a globally integrated, group-level digital information platform. This enhances cross-regional collaboration efficiency and provides a solid, high-performance operational foundation for the global expansion of our business.

OUR GROWTH STRATEGIES

To maintain sustainable competitiveness, we will continue to strengthen our leading and innovation-driven product development ecosystem centered around “happy and healthy”. We aim to implement the following strategies to strengthen our global leadership and achieve sustainable growth:

Product Innovation through Blockbuster Strategy across Categories to Address Diverse Market Demands

We will continue to increase R&D investment to solidify our innovation barriers by allocating more resources to fundamental food science, ingredient applications, and production process innovation. We will deepen industry-academia-research cooperation with world-leading universities and research institutions with outstanding food science programs, ensuring our product development capabilities remain at the forefront of the industry. Specifically, we will

- **Strengthen Leadership in Creative Confectionery:** We will continuously iterate blockbuster products like Peelerz and 4D gummies, introducing more innovative flavors and interactive features to solidify their category leadership globally and extend product lifecycles. We are also seeking to expand the boundary of our product portfolio as well as exploring other opportunities, further differentiating us from our peers.

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- **Enhance Flexible and Customized Product Supply:** To address the customized needs of consumers and major customers, we will continue to enhance flexible and customized supply of our two own-brand products, in order to meet the diverse demands including formulation, taste, nutrition, product format and packaging.
- **Expand Nutrition and Wellness:** We will focus on expanding the Biobor better-for-you product line, to address the wellness needs of a diverse consumer base including children, women and seniors, striving to become a leading brand in the global nutritional sugar confectionery market.
- **Explore New Categories:** On top of our existing product portfolio, we will prudently evaluate and explore opportunities in complementary new categories to drive future growth and profitability. For example, we plan to launch new confectionery products guided by our “happy and healthy” product strategy.

Further Penetrate in Major Markets and Accelerate Expansion into Emerging Regions

We will continue to deepen our penetration in major markets such as North America, China, and Europe, enhancing channel coverage. Specific measures include increasing the product types and shelf display space with our existing key retail partners to optimize sales performance per store.

Simultaneously, leveraging the brand visibility and operational experience accumulated in established markets, we will actively expand into high-growth potential markets such as Southeast Asia, Latin America and Middle East, achieving comprehensive coverage of mainstream global markets. We plan to replicate our proven business model and blockbuster product strategy in these regions, with a particular focus on utilizing emerging social commerce platforms to rapidly establish brand awareness and capture market share.

Comprehensively Upgrade Brand Building to Enhance Brand Premium and Consumer Loyalty

We are committed to a strategy that combines long-term brand building with influential marketing activities to elevate the global exposure and influence of our brands, transforming Amos and Biobor into iconic brands beloved by consumers worldwide.

We will continue to increase our global brand marketing investment, deepening our global social media operations and marketing to strengthen interaction and emotional connection with consumers. In addition to online marketing, we will also conduct more localized brand activities in key overseas markets, participating in famous and influential cultural and sporting events and integrating local elements to continuously enhance brand influence and affinity. For example, we plan to launch the global brand campaign “Amos Treats the World to Sweets” in 2026 to communicate our brand value proposition to consumers worldwide. We are also planning to host the first “Amos International Candy Festival” in 2026 to raise our global brand profile.

We plan to introduce the upgraded 2.0 version of “Candy Dream Factory” to promote industrial tourism experience, incorporating more immersive and interactive elements. Concurrently, we will explore collaborations to establish premium candy experience spaces in overseas markets as an important supplement to elevating our global brand image and premium perception.

Optimize Global Supply Chain Layout and Advance Digital and Intelligent Transformation

To support the rapid global expansion of our business, we will further optimize our global production capacity layout. Domestically, we plan to commence the second-phase construction of the Jiangmen production center, expanding manufacturing capacity and enhancing the automation and intelligence levels of our facilities. Overseas, we will accelerate the ramp-up and utilization of capacity at our Vietnam production base and actively assess the feasibility of establishing, acquiring, or entering joint ventures for production facilities in other regions to optimize regional supply chain efficiency and cost structure.

Concurrently, we will comprehensively advance our corporate digital transformation, enhancing the application of information and digital technology in core areas such as consumer insights, product R&D, supply chain management, and precision marketing. We aim to build a data-driven intelligent decision-making system to comprehensively enhance operational efficiency and responsiveness.

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Attract and Cultivate Top Global Talent, Building Organizational Capability

Establish Global Hubs for Innovation and R&D

To maintain our continuous leadership, we plan to set up overseas innovation and R&D centers, actively attracting product designers, flavor experts, packaging artists, and food and nutritional scientists with global vision.

Deepen the “Glocal” Talent Strategy

To support rapid global business expansion, we will increase investment in localized talent in key markets such as North America, Europe, Oceania and Southeast Asia, introducing operational and marketing experts with deep local retail resources and market experience.

Talent Acquisition and Incentive Systems

We will establish a Cross-Border Rotation Program and a Global Management Trainee Program to cultivate versatile talents with cross-cultural leadership capabilities. Moreover, we will implement competitive compensation and benefits packages alongside medium- to long-term equity incentive plans to attract, retain, and motivate our global core team.

Pursue Strategic Cooperation and Investment Opportunities

We will prudently evaluate and seek strategic alliances with high-quality global partners, as well as investment or acquisition opportunities for targets within the industry value chain that offer synergistic effects or complementary value. Our focus areas include: upstream core raw material suppliers, R&D institutions with unique technologies, distributors with strong regional capabilities, and brands complementary to our existing product categories. Through an active external growth strategy, we aim to further integrate global premium resources, accelerate technological innovation and market expansion, and create long-term value for our shareholders.

OUR BRANDS AND PRODUCTS

We manufacture and sell candies to over 80 countries and regions as of the Latest Practicable Date. As of the Latest Practicable Date, we primarily operate two brands, namely Amos and Biobor. Amos is a leading brand for creative candy treats and Biobor is a health-focused brand. We have long-term brand development plans and strong brand communication capabilities. We craft differentiated positioning, visual identity designs and promotion strategies, addressing diverse demands from consumers. For each brand, we have launched several blockbuster products that have achieved strong market recognition, while maintaining a comprehensive product portfolio that addresses diverse needs across different consumer profiles and geographic regions.

In addition to our own-brand products, we also sold third-party branded products under an ODM business model during the Track Record Period, pursuant to which we provide product development and manufacturing and related services to primarily leading retailers and prominent consumer brands. The ODM business model enables us to obtain timely market feedback on evolving consumer preferences, category trends and promotional strategies in our target markets, thereby enhancing our ability to anticipate demand, refine our product offerings and respond efficiently to changes in the competitive landscape.

We have sustained strong topline growth, with revenue increased from RMB1,070.4 million in 2023 to RMB1,571.3 million in 2024 and RMB2,782.1 million in 2025. The following table sets forth the breakdown of our revenue by products in absolute amounts and as a percentage of our total revenue for such products, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Own-brand Products						
Amos	505,717	47.2	828,450	52.7	1,968,282	70.7
Biobor	166,583	15.6	163,131	10.4	199,524	7.2
Sub-total	672,300	62.8	991,581	63.1	2,167,806	77.9
Third-Party Brands	398,081	37.2	579,670	36.9	614,263	22.1
Total	1,070,381	100.0	1,571,251	100.0	2,782,069	100.0

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Amos — Creative Candy

Amos is a leading brand offering creative candy treats such as peelable gummies through our *Peelerz* product line, 4D gummies, TastySounds music lollipops and seasonal candies. Our brand Amos represents “a moment of sweets”, “a moment of smile”, “a moment of sharing” and “a moment of sincerity.” We primarily target consumers who seek both delicious flavors and playful experiences. We created 4D gummies, including 4D gummy blocks and 4D fruit gummies with a natural fruit filling that stands out for its taste and deliver interactive fun at the same time. Our peelable gummies have become a favorite in global markets, offering an authentic and unique “peeling” experience that brings playfulness and satisfaction. In addition, under our Amos brand, our Candy Uncle product line offers high-quality and affordable confectionery products.

Innovation is at the heart of crafting our candy. For example, we have developed and launched our creative peelable gummy product line, *Peelerz*. It offers a uniquely interactive snacking experience, with each gummy designed to mimic the look and feel of real fruit with outer layer that can be peeled before eating. *Peelerz* is available in multiple flavors, including mango, peach, lychee, orange and banana. *Peelerz* are crafted with concentrated real fruit juice. Since its introduction, the product has gained significant traction on social media platforms, where unboxing and peeling videos have turned it into a viral sensation, particularly among younger consumers. With its combination of imaginative design, quality ingredients, and strong digital presence, *Peelerz* has established itself as a standout product in the increasingly competitive sugar confectionery market. We continue to reshape the sugar confectionery industry with new products such as our TastySounds music lollipops, which integrate candy and music, setting new trends in emotional engagement for our consumers.

The table below sets forth highlights of our main product lines under the Amos brand.

Products	Launch Time	Suggested Retail Price Range ⁽¹⁾
<i>Peelable Gummies (Peelerz):</i> peelable fruit gummies	October 2023	RMB1.5 to RMB99.0
		
4D (“3D + Delicious”) Gummy: 4D Fruit Gummy: Burst Juice Filled: fruit gummies filled with real fruit juice that burst when biting into them	June 2018	RMB2.0 to RMB69.8
		
4D Gummy Blocks: colorful, interlocking gummy candy pieces	April 2017	RMB2.0 to RMB88.0
		

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Products	Launch Time	Suggested Retail Price Range ⁽¹⁾
TastySounds Music Lollipop: our music lollipop automatically sings the built-in song when consumers taste it, using bone-conduction technology to create a uniquely immersive sensory experience. We are also launching audio lollipops that blend poems and cultural elements with interactive design, reimagining confectionery as a fusion of technology, audio and culture.	January 2021	RMB16.0 to RMB40.0
		
Seasonal Confectionery: we offer a thoughtfully curated range of confectionery products designed to celebrate cultural occasions across the globe throughout the year, from Chinese New Year, Valentine’s Day, Easter, Halloween, to Christmas	September 2013	RMB9.9 to RMB128.0



Note

(1): Our suggested retail price range reflect the prices of the various packaging configurations.

Biobor — Nutritional Candy

Guided by our “better for you” vision, launched in 2018, Biobor is a health-focused brand created to meet the evolving needs of today’s consumers seeking to improve their well-being while enjoying great taste by mixing nutritional value with delicious flavors. As a leading nutritional gummy brand, we focus on healthy formulations that balance sweetness and nutrition. As of the Latest Practicable Date, under the Biobor brand, we offered probiotic gummy, vitamin gummy, DHA algal oil gummy, and lutein gummy, among others. Our products are tailored for children, women, seniors, and fitness enthusiasts, among others. By combining proprietary nutritional formulas with high-quality ingredients, Biobor empowers consumers to supplement their nutrition anytime, anywhere. In addition, under our Biobor brand, our Blink is a sub-brand that specializing in refreshing mint candy designed to provide a clean, cool taste experience.

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As an industry leader in probiotic gummies in China, our signature “active probiotic gummy” series has received remarkable market feedback and widespread consumer recognition. Our active probiotic gummy has ranked as the top-selling product in their category at major retailers. Our suggested retail prices for Biobor probiotic gummy products are between RMB10.0 to RMB70.0, reflecting the pricing of the various packaging configurations.



ODM

As of the Latest Practicable Date, we had served approximately 74 ODM customers, including leading retailers and other prominent consumer brands. Under the ODM business model, we manufacture candy products based on customer specifications. We believe that we can benefit from such collaborations by deepening our relationships with these leading retailers and gaining insights into consumer trends. The third-party branded product portfolio under our ODM business model is strategically confined to product categories and flavor profiles that do not directly compete with our proprietary brands. In addition, we also maintain a disciplined production capacity allocation framework. The allocation between our own brands and the third-party branded products is dynamically adjusted in response to seasonal demand patterns and client order volumes. Meanwhile, to ensure sufficient manufacturing capacity for our own brand products, we are also in the process of expanding our manufacturing facilities and engage qualified third-party contract manufacturers. For details, see “— Manufacturing.”

KEY OPERATING DATA

The following table sets forth sales volume and average selling price for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	(thousand ton)	(RMB in thousands per ton)	(thousand ton)	(RMB in thousands per ton)	(thousand ton)	(RMB in thousands per ton)
Own-Brand Products						
Amos	9.1	55.5	14.2	58.2	32.0	61.5
Biobor	1.9	88.8	1.8	88.3	2.2	89.0
Third-Party Brands . . .	15.0	26.6	21.7	26.7	20.2	30.5

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OUR GLOBAL FOOTPRINTS

We have established a comprehensive global footprint, with our products currently sold in over 80 countries and regions worldwide. We have actively invested in production facilities to meet the international standards, successfully obtaining multiple certifications including BRCGS A+, ISO22000, and FSSC 22000, which serve as the foundation of our global expansion. The following table sets forth our revenue breakdown by key markets:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
North America	353,369	33.0	720,044	45.9	1,465,279	52.7
China ⁽¹⁾	505,046	47.2	502,995	32.0	636,755	22.9
Europe	43,623	4.1	67,110	4.3	272,635	9.8
Oceania ⁽²⁾	56,419	5.3	140,478	8.9	186,979	6.7
Other regions ⁽³⁾	111,924	10.4	140,624	8.9	220,421	7.9
Total	1,070,381	100.0	1,571,251	100.0	2,782,069	100.0

Notes:

- (1) Includes Chinese Mainland, Hong Kong SAR, Macao SAR, and Taiwan region.
- (2) Includes Australia and New Zealand.
- (3) Primarily includes Latin America, Southeast Asia, East Asia and Africa.

Globalization remains the core of our future strategy. In addition to the North America and China, we are actively establishing localized sales teams across key regions globally. This strategic initiative is designed to further expand our market coverage, enhance our responsiveness to local consumer dynamics, and drive sustainable, long-term growth on a global scale.

OUR SALES CHANNELS

We primarily sell our products through key account customers, distributors and our online direct sales channel. The table below sets out a breakdown of our revenue by sales channel for the periods indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Key accounts ⁽¹⁾	702,597	65.6	1,143,557	72.8	1,804,499	64.9
Distributors	316,040	29.5	311,853	19.8	836,901	30.0
Online direct sales	51,744	4.9	115,841	7.4	140,669	5.1
Total	1,070,381	100.0	1,571,251	100.0	2,782,069	100.0

- (1) Our key accounts primarily comprise retailers (including their designated agents) and ODM customers.

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Key Accounts

We have established robust relationships with multinational and regional-leading retailers and ODM customers in China and overseas markets. In 2023, 2024 and 2025, our products are sold to 196, 240 and 275 key account customers, respectively. We typically enter into master sales agreements with retailers, while certain other retailers purchase pursuant to individual purchase orders only. We designate certain specially packaged products for sale exclusively through a particular large retailer. The summary of the salient terms of our typical sales agreements with retailers is set forth as below.

- *Duration:* Our agreements with retailers typically have a term of one year with automatic renewal thereafter.
- *Payment term:* We typically grant a credit term of 30 to 90 days.
- *Logistic:* We shall deliver the goods to locations specified by retailers.
- *Product return:* We generally accept product returns from retailers only under specified circumstances, including product quality issues, discrepancies between the packaging and the actual product, failure of the product’s shelf life to comply with contractual requirements, incorrect product barcodes, and such other circumstances as may be specified in the agreement.
- *Product quality:* We shall ensure that the products supplied comply with applicable laws, regulations, and industry standards, and that they are accompanied by legally valid inspection certificates.
- *Termination:* Both parties are typically entitled to terminate the master sales agreements by giving advance written notice.

The summary of the salient terms of our ODM arrangement are set forth as below.

- *Duration:* Our agreements with ODM customers typically have a term of one year.
- *Service:* We organize production in accordance with standards agreed by both parties and exclusively supply the relevant products to ODM customers, who then distribute and sell such products under their own brands through their respective sales channels.
- *Product quality:* We ensure that products are manufactured in accordance with the agreed product specifications, samples and other agreed requirements, and that the products supplied comply with applicable laws, regulations and industry standards and are accompanied by legally valid inspection and quality certificates.
- *Packaging and labelling:* Product packaging and labelling materials are procured by us and may only be used upon the prior written confirmation of the ODM customers. Each party owns their respective intellectual property rights involved in the collaboration.
- *Payment Term:* We typically grant a credit term of 30 to 90 days.
- *Product return:* We generally do not accept product returns from ODM customers, except in cases involving product quality issues, discrepancies between the packaging and the actual products, or failure of the products’ shelf life to comply with contractual requirements.
- *Termination:* Either party is entitled to terminate the agreement by giving prior written notice to the other party in accordance with the notice period stipulated in the contract.

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Distributorship

We have a worldwide distribution network that deeply penetrates the Chinese market and overseas markets. In 2023, 2024 and 2025, our distributors contributed to 29.5%, 19.8% and 30.0% of our revenue, respectively. According to Frost & Sullivan, it is common practice for companies in the confectionery industry to engage distributors to broaden their market reach.

For each geographical region, we choose a certain number of distributors who are key to our business expansion, penetration and establishment of direct cooperation with local retailers in the region. Our relationship with our distributors is a buyer and seller relationship. They are our customers and they do not act on our behalf when dealing with their own customers. We generally do not accept returns or exchange of products from distributors except for quality issues that occur during the warranty period of the product.

For all distributors, we maintain a set of well-defined management criteria, starting with a thorough evaluation during the selection process. Our criteria for selecting potential distributors include their reputation, market coverage, industry experience, track record, financial condition, warehousing and delivery capabilities, management capabilities and ability to penetrate retail points of sale. Throughout the partnership, we regularly assess each distributor’s performance to ensure ongoing compliance and performance. This approach helps us build reliable, long-term relationships and promote our brand recognition in every market. With our distributors in China, we enter into distribution agreements which set clear restrictions regarding the regions in which sales are permitted whereas some of our overseas distributors place individual purchase orders. We do not engage in real-time monitor of inventory levels of our distributors. However, we from time to time ask distributors to report their inventory levels. Some of our distributors may use sub-distributors as we do not impose any restriction or prior approval requirements for our distributor to engage any sub-distribution.

We engage exclusive distributors in certain regions or specify their designated authorized distribution regions to prevent cannibalization. We generally do not impose sales targets on our distributors. While we do not monitor their inventory levels in real time, we conduct periodic reviews to ensure appropriate stock management. Given the limited shelf life of our products of 12 to 18 months in general and the associated product aging considerations, our distributors have less incentive to accumulate excess inventory. Our distributors in China are also typically required to make full payment in advance prior to delivery, which further discourages channel stuffing. We permit our overseas distributors to make partial payment in advance, with the remaining balance payable upon completion of delivery.

The table below sets out the total number of major distributors and their movements for the periods indicated:

	Years Ended December 31,		
	2023	2024	2025
Distributors¹			
Beginning of the period	438	520	606
Additions	97	154	129
Terminations ²	15	68	104
Number of distributors at the end of the period	520	606	631

Note 1: The distributors presented herein comprise only major distributors, defined as those with an annual transaction volume exceeding RMB120,000 (approximately RMB10,000 per month) in any year during the Track Record Period. The remaining long-tail distributors, namely, those with an annual transaction volume below RMB120,000, collectively accounted for less than 2% of our total revenue in each year during the Track Record Period. We apply the same distributor management and onboarding policies to both our major and long-tail distributors. Focusing on the turnover of our major distributors provides a more meaningful representation of the actual movements within our distributorship network.

Note 2: The number of terminated distributors also includes those who did not generated revenue during the indicated period.

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During the Track Record Period and up to the Latest Practicable Date, to our best knowledge, all of our distributors were independent third parties, and there was no employment, financing or family relationship between our distributors and us. We did not rely on any single distributor or a small number of distributors during the Track Record Period. During the Track Record Period, we made a strategic decision to terminate our relationships with certain smaller distributors in order to streamline our distribution network and enhance operational efficiency. The increase in terminations during the Track Record Period was also attributable to certain Chinese retailers’ preference for transacting directly with us rather than through distributors. The 68 distributors terminated in 2024 contributed 1.6% of our total revenue in 2023. The 104 distributors terminated in 2025 contributed 1.4% of our total revenue in 2024. By consolidating our partnerships with larger, more established distributors, we are better positioned to achieve greater market reach and stronger brand presence across our key markets.

We generally enter into distribution agreements with our distributors, while certain other distributors purchase pursuant to individual purchase orders only. The summary of the salient terms of our distribution agreements are set forth as below.

- *Duration:* Our distribution agreements with our Chinese distributors typically have a term of one year. Our overseas distributors generally place purchase orders, and some enter into distribution agreements with a one-year term.
- *Designated distribution area:* We require our distributors to distribute our products within their authorized regions.
- *Sales and performance target:* We do not require our distributors to meet minimum annual purchase targets.
- *Pricing policy:* The recommended retail price is typically determined based on the costs and market competitiveness.
- *Payment:* For distributors in China, we require full payment before shipment. We extend credit terms of 30 to 60 days to our overseas distributors.
- *Transfer of risk:* The risk of damage or loss shall transfer to distributors upon the delivery of products.
- *Product return:* We do not typically engage in inventory buyback arrangements with distributors; however, we may allow limited returns of certain products on a case-by-case basis.
- *Sub-distribution:* We do not prohibit our distributors from engaging sub-distributors. However, we do not enter into agreement with sub-distributors.
- *Termination:* Both parties are typically entitled to terminate the distribution agreements by giving advance written notice.

Any sales carried out by distributors outside their designated geographic areas will be deemed as cannibalization. To minimize cannibalization among the distributors and sales channels, we typically adopt the following measures:

We have implemented a multifaceted approach to minimize the risk of sales cannibalization among our distributors. We strategically select and engage qualified distributors with complementary sales channels in different regions. In addition, we regularly collect information on their sales of our products, monitor their sales to end customers, and maintain a periodic reconciliation mechanism to ensure the accuracy of accounts. Upon detecting any abnormalities, including cross-regional or cross-channel sales,

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we immediately communicate with the relevant distributors regarding corrective actions and may require them to suspend all sales and shipments under severe circumstances. If distributors continue to sell products outside their authorized scope under such circumstances, we reserve the right to terminate our distribution agreements with them.

Online Direct Sales

We also sell our products through online direct sales model. Under our online direct sales model, we sell products directly to consumers through our self-operated e-commerce stores or through our self-operated e-commerce stores on third-party platforms including Tmall, Amazon, etc. We are responsible for the logistics, fulfillment and after-sales services of the orders. In 2023, 2024 and 2025, revenue generated from our self-operated online stores amounted to RMB51.7 million, RMB115.8 million and RMB140.7 million, respectively, accounting for 4.9%, 7.4% and 5.1%, respectively, of our total revenue in the same years.

PRICING

Our product prices are set with reference to various factors, such as product positioning, production costs, market competition and reasonable profit level of our distributors. Our distributors are recommended to follow our pricing system with product prices and can adjust the price of the products where appropriate. Our distributors shall not take any actions that may materially disrupt our pricing system. Some contracts for the sale of products provide customers with rights of return and volume rebates. Please refer to “Appendix I — material accounting policy information” for further details.

RESEARCH AND DEVELOPMENT AND PRODUCT DESIGN

We have made substantial investment in research and development to introduce creative, tasty and healthy candy products during the Track Record Period. In 2023, 2024 and 2025, our research and development expenses amounted to RMB7.3 million, RMB15.3 million and RMB18.3 million, respectively, representing 0.7%, 1.0% and 0.7% of our total revenue for the same years, respectively. As of December 31, 2025, we had 210 personnel engaging in product development, including 103 personnel engaging in R&D, and 107 personnel primarily engaging in product design, molding and testing. Our R&D personnel hold qualifications in food science and related disciplines, including food science and nutrition, food quality and safety and fermentation engineering. They bring extensive hands-on experience in confectionery research, development, and manufacturing, complemented by expertise in nutritional food development as well as food safety testing.

We have implemented and continue to advance a number of R&D initiatives. For instance, in terms of R&D equipment, we have introduced mold design and 3D mold printing systems, fully automated gummy decorating equipment, and 3D candy printing technology, all of which enhance the precision and efficiency of confectionery mold design while supporting new product development. With respect to texture innovation, we are developing gummies featuring recrystallized and crispy textures to expand the sensory profile of traditional gummy confectionery.

In addition, we have achieved several notable R&D and product innovation milestones, including enhancing the flavor profile of peelable gummies through the use of fruit purées sourced from designated growing regions, launching Winter Olympics mascot-shaped confectionery products and introducing gummy nutrition packs tailored to the needs of different consumer segments.

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INTELLECTUAL PROPERTY

As of December 31, 2025, we had 69 granted patents, 40 copyrights, as well as 999 trademarks both in China and overseas. See “Appendix V — Statutory and General Information — B. Further Information About Our Business — 2. Intellectual Property Rights” for details of our material intellectual property rights. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes or any other pending material legal proceedings regarding intellectual property rights with third parties.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our IP rights. See “Risk Factors — We may not be able to adequately protect or enforce our patents, trade secrets and other intellectual property rights throughout the world, and our efforts to do so may be costly.”

MANUFACTURING

During the Track Record Period, we manufactured our candy products either in-house or via collaborations with third-party contract manufacturers. To ensure safe and stable production, we have implemented a comprehensive set of internal management systems, including production safety objectives, target-based management mechanisms, and a production safety accountability system.

Our Manufacturing Bases

As of December 31, 2025, we had three manufacturing bases located in the PRC.

The table below sets out the details of our production bases for the periods indicated:

	Year ended December 31,								
	2023			2024			2025		
	Estimated Designed Capacity ⁽¹⁾	Actual Production	Utilization Rate	Estimated Designed Capacity ⁽¹⁾	Actual Production	Utilization Rate	Estimated Designed Capacity ⁽¹⁾	Actual Production	Utilization Rate
	(thousand tons)	(thousand tons)		(thousand tons)	(thousand tons)		(thousand tons)	(thousand tons)	
Shenzhen . . .	15.3	13.7	89.7%	14.0 ⁽²⁾	11.7	83.3%	13.0 ⁽²⁾	11.5	88.7%
Jiangmen Amos . . .	—	—	—	13.3	10.0	75.1% ⁽³⁾	19.0	17.5	92.2%
Jiangmen Biobor . . .	—	—	—	3.5	1.4	39.1% ⁽⁴⁾	8.3	3.0	35.8%
Dongguan . .	0.4	0.2	48.9%	N/A	0.0 ⁽⁵⁾	N/A ⁽⁵⁾	—	—	—
Total	15.7	13.9	88.7%	30.8	23.0	74.7%	40.3	32.0	79.4%

(1) Estimated designed capacity was calculated based on an assumed operating schedule of 20 working hours per day and 300 days per year.

(2) Certain production lines at our Shenzhen factory have experienced reduced hourly output due to equipment wear and deterioration.

(3) Our Jiangmen Amos factory opened in March 2024, and underwent a ramp-up period in manufacturing capacity for the remainder of 2024.

(4) Following the opening of our Jiangmen Biobor factory, we underwent a ramp-up period and equipment commissioning process for our new Biobor products, and commenced production at scale in September 2024.

(5) We closed our Dongguan factory in January 2024 and subsequently transferred and expanded its production lines to Jiangmen factories.

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During the Track Record Period and up to the Latest Practicable Date, we were upgrading our existing production facilities in response to the increasing demand. In 2024, we established new factories in Jiangmen for both Amos and Biobor products to address the constraints in production capacity and to meet the increasing market demands. Accordingly, we strategically closed the factory in Dongguan in 2024, the functions of which have been transferred to our factories in Jiangmen. Additionally, we were establishing new production facilities in locations strategically critical to our key markets. As part of our global expansion strategy and to strengthen our manufacturing capacity, we are constructing a new factory in Vietnam. This facility will have a designed annual production capacity of 13.3 thousand tons and is expected to start operation by or around the end of 2026, establishing a “China Plus One” production layout to enhance the supply chain resilience and meet the global demand.

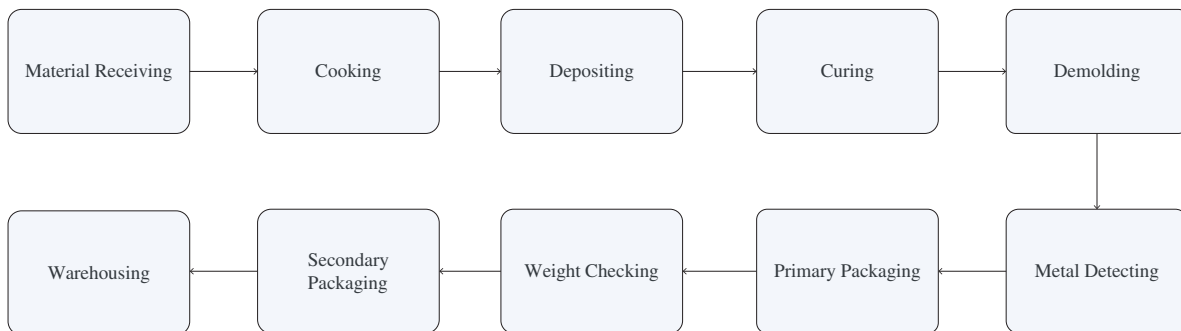
During the Track Record Period, we also engaged third-party contract manufacturers to supplement our in-house manufacturing capacity. In 2023, 2024 and 2025, the procurement volume from third-party contract manufacturers was approximately 13.4 thousand tons, 19.8 thousand tons and 28.1 thousand tons, respectively. We select our third-party contract manufacturers based on a rigorous set of criteria, including their production capabilities, quality control standards, regulatory compliance track record, and ability to meet our specifications consistently. We conduct thorough due diligence assessments prior to onboarding any new manufacturer to ensure alignment with our operational and food safety requirements. To safeguard our proprietary product designs and formulas, we typically enter into confidentiality agreements with these third-party manufacturers before commencing any collaboration.

- *Duration:* Our agreements with third-party manufacturers typically have a term of one year.
- *Service:* The suppliers manufacture products strictly in accordance with the samples confirmed by both parties, and the products manufactured are exclusively supplied for our sales.
- *Product quality:* The suppliers are required to ensure that the products comply with the samples or standards agreed by both parties, the PRC national standards for export inspection commodities, as well as the quality standards of the destination countries.
- *Packaging:* We are responsible for providing the packaging design, while the suppliers are responsible for product packaging, with packaging costs included in the product price.
- *Payment:* We pay a certain percentage of the purchase price as a prepayment upon execution of the purchase order, with the remaining balance settled after receipt and inspection of the goods, against invoices issued by the suppliers.
- *Logistics:* The suppliers are responsible for transporting the products to our designated warehouses.
- *Product return:* We are entitled to return the products in the event that the products fail to meet the agreed quality requirements.
- *Confidentiality:* The suppliers are prohibited from disclosing to any third-party manufacturers or domestic or overseas customers the supply relationship between us and the suppliers, as well as all information set out in the relevant contracts.
- *Termination:* The agreements may be terminated upon mutual agreement of both parties or under circumstances stipulated in the contracts, including repeated occurrences of product quality issues attributable to the suppliers.

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Our Manufacturing Process

The diagram below summarizes the key steps of our production process for our candy products:



Our Production Equipment

We continuously invest in upgrading our production lines by introducing advanced equipment from leading domestic and international suppliers, which enables us to enhance our production capacity while improving manufacturing techniques. Our production equipment encompasses key confectionery manufacturing systems, including cooking, depositing, molding and drying equipment, as well as primary and secondary packaging lines. We regularly inspect and maintain our production equipment to ensure optimal operating conditions and production safety. We have established a comprehensive equipment management system covering usage protocols, inspection procedures, and preventive maintenance schedules, with automatic detection and monitoring devices installed at critical production stages.

FOOD SAFETY AND QUALITY CONTROL

Food safety and quality is our top priority. Our food safety and quality assurance system covers the entire production process of our products, including steps from procurement, production, storage, distribution to sales. The raw materials and products are tracked in order to meet customers’ requirements and the corresponding legal and regulatory requirements.

Formula Quality Control

Product formulation is key to quality control. We have a designated team for formula quality control. With this team, we are able to develop safer and more scientific formulas to control our products’ quality. To ensure food safety, we have established a Product Design and Development Control Procedure governing product formulations. This procedure sets out guiding principles regarding any new product development and requires that any new products and changes to product formulations be subject to formal approval by the food safety team, during which potential hazards are assessed and appropriate control measures are implemented. In addition, new products are required to undergo trial production using production equipment, initial shelf-life testing, and the results of such testing are recorded and retained.

Raw Material Quality Control

We have implemented and maintained stringent policies and procedures for selecting suppliers to secure the quality of our raw materials. We typically work with reputable suppliers. We comprehensively consider several factors in selecting and evaluating suppliers, including but not limited to operating environment and conditions, supply chain capabilities, product quality and production scale, and the relevant certifications of food safety systems by suppliers. Raw materials provided by our suppliers are required to meet the regulatory standards and our procurement standards. Furthermore, we have implemented a series of quality management measures for our raw materials, primarily including the following. We have established raw material acceptance procedures to standardize the receipt, inspection, warehousing, and storage of incoming raw materials, as well as the relevant operating methods, in order to ensure the safety and quality of raw materials used in the production process. In addition, we have also

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established technical standards for key raw materials, including white granulated sugar, glucose syrup, gelatin and pectin, which set out the acceptance criteria and inspection requirements, as well as the sampling methods and assessment rules applied during inspection, and also specify the storage and transportation conditions, in order to ensure that the raw materials used meet our quality requirements.

Production Process Quality Control

To ensure the quality of our products, we strictly adhere to our production procedures, pay close attention to and abide by the implementation and effect of laws, regulations and standards of the industry and corporate procedure documents, forming closed-loop management in system and regulation, training, training effect verification, on-site execution, inspection and improvement.

We set up multiple check points in every segment throughout the production process and the quality team monitors the production process in accordance with our internal quality guidance. Based on our Production Process Control Procedure and relevant internal guidelines, we exercise control over key process parameters, including temperature, time, pressure and storage conditions. Process monitoring is carried out by trained personnel, and appropriate production records are maintained.

Where processing conditions within equipment that are critical to product safety or quality may change, we conduct confirmation and validation of the relevant processing characteristics based on risk assessment and equipment performance. In the event that any process deviates from established specifications, we implement corrective and preventive actions in accordance with our Corrective and Preventive Actions Control Procedure, and maintain corresponding records.

In addition, we have established procedures to ensure the accuracy of packaging and labelling in response to product changes. Where changes occur in product formulations, processing methods, equipment, or packaging, we reassess and update the monitoring requirements for all relevant critical processes to ensure that the products manufactured remain safe and compliant with applicable legal and regulatory requirements.

We require employees to maintain proper personal hygiene, conduct health check-ups before commencing employment, sanitize before entering facilities and enforce dress code at work for all employees during daily operation. In addition, we also provide regular training to our employees on various topics such as quality control and food safety to increase their awareness and professional knowledge.

Product Returns and Product Recalls

We have established comprehensive product return and recall management procedures to address product quality concerns. We have also established product identification and traceability control procedures that enable end-to-end traceability from finished products back to raw materials. In the event of customer complaints, our quality control department promptly communicates with the relevant customers to ascertain the nature and impact of each complaint and determines the appropriate course of action based on its type. Where a complaint pertains to product quality, safety, or hygiene, we respond by adopting measures including organizing internal investigations and analyses for confirmation, conducting sample inspections, providing timely responses to customers, and, where necessary, sending personnel to customers’ sites to carry out sampling, testing, and confirmation. If any of our products are confirmed to have fallen short of applicable quality, safety, or hygiene requirements, the affected customers are requested to suspend use of the relevant products, replacement products are provided in a timely manner, and existing inventory held by the customers is recalled. Any consequences arising from products that have already been consumed or used are addressed in proportion to the severity of their impact. These corrective and preventive measures are implemented by the quality control department in coordination with the production department, and the outcomes are communicated to the affected customers accordingly. According to Frost & Sullivan, our product return policy is in line with industry practice.

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Additionally, we have developed product recall protocols to ensure full compliance with food safety requirements in accordance with applicable laws and regulations. Where any product issue arises, our quality control department assesses its severity. If the issue is determined to pose a significant risk to food safety, we immediately suspend the production and sale of the affected products and promptly initiate a recall of any units that have already been distributed. The head of our food safety team then conducts a recall analysis and issues a Product Recall Notice, which identifies the relevant parties involved in the recall and sets out the appropriate methods for communicating recall information to each category of stakeholder. Each batch of recalled products is recorded and tracked through the Product Recall Notice. In accordance with applicable laws and regulations, recalled products are then subject to remedial action, harmless treatment, or destruction, as appropriate. Upon completion of the recall, the food safety team prepares a Product Recall Summary Report and implements preventive measures to mitigate the risk of recurrence.

During the Track Record Period and up to the Latest Practicable Date, we did not receive any material complaints from customers in connection with product quality or food safety, have any material product recalls or returns, or encounter any material food safety incidents resulting in material administrative penalties. In 2023, 2024 and 2025, revenue reversed due to sales return for the year accounted for 0.4%, 0.6% and 0.4% of our total revenue, respectively, primarily due to damage incurred during transportation.

RAW MATERIALS AND SUPPLIERS

We aim to provide safe and tasty candy products to our consumers by selecting high-quality raw materials. We cooperate with large-scale raw material providers to ensure high-quality and stable supply of raw materials.

We produce our products from a wide variety of ingredients. The primary raw materials that we use in the production of our products are white granulated sugar, glucose syrup, gelatin, maltitol and pectin, among others. Other auxiliary materials such as fruit juice and fruit purée, food flavorings and food colorings are also used in our production process. We also purchase and use large quantities of packaging materials, including cartons, intermediate boxes, composite packaging films and packaging bags, among others.

Substantially all packaging bags and labels for our products are produced by our packaging material suppliers. We generally enter into procurement agreements for packaging materials with a typical term of one to two years. These agreements contain the general terms of cooperation, while the actual price terms and purchase volume are determined by the purchase orders that we send to our suppliers. Packaging materials provided by our suppliers are required to meet the food safety standards set by competent government authorities in China and other target markets.

We typically enter into procurement agreements with our raw material suppliers, and place orders based on market conditions. All raw materials supplied by the suppliers are required to meet our quality standards and the standards set by competent government authorities.

During the Track Record Period, we did not experience any material cost increases in raw materials or any material shortages in raw material supply. The prices of our raw materials may fluctuate due to factors including economic conditions, supply and demand dynamics, and geopolitical situations. We adopt different procurement strategies for different raw materials to ensure supply stability.

Our Suppliers

During the Track Record Period, our suppliers primarily comprise third-party contract manufacturers and suppliers of raw materials in China and across the world, and logistics service providers. In 2023, 2024 and 2025, the aggregate purchase amounts from our five largest suppliers were RMB141.4 million, RMB264.3 million and RMB628.4 million, representing 24.7%, 30.6% and 45.0% of our total purchases

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for the same years, respectively. In 2023, 2024 and 2025, the purchase amounts from our largest suppliers were RMB30.5 million, RMB81.4 million and RMB243.1 million, representing 5.3%, 9.4% and 17.4% of our total purchases for the same years, respectively.

During the Track Record Period, we did not experience any significant fluctuation in prices set by our suppliers or material breach of contract on the part of our suppliers. 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 suppliers. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, each of our top five suppliers are independent from each other.

The follow table sets forth details of our five largest suppliers for each year during the Track Record Period:

For the year ended December 31, 2023

Supplier	Background and principal business	Products purchased	Year of commencing relationship	Credit term	Purchase amount (RMB in thousands)	% of total purchases
Supplier A	A company manufacturing gelatin and collagen peptide, located in Fujian, China	Raw materials	2017	30 days after monthly settlement	30,509	5.3%
Supplier B	A food manufacturing company, primarily engaging in candy processing and distribution, located in Fujian, China	Raw Materials and OEM	2017	20% advance payment, 80% payment within 30 days upon receipt of invoice upon arrival	30,208	5.3%
Supplier C	A food manufacturing company, primarily engaged in the production and sale of local specialty foods, located in Guangdong, China	Raw Materials and OEM	2022	20% advance payment, 80% payment within 30 days upon receipt of invoice upon arrival	27,872	4.9%
Supplier D	A sugar refiner, primarily engaged in refined sugar and syrup production, located in Guangdong, China	Raw materials	2018	30 days after monthly settlement	27,561	4.8%
Supplier E	A food manufacturing company, focusing on high-quality food production, located in Anhui, China	Raw Materials and OEM	2018	20% advance payment, 80% payment within 30 days upon receipt of invoice upon arrival	25,229	4.4%

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For the year ended December 31, 2024

Supplier	Background and principal business	Products purchased	Year of commencing relationship	Credit term	Purchase amount (RMB in thousands)	% of total purchases
Supplier F	A full-service international freight forwarding company, specializing in multimodal transport and cross-border logistics solutions	Warehousing and logistic services	2020	45 days after monthly settlement	81,388	9.4%
Supplier G	A food manufacturing company, focusing on candy and chocolate production, located in Fujian, China	Raw Materials and OEM	2023	20% advance payment, 80% payment within 30 days upon receipt of invoice upon arrival	77,635	9.0%
Supplier E	A food manufacturing company, focusing on high-quality food production, located in Anhui, China	Raw Materials and OEM	2018	20% advance payment, 80% payment within 30 days upon receipt of invoice upon arrival	42,553	4.9%
Supplier H	A food manufacturing company, focusing on snack food production and brand development, located in Guangdong, China	Raw Materials and OEM	2007	90 days after monthly settlement	31,695	3.7%
Supplier I	A plastic packaging manufacturer, focusing on plastic and paper packaging for consumer goods, located in Guangdong, China	Packaging materials	2009	20% advance payment, 80% payment within 20 days after departure	30,999	3.6%

For the year ended December 31, 2025

Supplier	Background and principal business	Products purchased	Year of commencing relationship	Credit term	Purchase amount (RMB in thousands)	% of total purchases
Supplier F	A full-service international freight forwarding company, specializing in multimodal transport and cross-border logistics solutions	Warehousing and logistic services	2020	45 days after monthly settlement	243,133	17.4%

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Supplier	Background and principal business	Products purchased	Year of commencing relationship	Credit term	Purchase amount (RMB in thousands)	% of total purchases
Supplier G	A food manufacturing company, focusing on candy and chocolate production, located in Fujian, China	Raw Materials and OEM	2023	20% advance payment, 80% payment within 30 days upon receipt of invoice upon arrival	227,850	16.3%
Supplier E	A food manufacturing company, focusing on high-quality food production, located in Anhui, China	Raw Materials and OEM	2018	20% advance payment, 80% payment within 30 days upon receipt of invoice upon arrival	59,705	4.3%
Supplier J	A global e-commerce fulfillment technology company, providing third-party logistics and warehouse management system solutions, located in Chicago, the U.S.	Warehousing and logistic services	2024	30 days after monthly settlement	53,148	3.8%
Supplier K	A domestic toy manufacturing and solutions provider, specializing in plastic toy design, production and sales, located in Hunan Province, China.	Raw materials	2024	30% advance payment, 60% payment after shipment, and the remaining 10% payment after acceptance of the goods	44,524	3.2%

Procurement Agreements

We generally enter into framework procurement agreements with our raw material suppliers setting forth general terms that will be used in each purchase order. Below are the major terms of our standard framework procurement agreement with our suppliers:

- *Duration:* Generally one to two year.
- *Purchase Orders:* Our purchases are conducted on a purchase order basis. Each purchase order specifies, among other things, the product type, unit price, quantity, delivery schedule and other relevant terms.
- *Payment and Credit Terms:* Our suppliers generally grant us a credit period of 30 to 90 days.
- *Product Quality:* Products supplied by our suppliers are required to comply with our quality standards as well as applicable national and industry standards. Where products fail to meet the relevant standards, we are entitled to pursue the supplier’s corresponding liabilities.

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- *Product Returns:* We are entitled to return products in circumstances including, but not limited to, damaged packaging, exposed goods, or failure to meet applicable quality or hygiene standards.
- *Termination:* Upon the occurrence of events specified in the relevant contract, either party may terminate the contract at any time by providing written notice to the other party.

WAREHOUSING, LOGISTICS AND INVENTORY MANAGEMENT

We established comprehensive systems and procedures for warehousing, logistics, and inventory management. We have engaged competent logistics providers to ensure safe, timely, and reliable product delivery.

Warehousing

As of December 31, 2025, we have 10 third-party warehouses with inventory operations managed by third-party service providers (the “**cooperating warehouses**”).

The key terms of the cooperation agreements for our cooperating warehouses are outlined as follows:

- *Duration:* Generally two years.
- *Payment and Credit Terms:* We are granted with a credit period of 45 days.
- *Pricing:* Fees are charged based on the type of services provided, calculated by applying unit prices to the relevant service units, subject to a minimum monthly charge.
- *Scope of Services:* The warehousing service provider offers services including storage, sorting, inbound and outbound handling, and loading and unloading operations.
- *Ownership and Risk of Loss:* While ownership to the goods remains with us at all times, the warehousing service provider bears the risk of loss or damage to the goods during the period from receipt of the goods by the provider until the goods are delivered to us or to third parties designated by us.
- *Insurance and Compensation:* The warehousing service provider provides insured warehousing services for our goods. In the event of damage, shortage or loss of goods during the insured period, the warehousing service provider is required to compensate us based on the actual loss incurred.
- *Termination:* Either party is entitled to terminate the contract by providing at least 90 days’ prior written notice to the other party.

Logistics

We primarily determine our delivery arrangements based on customers’ needs, the nature of the products and the sales channels used, taking into consideration factors such as the total costs, the delivery capacity, the delivery speed and the geographic reach of each category of delivery arrangement.

The key terms of the framework agreements with third-party logistics solutions providers are outlined as follows:

- *Duration:* Generally one to two years.

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- *Payment and Credit Terms:* Logistics service fees are settled on a monthly basis with a 30 to 45-day payment period, which is calculated from the date on which we have received the complete set of invoices and the original proof of delivery signed by the customer.
- *Pricing:* Pricing varies based on the origin and destination of the goods and is calculated based on either a per-kilogram rate or a per-cubic-meter rate, with charges determined based on the higher of the two as calculated.
- *Scope of Services:* The logistics service provider provides door-to-door transportation services, including loading goods at warehouses designated by us and delivering the goods safely and intact to addresses designated by us.
- *Risk of Loss:* The risk of damage to or loss of the goods transfers to the logistics service provider once the goods are loaded onto vehicles designated by the logistics service provider.
- *Insurance and Compensation:* The logistics service provider procures insurance based on the value of the goods. In the event that the logistics service provider fails to procure such insurance, it shall be liable for compensation in respect of any insured events.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material disruption in the delivery of our products or suffer any material loss as a result of any delay in delivery or mishandling of goods. We did not encounter any material shortages or obsolescence of inventory during the Track Record Period and up to the Latest Practicable Date.

Inventory Management

As food preservation is time-sensitive, effective inventory management is vital to our ongoing success. We implement stringent inventory control management measures in order to ensure the high quality of our products with authentic tastes and to reduce the risks associated with deterioration of raw materials and finished products.

Our inventories primarily consist of raw materials, and finished products. All of our warehouses maintain well-ventilated and dry storage conditions with controlled temperature and humidity to avoid the risk of deterioration of our inventories. We implement a first-in-first-out policy to manage the shelf life of our raw materials and finished products.

We have established and implemented differentiated inventory management policies to address key scenarios, including sales returns and rejected deliveries, slow-moving products, and product disposal. We conduct weekly inventory classification based on the remaining shelf life of finished goods, categorizing inventory into four tiers: effective inventory, at-risk inventory, near-expiry inventory, and obsolete inventory. Corresponding warning indicators are applied to each category, and tailored inventory clearance plans are formulated, executed, and monitored on an ongoing basis. For sales returns and rejected deliveries, all returns from key account customers and distributors, as well as deliveries rejected for quality-related reasons, are subject to our internal approval process, after which the relevant products are returned via logistics services providers and undergo inspection before being returned back into our warehouses. In the case of product disposal, any products requiring disposal due to returns, or obsolescence must be accompanied by a formal disposal application submitted by the relevant responsible department or personnel, and following review and approval, the factory administrative department carries out the disposal process.

MARKETING AND PROMOTION

We enhance the awareness of our brands and promote our products through both offline and online channels. We launched the “Amos Treats the World to Sweets” campaign as part of our ESG initiatives. We also showcased our brand at the 2026 Winter Olympics as part of our branding and marketing strategy, which further increased our market visibility and reinforced our brand image among consumers. We

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actively leverage social media platforms to connect with our target audience, utilizing content-driven campaigns and influencer partnerships to strengthen brand awareness and drive product discovery. In addition, we strategically pursue crossover collaborations with well-known consumer brands and characters that appeal to a broader consumer base and generate heightened market interest. These initiatives collectively enable us to maintain a dynamic brand presence and stay attuned to evolving consumer preferences.

OUR CUSTOMERS

Our customers primarily comprise key account customers, distributors and individual consumers. In 2023, 2024 and 2025, revenue generated from our five largest customers amounted to RMB339.1 million, RMB439.3 million and RMB724.0 million, respectively, accounted for 31.7%, 28.0% and 26.0% of our total revenue for the same years, respectively. In 2023, 2024 and 2025, revenue generated from our largest customers amounted to RMB116.3 million, RMB153.6 million and RMB196.9 million, respectively, accounted for 10.9%, 9.8% and 7.1% of our total revenue for the same years, respectively. During the Track Record Period, we mainly sell sugar confectionery products to our five largest customers.

To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, our five largest customers were independent third parties, and 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. During the Track Record Period and up to the Latest Practicable Date, each of our top five customers are independent from each other.

The follow table sets forth details of our five largest customers for each year during the Track Record Period:

For the year ended December 31, 2023

Customer	Background and principal business	Year of commencing relationship	Credit term	Sales amount (RMB in thousands)	% of revenue
Customer A	A company operating primarily in international discount retail operations and sourcing, located in Montreal, Quebec, Canada	2006	Payment within 14 days upon receipt of bill of lading copy	116,341	10.9%
Customer B	A U.S.-based confectionery company, located in New York, the U.S.	2011	Payment within 45 days upon receipt of bill of lading copy	95,186	8.9%
Customer C	A company primarily engaged in retail investment and management, supply chain services, and e-commerce, located in Shenzhen, China	2014	Payment 60 days after receipt of invoice	86,902	8.1%
Customer D	A company primarily engaged in discount retailing of consumables, seasonal items, and home products, located in Goodlettsville, Tennessee, United States	2012	Payment 120 days after receipt of goods	21,073	2.0%

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Customer	Background and principal business	Year of commencing relationship	Credit term	Sales amount (RMB in thousands)	% of revenue
Customer E	A company primarily engaged in novelty confectionery manufacturing, located in Madrid, Spain	2014	Payment within 10 days upon receipt of bill of lading copy	19,608	1.8%

For the year ended December 31, 2024

Customer	Background and principal business	Year of commencing relationship	Credit term	Sales amount (RMB in thousands)	% of revenue
Customer A	A company operating primarily in international discount retail operations and sourcing, located in Montreal, Quebec, Canada	2006	Payment within 14 days upon receipt of bill of lading copy	153,629	9.8%
Customer F	A company primarily engaged in discount retail merchandising, sourcing, and supply chain management located in Bristol, Virginia, the U.S.	2009	Payment within 90 days after receipt of goods and invoice	83,122	5.3%
Customer B	A U.S.-based confectionery company, located in New York, the U.S.	2011	Payment within 45 days upon receipt of bill of lading copy	79,660	5.1%
Customer C	A company primarily engaged in retail investment and management, supply chain services, and e-commerce, located in Shenzhen, China	2014	Payment within 60 days after receipt of invoice	70,166	4.5%
Customer G	A company primarily engaged in grocery, foodservice, and beverage wholesale distribution and supply chain logistics, located in Temple, Texas, the U.S.	2021	Payment within 60 days after receipt of goods and invoice	52,712	3.3%

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For the year ended December 31, 2025

Customer	Background and principal business	Year of commencing relationship	Credit term	Sales amount (RMB in thousands)	% of revenue
Customer H	A company primarily engaging in extreme-value retail, targeting teens and tweens, located in Philadelphia, Pennsylvania, the U.S.	2023	Payment within 60 days after receipt of goods and invoice	196,877	7.1%
Customer G	A company primarily engaged in grocery, foodservice, and beverage wholesale distribution and supply chain logistics, located in Temple, Texas, the U.S.	2021	Payment within 60 days after receipt of goods and invoice	147,903	5.3%
Customer A	A company operating primarily in international discount retail operations and sourcing, located in Montreal, Quebec, Canada	2006	Payment within 14 days upon receipt of bill of lading copy	145,146	5.2%
Customer I	A company primarily engaging in general merchandise discount retail, omnichannel commerce, and owned-brand product development, located in Minneapolis, Minnesota, the U.S.	2022	Payment within 30 days after receipt of goods and invoice	119,620	4.3%
Customer C	A company primarily engaged in retail investment and management, supply chain services, and e-commerce, located in Shenzhen, China	2014	Payment within 60 days after receipt of invoice	114,474	4.1%

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, Supplier K was also our customer. We procure raw materials from, and sell sugar confectionery products to this supplier/customer. The total revenue we generated from the overlapping customer and supplier amounted to RMB5.5 million and RMB9.5 million in 2024 and 2025, respectively, and the purchases from the overlapping customer and supplier amounted to RMB3.3 million and RMB44.5 million in 2024 and 2025, respectively. Our Directors have confirmed that none of our sales to and purchases from our overlapping customer and supplier during the Track Record Period was inter-conditional, inter-related or otherwise considered as one transaction. We negotiate the transactions with our overlapping customer and supplier on an arm’s-length basis.

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PROPERTIES

As of the Latest Practicable Date, we had one owned property in Jiangmen, Guangdong Province and 22 leased properties in PRC involved in our business operations, with a total aggregate gross floor area of approximately 111,640 sq.m. Such properties are mainly used for office space, warehouse and manufacturing bases. Our headquarters are located in Shenzhen, PRC. We also leased one property in Vietnam with total aggregate gross floor areas of approximately 21,935.6 sq.m, mainly for factory uses.

As of the Latest Practicable Date, six leased properties with a total GFA of approximately 47,987.5 sq.m. (the “**Defective Leased Properties**”) were leased from lessors who failed to or were unable to provide sufficient or valid title certificates or relevant authorization documents evidencing their rights to lease the properties to us.

As advised by our PRC Legal Adviser, taking in to account the competent authorities’ confirmation and the intended use of the Defective Leased Properties, the likelihood of the Defective Leased Properties being subject to demolition within a foreseeable period of time is low or such properties are considered to be highly substitutable. Based on the foregoing, our Directors are of the view that the Defective Leased Properties will not have a material adverse impact on the overall business of the Company.

In addition, as of the Latest Practicable Date, our 11 lease agreements had not been registered with the relevant PRC authorities, primarily because certain landlords failed to cooperate to complete the lease registration. As advised by our PRC Legal Adviser, the lack of registration of the lease agreements does not affect the validity of such lease agreements and use of the properties. During the Track Record Period and up to the Latest Practicable Date, we have had no material disputes, government investigations, or administrative penalties related to the absence of the ownership documents, nor are we subject to any material adverse impact due to these matters. In addition, we have not received any notices or administrative penalty decisions from the relevant authorities requiring us to complete lease registration filings for certain leased properties. Based on the foregoing, our Directors are of the view that this will not have a material adverse impact on the overall business of the Company.

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, set out in Appendix III of this Document, sets out details of our property interests as of February 28, 2026. Jones Lang LaSalle Corporate Appraisal and Advisory Limited valued our property interests at an amount of RMB424.4 million as of February 28, 2026. Except for the property interests set forth in the property valuation report, no single property interest that forms part of our non-property activities had a carrying amount representing 15% or more of our total assets as of December 31, 2025.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period and up to the Latest Practicable Date, we accepted payments made by third parties to settle the amounts that certain customers owed to us in connection with their purchases of our products. In 2023, 2024 and 2025, the aggregate amount settled through such Third-Party Payment Arrangements was RMB13.8 million, RMB9.5 million and RMB13.3 million, respectively, representing 1.3%, 0.6% and 0.5% of our total revenue for the same year, respectively. The number of distributors and Key account customers who settled payments through accounts belonging to parties other than the contractual counterparties or the business operators of sole proprietorships under the sales agreements or purchase orders, referred to as “Third-Party Settled Customers,” was 44 in 2023, 58 in 2024 and 87 in 2025. All relevant Third-Party Payment Arrangements during the Track Record Period were settled via electronic payments. No individual Third-Party Settled Customer made a material contribution to our revenue through third-party payments during the Track Record Period.

Based on the representations of the Third-Party Settled Customers and to the best knowledge of our Directors, the reason of such Third-Party Payment Arrangements is primarily for their intra-group payment arrangement and payment convenience. As a result, we have to accept the Third-Party Payment

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Arrangements. The third parties who made the payments to us during the Track Record Period, referred to as “Third-Party Payers,” consisted of the entities that had other existing business relationships with the Third-Party Settled Customers. We maintain standard know-your-customer procedures before customer onboarding. We generally require Third-Party Settled Customers to provide written authorization letters acknowledging relevant Third-Party Payment Arrangements or perform additional procedures to verify the relationship between the Third-Party Settled Customers and the Third-Party Payers.

Our Directors have confirmed that, to the best of their knowledge, during the Track Record Period, the Third-Party Settled Customers and Third-Party Payers involved in the Third-Party Payment Arrangements were Independent Third Parties and did not have any past or current relationship (including, without limitation, family, business, financing, employment or otherwise) with us, our subsidiaries, our Shareholders, Directors, senior management, or any of their respective associates. To the best knowledge of our Directors, the Third-Party Payment Arrangements were based on bona fide underlying transactions and valid contractual relationships, and were recorded completely and accurately, in all material respects, in the accounting books and records of the Group

During the Track Record Period, (i) other than accepting such payments, we had not proactively initiated any Third-Party Payment Arrangements, (ii) we had not encountered any disputes with, nor received any refund request from, any Third-Party Settled Customer or Third-Party Payer, (iii) we had not been subject to any investigation, enquiries, administrative penalties by any government authorities with respect to the Third-Party Payment Arrangements, (iv) the pricing, payment and other salient terms of the agreements we entered into with the Third-Party Settled Customers were in line with our other customers not involved in the Third-Party Payment Arrangements, and (v) we had not provided any discount, commission, rebate or other benefits to any of the Third-Party Settled Customers or the Third-Party Payers to facilitate or encourage the Third-Party Payment Arrangements.

Rectification of Third-Party Payment Arrangements and Enhanced Internal Control Measures

To safeguard against the risks associated with Third-Party Payment Arrangements, we have commenced rectification of these arrangements and implemented comprehensive internal control measures. As of the date of this Document, we have ceased or rectified the large majority of such arrangement; however, additional time is required to complete the rectification process in light of these customers’ international operational scale, complex internal payment structures, and relatively strong bargaining power. Our key efforts include, among others:

- We have adopted standard tripartite agreement form that defines the payment obligations between contracting customers and designated payers and provides us with the contractual right to seek recourse from either party in respect of such obligations. Alternatively, there are also tripartite arrangements documented by way of purchase order addenda or appendices.
- We have revised and implemented our Accounts Receivable Management Policy, which now clearly defines the permissible scope of third-party payers. Our sales team is required to inform customers that requested third-party payment payments that third-party payments are not acceptable, except where tripartite agreements or written payment agreements are entered that clearly specify the obligations of relevant parties thereof, such as the customers and the designated payers undertaking that they shall be jointly and severally liable to us for all their respective obligations and responsibilities.
- We have promulgated third-party payment policy to ensure the compliance with relevant laws and regulations on the third-party payment arrangements. We also have internal guidelines in place regarding anti-money laundering, which require our employees to exercise reasonable due diligence with respect to all trading parties, including their business nature, business models and ownership and proposed transactions, to identify potential risks of anti-money laundering.

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- To prevent fraud or money laundering activities and ensure the accuracy and completeness of our accounting books and records, we will continue to maintain our know-your-customer procedures to gain a comprehensive understanding of our customers and perform verification of payment details against our records to confirm payments are made in accordance with the agreements and/or the undertaking letters. If any abnormalities are detected, we will promptly liaise with such customers for verification and correction. In addition, our sales team will continue to hold regular meetings with customers to gain insights into their business operations, thereby reducing the risk of involvement in fraudulent or money laundering activities.

In view of the fact that (i) the Third-Party Payment Arrangements account for only an insignificant proportion of our total revenue in each year of the Track Record Period and (ii) we have implemented enhanced internal control measures, the Directors are of the view that the Third-Party Payment Arrangements do not have any material adverse effect on our business, operation, performance and financial condition.

TRANSFER PRICING ARRANGEMENTS

Our Company and our subsidiaries conduct intercompany transactions in accordance with our transfer pricing policy. We follow the fundamental principle that intercompany transactions must be conducted on an arm’s length basis. During the Track Record Period, there were certain intercompany transactions in respect of the purchase and sale of finished products and services among our Company and our subsidiaries to facilitate the respective function of our subsidiaries during the course of business of our Group.

During the Track Record Period, the entities involved in cross-border intercompany transactions include the Company, Amos (Guangdong) Food Technology Co., Ltd. (“**Jiangmen AMOS**”), Amos Sweets Co., Ltd. (“**Shenzhen Amos**”), Amos FOOD (HK) Limited (“**Amos HK**”) and AMOS SWEETS INC. (“**Amos US**”).

During the Track Record Period, the main cross-border intercompany transactions (the “**Covered Transactions**”) are as follows:

- Transaction 1: Amos HK purchased finished products from the company, Jiangmen Amos and Shenzhen Amos or third-party suppliers and sold them to overseas related parties and third-party clients for further distribution.
- Transaction 2: Amos US purchased finished products from Amos HK for local distribution, and paid a service fee to the Company for the provision of marketing support, supply chain management, finance and accounting, legal and internal control consulting, and human resources services.

In addition to the Covered Transactions, there also existed domestic intercompany transactions in the PRC. These intercompany transactions primarily occurred between domestic entities that were subject to the same effective corporate income tax rate in the PRC and did not result the Group in underpaying PRC corporate income tax.

We have engaged the Independent Transfer Pricing Consultant to review the Covered Transactions. The Independent Transfer Pricing Consultant applied the Transactional Net Margin Method (“**TNMM**”) for both Covered Transactions when conducting transfer pricing review to evaluate whether the Covered Transactions are in compliance with the arm’s length principle as requested by the Organization for Economic Cooperation and Development Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations (the “**OECD Transfer Pricing Guidelines**”) and the relevant Chinese transfer pricing regulations and guidelines. Based on the analysis, the Independent Transfer Pricing Consultant concluded that the Covered Transactions are in compliance with the arm’s length principle, and the transfer pricing adjustment risk is limited during the Track Record Period.

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During the Track Record Period and up to the Latest Practicable Date, we were not subject to any penalties, investigations, inquiries or transfer pricing audits carried out by local tax authorities in relation to these intercompany transactions. Our Directors are of the view that the abovementioned intercompany transactions were in line with the arm’s length principle and we were in compliance with the relevant transfer pricing laws and regulations during the Track Record Period and up to the Latest Practicable Date.

LICENSES, PERMITS AND APPROVALS

We are required to obtain permits, licenses, approvals, filings and certifications for certain business operated by us from the relevant government authorities as required under PRC laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we had obtained all licenses, permits, approvals, filings and certifications that are material to our operations, and such licenses, permits, approvals, filings and certifications all remain in full effect. See “Regulatory Overview” for more details regarding the laws and regulations to which we are subject.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material difficulty in renewing such licenses, permits, approvals and certificates. To the best of our Directors’ knowledge, we do not expect to encounter any material difficulty in renewing them when they expire, if applicable, and no material unexpected or adverse changes have occurred since the date of their respective issuance.

The following table sets forth the key licenses and permits material to our business and operations as of December 31, 2025:

License/Permit	Holder	Grant Date	Expiration Date
Filing of Consignors and Consignees of Import and Export Goods (進出口貨物收發貨人備案)	Amos Food (Group) Co., Ltd. (阿麥斯食品(集團)股份有限公司)	2008.10.16	Long term
Filing of Consignors and Consignees of Import and Export Goods	Shenzhen Amos Food Marketing Co., Ltd. (深圳市金多多食品營銷有限公司)	2011.07.29	Long term
Food Production License (《食品生產許可證》). . . .	AMOS SWEETS CO., LTD. (深圳市阿麥斯食品科技有限公司)	2023.06.15	2028.06.14
Filing Certificate of Export Food Production Enterprise (《出口食品生產企業備案證明》)	AMOS SWEETS CO., LTD.	2020.08.03	Long term
Filing of Consignors and Consignees of Import and Export Goods	AMOS SWEETS CO., LTD.	2007.11.29	Long term
Pollutant Discharge Permit (《排污許可證》)	AMOS SWEETS CO., LTD.	2025.07.03	2030.07.02
Urban Water Discharge Permit (《城市排水許可證》)	AMOS SWEETS CO., LTD.	2022.07.11	2027.07.10
Food Production License . . .	Amos Food (Guangdong) Co., Ltd. (阿麥斯(廣東)食品科技有限公司)	2024.11.19	2028.10.24
Filing Certificate of Export Food Production Enterprise	Amos Food (Guangdong) Co., Ltd.	2025.11.14	Long term

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License/Permit	Holder	Grant Date	Expiration Date
Filing of Consignors and Consignees of Import and Export Goods	Amos Food (Guangdong) Co., Ltd.	2021.01.26	Long term
Permit to Discharge Urban Sewage into Drainage Pipelines (《城镇污水排入排水管网许可证》)	Amos Food (Guangdong) Co., Ltd.	2024.02.08	2029.02.07
Registration Receipt of Fixed Pollution Source Emission (《固定污染源排污登记回执》)	Amos Food (Guangdong) Co., Ltd.	2024.02.04	2029.02.03
Food Production License . . .	Biobor Health (Guangdong) Co., Ltd. (貝歐寶(廣東)健康科技有限公司)	2024.11.01	2029.01.14
Filing of Consignors and Consignees of Import and Export Goods	Biobor Health (Guangdong) Co., Ltd.	2023.04.25	Long term
Filing Certificate of Export Food Production Enterprise	Biobor Health (Guangdong) Co., Ltd.	2025.11.14	Long term

EMPLOYEES

As of December 31, 2025, we had 2,099 employees, including 2,090 employees located in China and nine employees located overseas. The following table sets forth a breakdown of our employees by function as of December 31, 2025:

Function	Number of Employees	% of Total
R&D	103	4.9%
Sales and Marketing	603	28.7%
Manufacturing	1,129	53.8%
Administrative	160	7.6%
Others	104	5.0%
Total	2,099	100.0%

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our human resources strategy, we offer employees remuneration packages, including salaries and performance-based incentives. We recruit employees through multiple channels, including campus recruitment, online recruitment platforms, internal referrals and third-party recruitment agencies, with a focus on professionals in fields relevant to our business. We align our workforce planning and recruitment strategies with our development plans and proactively build a talent pipeline to support future growth. To support employee development, we provide structured training program and have established defined career development pathways covering both managerial and professional tracks. We adopt performance evaluation and incentive mechanisms primarily linked to individual contributions and business performance, and have implemented long-term incentive arrangements for key employees. We have established internal policies governing recruitment and employment management, and standard employment contracts and confidentiality agreements are entered into with employees.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disputes with our employees.

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DATA PRIVACY AND INFORMATION TECHNOLOGY SYSTEMS

For our ordinary external course of business, we collect and process personal information such as names, addresses, and phone numbers primarily in online consumption scenarios as necessary for the performance of contracts (partially masked). We are committed to protecting personal data and privacy. During the collection process, we provide clear notice and obtain consent for personal information processing in accordance with legal requirements, or where statutory exemptions apply.

To strengthen data privacy protection, we have formulated and implemented a series of data protection policy documents including, but not limited to, the Information Security and Privacy Protection Management Strategy, Data Security and Access Control Management System, Personal Information Full Life cycle Security Management System, which clarify management requirements such as data classification and grading, access control, data backup, encryption.

During the Track Record Period and up to the Latest Practicable Date, we have not received any claim from any third party against us on the ground of infringement of such party’s right to data and privacy protection as provided by any applicable laws and regulations in the PRC. See “Risk Factors — We are subject to evolving of privacy and data protection regulations, which may impact our legal, financial and operational behavior.”

During the Track Record Period and up to the Latest Practicable Date, we did not experience significant IT system failures or outages that adversely affected our business operations.

COMPETITION

We operate in the highly competitive global confectionery market. Competition remains intense, particularly as leading global players continue to strengthen their brand portfolios, product innovation capabilities, and distribution networks. We are the largest Chinese sugar confectionery company and the fifth largest gummy company globally, in each case by global retail sales value in 2025. In addition, we were the fastest-growing company among the world’s top 30 sugar confectionery companies by retail sales value from 2023 to 2025, with a CAGR of 61.9%, as compared to an industry average of 5.9% during the same period. As consumer preferences continue to evolve and market participants intensify competition through innovation, branding, and channel expansion, we must continue to enhance our product offerings, strengthen market execution, and align our strategy with shifting demand trends and industry developments.

INSURANCE

Pursuant to PRC regulations, we provide social insurance including pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance for our employees based in China. We also purchase property insurance and supplemental employer’s liability insurance to cover generic risks that may arise from our ordinary course of business and property insurance to safeguard our property and mitigate risks of various accidental losses. See “Risk Factors — We may be subject to additional contributions of social insurance premium and housing provident funds, and late payments and fines imposed by relevant governmental authorities.”

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

ESG Governance

We are committed to enhancing the management of environmental, social, and governance (ESG) issues by integrating sustainability principles into business decision-making and daily operations. The Company has established a comprehensive ESG governance framework. The Board serves as the highest decision-making body, responsible for formulating and leading the ESG strategic direction. The Sustainability Working Team, established under the Strategy and ESG Committee, undertakes the coordination, planning, and oversight of ESG affairs. Relevant executive units are responsible for the

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implementation of specific initiatives. The Board shall convene no fewer than one meeting annually to receive ESG work reports from all departments, continuously review the progress of ESG-related issues and ESG targets, and continuously enhance ESG management capabilities. In the future, we will continue to refine the ESG working mechanism and provide a robust organizational structure for the implementation of ESG issues.

Environmental, Social and Governance Materiality Assessment

Material ESG-related Risk Assessment Mechanism

We systematically identify ESG risks that may impact the Company’s business operations, operating performance, and financial performance. By collecting, analyzing, and prioritizing stakeholder concerns, we assess the significance of each ESG risk to effectively manage material ESG risks. To this end, we have established and implemented the following materiality assessment process:

- Identify potential material ESG-related risks that may impact the Company’s business or related parties, considering the business strategy, current international standards (such as the guidelines enacted by the Sustainability Accounting Standards Board (SASB)) and industry practices of the Company.
- Invite key stakeholders to participate in surveys and express their understanding and concerns regarding material ESG-related risks.
- Analyze the collected surveys and prioritize material ESG-related risks.

Material ESG-related Risk Management

Based on the nature of its business and future development strategy, and in accordance with risk assessment procedures, the Company has conducted targeted identification and assessment of the severity of ESG risks. Mitigation measures have been formulated for multiple risk topics to reduce potential impacts. On this basis, we have identified, assessed, and prioritized the following significant ESG risk issues, along with their potential impacts and mitigation measures:

Table: Identification and Assessment of Material Risk Topics

Risk Issues	Potential Risk Impact	Mitigation Measures
Energy and Resource Management	Excessive consumption of energy resources, water, and packaging materials will increase operating costs, and failure to meet standards may result in regulatory penalties.	Strengthen employees’ energy-saving awareness, promote the application of energy-saving equipment, implement water conservation measures, and adopt biodegradable packaging materials to advance the development of a circular economy.

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Risk Issues	Potential Risk Impact	Mitigation Measures
Addressing Climate Change	Extreme weather may disrupt raw material supply, logistics, and production facilities, resulting in operational interruptions and property losses.	Strengthen climate risk assessment and monitoring mechanisms, advance green manufacturing and energy transition, coordinate diversified procurement and logistics systems, prioritize low-carbon raw material procurement, and build a green supply chain.
Employee Rights and Benefits	Inadequate protection of rights and interests has led to the turnover of core employees, while labor disputes or negative public opinion may damage the corporate public image.	Safeguard employees’ legal rights and welfare benefits and conduct employee training to promote growth.
Employee Health and Safety	The absence of safety equipment or the failure of operational controls may lead to work-related injuries among employees; furthermore, the neglect of employee health may result in occupational diseases and staff turnover.	Establish a safety production responsibility system and build a comprehensive, multi-departmental safety production management system covering the entire process.
Sustainable Supply Chain .	Supplier material quality defects may trigger product recalls, damage brand reputation, and cause safety incidents.	A tiered management system is implemented for core suppliers, and regular training and exchange activities are conducted for them.
Product Quality and Safety	Due to the absence of quality reviews and risk assessments, product quality cannot be guaranteed, which may result in product defects or incidents.	Certified under quality management systems such as ISO 9001, a food safety team has been established, and a three-tier inspection system covering ‘raw materials-process-finished products’ has been implemented.
Compliance Management and Business Ethics . . .	In the absence of a compliance management system, improper conduct such as corruption, embezzlement, and fraud occurring in operational processes will challenge the sustainability of enterprise operations.	Establish internal control systems, establish a risk management framework, and conduct regular business ethics training.

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Environmental, Social and Governance Risk Management

We prioritize risk management and internal control, having established the *Comprehensive Risk Management System* (《全面風險管理制度》) and the *Internal Control Management System* (《內部控制管理制度》) and established a risk management framework centered on the Board, the Audit Committee, and relevant risk control and compliance departments. This framework covers business operational risks as well as ESG risks, including climate-related risks. The Board holds ultimate responsibility for risk identification and assessment, while other relevant departments handle risk review, implementation, and daily coordination.

We have established methods and procedures for the collection, assessment, management, and monitoring of risks. By gathering initial information, we assess strategic, financial, market, operational, legal, technological, and ESG risks. We formulate targeted risk management strategies, propose and implement risk management solutions, and conduct regular supervision and improvement activities to ensure the effectiveness of the Company’s risk management and controls.

Society

Social Welfare Initiatives

We actively fulfill our corporate social responsibility across the key dimensions of rural revitalization, care for children with disabilities, women’s empowerment, emergency disaster relief, and community support. In the field of rural revitalization, we continue to advance the “Amos Sweet Book Corner on Campus” project. Through a “book donation + sports volunteer teaching” model, we have set up book corners in 15 schools, benefiting over 5,000 teachers and students. Since 2022, we have been partnering with the local communities in Shenzhen to organize multiple “Amos Little Planet Concert”, for children disabilities. In the area of women’s empowerment, the “Candy Dream Factory Parent-Child Program” has served nearly 200 families cumulatively, helping to build emotional connections. For emergency disaster relief, we provided financial assistance, along with candies and essential supplies, to support those affected by the Tai Po fire incident in Hong Kong, helping with resettlement. On the community support front, we donated candies to children in need in Middle East.

Product Quality and Safety

The Company strictly adheres to international quality management system requirements, including the *BRCGS Global Standard for Food Safety* and the *FSSC 22000 food safety management system*. It has established internal quality management systems, such as the *Food Safety Management Handbook* (《食品安全管理手冊》), the *Inspection and Testing Control Procedure* (《檢驗與測試控制程序》), and the *Product Quality Exception Management Process* (《產品質量異常管理流程》), to standardize product quality control throughout the entire process, from raw material procurement, production processing, warehousing and transportation, to after-sales service. Furthermore, an *FSSC 22000 Food Safety Team* has been established to ensure effective food supervision and cross-departmental coordination. The Company has currently obtained certifications for multiple international and domestic quality and food safety management systems, including *BRCGS A+*, *FSSC22000*, and *NSF/ANSI 455-2*.

We implement rigorous quality management for products and raw materials, establish a three-tier inspection system covering ‘raw materials→process→finished goods’, strictly prevent the circulation and release of non-conforming products, and form a product safety management mechanism. Specific measures include the following:

Procurement Phase In accordance with the *Production Material Inspection Operating Procedure* (《生產物料檢驗操作規程》) and the *Production Process Control Procedure* (《生產過程控制程序》), strict control is exercised over incoming materials that are uninspected, inspection incomplete, or inspection failed. The direct use of such materials in production or their entry into the production processing stage is prohibited.

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Production Phase In accordance with the *Production Process Control Procedure* (《生產過程控制程序》) and the *Product Release Control Procedure* (《產品放行控制程序》), Critical Control Points (CCPs) are established for key processes. If non-conforming products are identified during the inspection of products submitted to the production line, such non-conforming products and batches shall be appropriately marked and returned to the production line for re-inspection or rework as arranged by the production line.

Finished Goods Stage . . Prior to the release of finished products, comprehensive sensory, microbiological, and physicochemical testing shall be conducted to ensure quality compliance at each manufacturing stage.

The Company has established a product traceability and management system and formulated the *Product Identification and Traceability Control Procedure* (《產品標識與追溯控制程序》) and the *Product Recall Control Procedure* (《產品回收控制程序》) to achieve full-chain traceability covering raw material batches, production work orders, and finished product distribution. Conducting at least one traceability drill annually to verify the effectiveness of the traceability system in application scenarios, ensuring that product safety incidents can be responded to quickly and managed in a closed loop. As of the end of the Track Record Period, no product recalls were required due to safety or health concerns for any products sold or delivered by the Company.

Sustainable Supply Chain

The Company has established internal management systems, including the *New Supplier Development and Certification Process* (《新供應商開發及認證流程》), the *Supplier Performance Management Process* (《供應商績效管理流程》), the *New Supplier Grading Assessment Requirements* (《新供應商分級評審要求》), and the *On-site Inspection Guidelines for Raw Material Suppliers* (《原物料供應商現場考察作業細則》). A supplier classification management methodology has been implemented to refine the Company’s supplier development and assessment processes. A three-stage access mechanism has been established, comprising document review, sample evaluation, and factory audit.

We conduct periodic performance reviews of all qualified suppliers across dimensions including incoming material quality, on-time delivery rate, supply pricing, and quality pass rate. For issues identified during these reviews, a tiered disposition mechanism is implemented: For suppliers exhibiting anomalies, they are required to submit written rectification reports within a specified timeframe and formulate corrective and preventive measures; if the issues remain unresolved within the stipulated period, escalating measures such as warnings, order suspensions, and eventual disqualification are sequentially applied. For suppliers with prominent quality issues, a “Quality Special Coaching” process is initiated, wherein quality experts are stationed at the supplier’s facility to conduct diagnostics and coaching, thereby establishing a governance closed loop encompassing “issue identification”, on-site intervention, and outcome verification. Furthermore, the Company considers environmental and social performance when selecting suppliers, with a specific focus on their performance in environmental management, protection of labor rights, and workplace safety. Commercial bribery and improper benefit transfers are explicitly prohibited to promote sustainable and compliant development of the supply chain.

Employee Rights and Benefits

The Company has established internal management systems such as the *Employee Handbook* (《員工手冊》) and the *Reward and Punishment Management Measures* (《獎懲管理辦法》). Based on the Company’s development needs and strategic plans, a comprehensive and standardized talent recruitment system has been constructed. Fair, just, and open procedures for employee recruitment, promotion, and termination have been established to eliminate any bias based on gender, race, religion, region, or age. The Company places emphasis on respecting employees’ diverse backgrounds, prohibits child labor and forced labor, and imposes severe disciplinary actions upon discovery of any violations. In addition, the Company has paid social insurance premiums for pension insurance, maternity insurance, medical insurance,

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unemployment insurance, and work-related injury insurance, as well as housing provident fund contributions for its employees. In addition to statutory welfare benefits, annual leave, maternity leave, marriage leave, bereavement leave, and nursing leave are provided to all employees. Furthermore, a “Corporate Employee Sweetness Fund” has been established to assist employees facing difficulties.

Table: Employee Data

Indicators	Unit	2025	2024	2023
Total employees	Person	2,099	1,709	1,156
Male employees	Person	938	780	531
Female employees	Person	1,161	926	625

Occupational Health and Safety

The Company has established internal management systems, including the *Compilation of Work Safety Rules* (《安全生產規章制度彙編》) and the *Food Safety Primary Responsibility Management Procedure* (《食品安全主體責任管理程序》). Centered on the core safety objectives of zero fatalities, zero serious injuries, and zero occupational diseases, the Company established a Work Safety Management Committee and constructed a comprehensive work safety responsibility system. This system vertically integrates safety responsibilities from the main person in charge, safety management personnel, and department heads down to frontline employees, while horizontally covering all functional departments such as production, quality control, finance, and engineering. Consequently, a safety responsibility network characterized by ‘comprehensive horizontal coverage and thorough vertical penetration’ has been formed.

The Company places high importance on occupational health protection and strictly enforces the occupational health examination system for pre-employment and during employment, to prevent occupational disease risks at the source. We regularly conduct educational and promotional activities regarding heatstroke prevention and cooling measures as well as toxic substance safety knowledge. Protective equipment meeting national standards (such as dust masks and noise-canceling earplugs) is fully provided to employees exposed to occupational disease hazards. For positions involving high-temperature environments, the Company also provides specific welfare benefits, such as cooling beverages, to safeguard the physical and mental well-being of employees.

Furthermore, the Company has established a three-tier emergency response system comprising comprehensive contingency plans, specialized contingency plans, and on-site disposal schemes. This system covers all risks ranging from the overall corporate level to specific job positions. The comprehensive plan provides overarching guidance, while the specialized plans address scenarios such as hazardous chemical leaks, fires, and special equipment accidents, explicitly defining the standardized process of alarm notification, evacuation, disposal and rescue. The Company regularly organizes practical drills and conducts post-action reviews for optimization to continuously enhance emergency response capabilities. In addition, the Company is equipped with emergency supply cabinets containing fire extinguishers, first-aid kits, and positive-pressure self-contained breathing apparatus. These cabinets undergo monthly inspection and maintenance to ensure a 100% availability rate.

Environment

Addressing Climate Change

We are aware that climate change poses risks to the Company’s business. To actively respond to global climate change, we identify, assess, and manage climate-related risks and opportunities, and actively implement mitigation measures.

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Table: Identification of Climate Change Risks and Opportunities and Mitigation Measures

Risk/Opportunity Name	Risk/Opportunity Description	Potential Impact	Mitigation Measures
Physical Risk	Extreme weather events caused by climate change, including but not limited to typhoons, heavy rainfall, heatwaves, and cold waves.	- Extreme weather events can directly cause damage to production facilities and warehouses, disrupt power and water supply, and trigger unplanned production stoppages and equipment failures. - These events also affect the yield and quality of core agricultural raw materials. - Furthermore, high temperatures and humidity significantly increase energy consumption costs for temperature control across the entire supply chain while continuously challenging the quality stability of products during storage and transportation.	- Establish and regularly drill emergency response plans and contingency measures covering scenarios such as typhoons, floods, and extreme heat; reinforce production bases and key warehousing facilities against disasters and equip them with backup power supplies and flood control facilities. - Establish a compliance-based traceability mechanism, develop multi-channel procurement, and enhance the resilience of raw material supply. - Upgrade temperature and humidity monitoring and cold chain transportation, and develop and apply packaging materials with higher barrier properties and greater weather resistance.
Transition Risk	Market factors such as health, environmental protection, and ethics have become influential in purchasing and investment decisions, imposing requirements on corporate product design and supply chain management.	- If products fail to upgrade towards health-oriented, and environmentally friendly standards, they will be unable to meet mainstream consumer demand, resulting in a decline in market competitiveness. - If the requirements of major retailers regarding carbon footprint disclosure and sustainability certification are not met, there is a risk of delisting or termination of cooperation.	- Advance the transformation of the product line towards ‘reduced sugar, clean label, nutritional, and eco-friendly packaging’, integrating sustainable concepts into product design and innovation; - Establish a traceable sustainable procurement mechanism for key raw materials, encouraging suppliers to adopt clean and green energy sources, environmentally friendly materials, and equipment.
Opportunities for Products and Services	Consumers prefer environmentally friendly, low-carbon, and health-formulated food products. The Company can leverage its industrial foundation and supply chain advantages to integrate sustainable development concepts into product research and development, brand communication, and the supply chain, thereby building long-term competitive barriers.	- Launching products that align with green and healthy trends can meet the demands of high-end consumers and ESG-oriented retailers, thereby enhancing overall gross profit margins. - Establishing a differentiated responsible brand image strengthens consumer trust and brand premium capability. - Utilizing renewable energy, reducing packaging, and minimizing waste can lead to long-term operational efficiency improvements and cost savings.	Accelerate the launch of nutritional candy products that are plant-based, additive-free, and have low Glycemic Index values in product research and development.

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Energy and Resource Management

We have established environmental management policies, including the *Environmental, Social, and Governance (ESG) Management System* (《環境・社會及管治(ESG)管理制度》), the *Social Responsibility Management Standard Operating Procedure (SOP)* (《社會責任管理SOP》), and the *Environmental Management Policy* (《環境管理政策》), to regulate the Company’s energy and resource utilization. Our energy and resource consumption includes gasoline, electricity, natural gas, water, and packaging materials. The primary sources are office areas, public areas, factory production zones, warehouse zones, and factory dormitories.

The following measures have been implemented to reduce unnecessary energy and resource consumption in daily operations and production processes:

- Production should be reasonably scheduled to stagger energy consumption and reduce equipment idling, while maintenance of key equipment should be strengthened to improve energy efficiency.
- Adopt LED lighting and apply energy-saving technologies to reduce electricity consumption.
- Monitor energy consumption, set energy-saving targets and assessments, foster a company-wide energy conservation awareness, actively conduct publicity and education, and encourage employees to develop the habit of turning off lights when leaving.
- The suitability of packaging materials shall be verified at the entry-level packaging stage to reduce material waste caused by packaging mismatches.
- Regularly inspect water pipes and install water-saving faucets with automatic switches.
- Water-saving signs and posters were displayed in office and production areas to continuously reinforce employees’ awareness of conservation.
- Implement network-connected monitoring of office air conditioners, and check via mobile phone each evening to confirm that they are properly shut down.

The table below presents the environmental quantitative indicators regarding energy and resource consumption for our offices and operational production facilities located in Shenzhen and Jiangmen during the Track Record Period. During the Track Record Period, our electricity and water consumption intensity per RMB million of revenue was calculated based on unit revenue in millions of RMB for comparison with industry peers.

Table: Energy Consumption

Indicators	Unit	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
Gasoline Consumption . .	Liter	9,877.2	6,801.4	2,598.0
Purchased Electricity . . .	KWh	40,972,220.0	38,107,165.0	14,983,079.0
Nature Gas Consumption	Cubic Meter	5,991,017.0	5,196,510.1	1,710,221.6
Intensity of Electricity	KWh/RMB million	14,727.2	24,252.8	13,997.9
Consumption	of revenue			
Water Consumption	Tons	378,207.9	368,458.9	167,399.0
Intensity of Water	Tons/RMB million	135.9	234.5	156.4
Consumption	of revenue			

Note: Due to the commencement of operations at the Jiangmen factory in 2024, the Company’s annual energy consumption in 2024 has increased compared to 2023.

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Setting of targets

We have established environmental objectives for energy and resource usage:

- **Energy use:** We are committed to continuously improving energy efficiency. While fostering employees’ awareness of energy conservation, we are expanding the use of energy-saving equipment and gradually replacing fuel-powered vehicles with new energy vehicles to further reduce energy consumption.
- **Water use efficiency target:** We are committed to progressively improving water use efficiency and enhancing employees’ awareness of water conservation.

To achieve this objective, we will regularly record and analyze energy and water consumption data, review the establishment of targets and their progress, and further improve energy-saving and water-conserving measures based on actual work conditions. Enhancing energy and resource efficiency will be integrated into the Company’s daily operations and production activities.

GHG Management

Our GHG emissions primarily originate from direct emissions resulting from the use of gasoline-powered vehicles and natural gas consumption at office and operational facilities, as well as indirect emissions arising from purchased electricity used for lighting and air conditioning in office operations and factory workshops. Through the periodic collection, analysis, and reporting of data related to greenhouse gas emissions, targeted emission reduction goals and measures are formulated.

The table below presents the environmental quantification indicators regarding GHG emissions for our offices and operational production facilities located in Shenzhen and Jiangmen during the Track Record Period. During the Track Record Period, our GHG emission intensity per RMB million of revenue was calculated based on unit revenue in millions of RMB for comparison with industry peers.

Table: GHG Emissions

Indicators	Unit	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
CO₂ Emissions (Scope 1)	tCO ₂ e	35,192.1	26,549.1	9,547.2
CO₂ Emissions (Scope 2)	tCO ₂ e	21,739.9	20,448.3	8,544.8
CO₂ Emissions (Scope 3)	tCO ₂ e	608.7	495.6	335.2
CO₂ Emissions (Scope 1 and Scope 2)	tCO ₂ e	56,931.9	46,997.4	18,092.0
Intensity of CO₂ Emissions (Scope 1 and Scope 2)	tCO ₂ e/RMB million of revenue	20.5	29.9	16.9

Note: The calculation for Scope 1 includes gasoline consumed by our gasoline-powered vehicles and natural gas consumed in office operations. Scope 2 calculations include electricity consumption from purchased power. Scope 3 includes greenhouse gas emissions data from Category 7 – Employee Commuting. Due to the commencement of operations at the Jiangmen factory in 2024, the Company’s annual GHG Emissions in 2024 has increased compared to 2023.

Waste Management

We have established internal management systems such as the *Product Disposal Control Procedure* (《產品報廢控制製程序》) and the *Material Scrap Management System* (《物資報廢管理制度》). These systems identify types of waste items, clarify the procedures and methods for scrapping and disposing of raw materials, packaging materials, finished products, and other items within the Company, standardize the disposal processes for solid wastes generated during production, implement classified treatment of solid wastes, and reduce resource wastage and environmental pollution.

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For recyclable waste generated during the production process, including used cardboard boxes and packaging bags, production personnel are assigned to sort and organize them. Items suitable for reuse are directly circulated internally, whereas items not suitable for reuse are uniformly entrusted to qualified third-party recycling companies for compliant disposal. For non-recyclable waste, unified collection and disposal shall be carried out by a third-party agency.

The table below presents the environmental quantitative indicators regarding waste emissions for our offices and operational production facilities located in Shenzhen and Jiangmen during the Track Record Period.

Table: Discharge of Waste

Indicators	Unit	Fiscal Year 2025	Fiscal Year 2024	Fiscal Year 2023
Total Volume of Hazardous Waste	Tons	1.0	0.9	0.5
Intensity of Hazardous Waste	Tons/RMB million of revenue	0.0004	0.0005	0.0005
Total Volume of Non-Hazardous Waste .	Tons	686.0	610.0	299.0
Intensity of Non-Hazardous Waste .	Tons/RMB million of revenue	0.2	0.4	0.3

Note: Due to the commencement of operations at the Jiangmen factory in 2024, the Company’s annual discharge of waste in 2024 has increased compared to 2023.

AWARDS AND RECOGNITIONS

During the Track Record Period, we have won numerous awards, honors and recognitions for our achievements and outstanding product quality, including the following:

Award/Recognition	Issuing Organization/Authority	Year of Grant
Global Top 100 Candy Companies	Candy Industry	2023 to 2026
Most Innovative New Product Awards (MINPA)	The National Confectioners Association (NCA) (美國糖果協會)	2023 to 2025
International Taste Award and Crystal Award	International Taste Institute	2024 to 2026
Best Practices of Social Responsibility (社會責任最佳案例)	Second Sino-European Corporate ESG Best Practice Conference (第二屆中歐企業ESG最佳案例大會)	2025
Shenzhen ESG Top 50 Outstanding Company	Shenzhen General Chamber of Commerce	2025
Guangdong — Hong Kong — Macao Greater Bay Area Strategic Emerging Industries Navigator Enterprises (粵港澳大灣區戰略性新興產業領航企業) .	Evaluation Committee of the Guangdong Greater Bay Area Strategic Emerging Industries Development Promotion Association (廣東省大灣區戰略性新興產業發展促進會評審委員會)	2024

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LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

From time to time, we may become involved in legal proceedings and claims that arise in the ordinary course of our business activities. We cannot predict the results of litigation and claims. See “Risk Factors — Litigation or legal proceedings could expose us to liability, divert our management’s attention and negatively impact our reputation.”

During the Track Record Period and up to the Latest Practicable Date, there were no legal proceedings pending or threatened against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

Non-Compliance

During the Track Record Period and up to the Latest Practicable Date, except as disclosed elsewhere in this Document, we had not been involved in any material non-compliance incidents that have led to fines, enforcement actions, or other penalties that would have a material adverse effect on our business, results of operations, financial condition or reputation.

INTERNAL CONTROL AND RISK MANAGEMENT

Our Directors believe that internal control procedures and risk management are crucial to our business development and success. In order to strengthen our internal control procedures and risk management system to better safeguard the interests of our Shareholders, we have adopted enhanced internal control and risk management measures as follows:

We have established, and currently maintain, a risk management and internal control system which we consider appropriate for our current business scale and development stage. This system comprises a set of policies and procedures designed to safeguard our assets, ensure the authenticity, accuracy and completeness of our financial reports and relevant information, as well as improve the efficiency and effectiveness of our operations. Our Board of Directors and senior management bear ultimate responsibility for the design, implementation and effectiveness of this framework. We are committed to the continuous optimization of such systems to ensure our operations comply with applicable laws and regulatory requirements and mitigate compliance risks.

In the ordinary course of business, the Group is exposed to inherent risks in respect of operations, market and finance. To effectively address these risks, we have adopted or intend to adopt the following measures:

The Board of Directors is responsible for the comprehensive assessment of risks inherent in the Group’s operations, and ensures that all material decisions with significant risk implications are subject to its review and approval. We have established an Audit Committee composed entirely of independent non-executive Directors, which is responsible for reviewing and supervising our financial reporting process and the effectiveness of our internal control system. Our management team is dedicated to closely monitoring market trends. To attract and retain skilled professionals, we regularly review and optimize the remuneration structures for our management and employees to maintain the competitiveness of our remuneration packages. The Directors and management consistently oversee the Group’s liquidity and financial position, and are prepared to proactively arrange financing when necessary and appropriate to support our business operations and expansion initiatives.

Taking into consideration the adoption and implementation of the above-mentioned internal control procedures and risk management measures, our Directors are of view that our enhanced internal control and risk management system are adequate and effective to address various potential risks identified in relation to our business.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Our Board comprises nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive reappointments.

The following table sets out information in respect of the Directors upon [REDACTED].

Name	Age	Position/Title	Date of Appointment as a Director	Time of Joining our Group	Role and Responsibility
Mr. Ma Enduo (馬恩多) . .	56	Chairman of the Board, executive Director and chief executive officer	September 16, 2004	September 16, 2004	Overall guidance on the business and strategic development of our Group
Ms. Wu Weijia (伍薇佳) . .	50	Executive Director, executive vice president of our Group and general manager of global business	September 16, 2004	September 16, 2004	Overseeing the overseas sales of our Group
Mr. Ma Hongfan (馬紅帆)	54	Executive Director, vice president of our Group and general manager of production centre	November 28, 2013	September 16, 2004	Overseeing the production and manufacturing of products of our Group
Mr. Ye Hai (葉海)	53	Executive Director, vice president of our Group and general manager of supply chain centre	September 16, 2004	September 16, 2004	Overseeing the procurement process and logistics of our Group
Mr. Yang Xinquan (楊新權) . .	54	Executive Director and senior manager of project procurement of supply chain centre	March 1, 2026	February 1, 2006	Overseeing project procurement of our Group
Mr. Cong Yonggang (叢永罡) . .	46	Non-executive Director	November 19, 2021	November 19, 2021	Providing strategic advice and guidance on the business operation of our Group
Mr. Liao Qian (廖騫)	45	Independent non-executive Director	March 1, 2026	March 1, 2026	Providing independent advice on the operations and management of our Group
Mr. Lin Sen (林森)	49	Independent non-executive Director	March 1, 2026	March 1, 2026	Providing independent advice on the operations and management of our Group
Dr. Wang Wenbo (王文博) . .	43	Independent non-executive Director	March 1, 2026	March 1, 2026	Providing independent advice on the operations and management of our Group

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Ma Enduo (馬恩多), aged 56, is our chairman of the Board, executive Director and chief executive officer. Mr. Ma founded our Company in September 2004 and has been serving as our chairman of the Board, Director and chief executive officer since then. Mr. Ma was re-designated as an executive Director in April 2026. Besides, Mr. Ma also serves as a director or general manager in certain subsidiaries of our Group.

Mr. Ma has around 30 years of experience in the candy and food, marketing and food engineering industry. Mr. Ma served as deputy head of the trade management department of Shenzhen Tianjun Grain & Oil Food Co., Ltd. (深圳天俊糧油食品有限公司) from September 1997 to February 1999 and as manager of the first department of import and export of Shenzhen Tianjun Industrial Co., Ltd. (深圳天俊實業股份有限公司) from March 1999 to August 2004.

Mr. Ma was appointed as an executive council member of Yunnan University (雲南大學) and the president of the Shenzhen Alumni Association of Yunnan University (雲南大學深圳校友會). Since January 2026, he has been serving as the president of the Shenzhen Hunan Xinning Chamber of Commerce (深圳市湖南新寧商會).

Mr. Ma was named one of the “Top 100 Industry Leaders in Shenzhen” in 2020 and honored as a “Growth Benchmark Figure in China’s Food Industry” in 2021. On March 11, 2024, Mr. Ma was inducted into the “Candy Hall of Fame” by the National Confectioners Sales Association (NCSA) of the United States. Mr. Ma was recognized as a Forbes China 2025 Industry Innovation Leader, a Benchmark Figure for Growth in China’s Food Industry, and a Shenzhen Industry Leading Figure for three consecutive terms. Mr. Ma currently serves as a standing executive member of the Shenzhen Federation of Industry and Commerce (深圳市工商業聯合會), and the vice president of Shenzhen General Chamber of Commerce (深圳市商業聯合會).

Mr. Ma received his bachelor of economics degree in international trade from Yunnan University (雲南大學) in the PRC in July 1993.

Ms. Wu Weijia (伍薇佳), aged 50, is our executive Director, executive vice president of our Group and general manager of global business. Ms. Wu joined our Company in September 2004 and has been serving as a Director since then. Ms. Wu was appointed as executive vice president of our Group and general manager of global business in May 2006 and re-designated as an executive Director in April 2026. Besides, Ms. Wu also serves as a director or general manager in certain subsidiaries of our Group.

Ms. Wu has over 25 years of experience in the candy, food and international trade fields. Prior to joining our Group, from August 2001 to September 2004, she served as a supervisor of the first department of import and export at Shenzhen Tianjun Industrial Co., Ltd. (深圳天俊實業股份有限公司).

Ms. Wu received her bachelor’s degree in English from Sun Yat-sen University (中山大學) in the PRC in July 1999. She then received her master’s degree of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in June 2023. Ms. Wu is the executive director of Shenzhen Futian Industry and Commerce Federation (深圳市福田區工商業聯合會). Ms. Wu was honored with the 2026 IMPACT Award.

Mr. Ma Hongfan (馬紅帆), aged 54, is our executive Director, vice president of our Group and general manager of production centre. Mr. Ma Hongfan joined our Company in September 2004 and has been serving as a Director since November 2013. Mr. Ma Hongfan was appointed as vice president of our Group and general manager of production centre in December 2013 and re-designated as an executive Director in April 2026. Besides, Mr. Ma Hongfan also serves as a director or general manager in certain subsidiaries of our Group.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining our Group, from November 1995 to September 1997, he was a sales specialist at Kunming Sakura Holiday Hotel (昆明櫻花假日酒店). From June 1997 to August 2004, he served as a manager at Sigri Anti-Corrosion Technology (Wuhan) Co., Ltd. (西格里防腐技術(武漢)有限公司).

Mr. Ma Hongfan received his bachelor of economics degree in international trade from Yunnan University (雲南大學) in the PRC in July 1993. Mr. Ma Hongfan is the member of Chinese People’s Political and Consultative Conference of Jianghai District, Jiangmen City.

Mr. Ye Hai (葉海), aged 53, is our executive Director, vice president of our Group and general manager of supply chain centre. Mr. Ye joined our Company in September 2004 and has been serving as a Director and vice president of our Group and general manager of supply chain centre since then, and re-designated as an executive Director in April 2026. Besides, Mr. Ye also serves as a director, general manager or financial officer in certain subsidiaries of our Group.

Mr. Ye has over 30 years of experience in international trade. Prior to joining our Group, from March 1999 to August 2004, Mr. Ye served as an export business supervisor at Shenzhen Tianjun Industrial Co., Ltd. (深圳市天俊實業股份有限公司).

Mr. Ye received his bachelor of economics degree in international trade from Yunnan University (雲南大學) in the PRC in July 1994.

Mr. Yang Xinquan (楊新權), aged 54, is our executive Director and senior manager of project procurement of supply chain centre. Mr. Yang joined our Company in February 2006 and was appointed as a Director in March 2026. Mr. Yang was re-designated as an executive Director in April 2026.

From December 1999 to January 2006, Mr. Yang worked as a secretary in the chairman’s office and deputy director of the human resources department at Southern Building Materials Co., Ltd. (南方建材股份有限公司), now known as Zheshang Development Group Co., Ltd. (浙商中拓集團股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000906).

Mr. Yang completed his education in Chinese secretarial studies at Zhuzhou Institute of Technology (株洲工學院), now known as Hunan University of Technology (湖南工業大學) in the PRC from September 1990 to July 1992.

Non-executive Director

Mr. Cong Yonggang (叢永罡), aged 46, is our non-executive Director. Mr. Cong was appointed as a Director in November 2021 and was re-designated as a non-executive Director in April 2026.

Prior to joining our Group, since August 2016, he has been serving at Fosun High Technology (Group) Co., Ltd. (上海復星高科技(集團)有限公司), and is currently a global partner and the co-chief investment officer. During the same period, he has also been serving as a managing partner, the co-chairman of the board and the chief investment officer of Fosun Capital Investment & Management Co., Ltd. (上海復星創富投資管理股份有限公司).

Mr. Cong received his bachelor’s degree in computer science from Beijing University of Posts and Telecommunications (北京郵電大學) in the PRC in July 2001. Mr. Cong then received his executive master degree in business administration from PBC School of Finance, Tsinghua University (清華大學五道口金融學院) in the PRC in July 2021.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Mr. Liao Qian (廖騫), aged 45, was appointed as an independent non-executive Director of our Company in March 2026.

Mr. Liao has extensive experience in corporate management, corporate governance and capital market. From January 2007 to February 2014, Mr. Liao worked at Guotai Junan International (國泰君安國際控股有限公司), a company listed on the Stock Exchange (stock code: 1788). Since March 2014, Mr. Liao worked for TCL Technology Group Corporation (TCL科技集團股份有限公司) (“**TCL Technology**”), a company listed on the Shenzhen Stock Exchange (stock code: 000100), as an executive director, senior vice president and board secretary.

In addition, Mr. Liao holds the positions in the following listed companies:

Duration	Listed company	Stock exchange on which the company is listed and its stock code	Position held
January 2017 to present	Huaxian Optoelectronics Technology Holdings Limited (華顯光電技術控股有限公司)	Stock Exchange: 0334	Non-executive director
October 2020 to March 2026	TCL Zhonghuan New Energy Technology Co., Ltd. (TCL中環新能源科技股份有限公司)	Shenzhen Stock Exchange: 002129	Non-executive director
September 2023 to present	Hanlinhui Information Industry Co., Ltd. (翰林匯信息產業股份有限公司)	National Equities Exchange and Quotations: 835281	Director

Mr. Liao received his bachelor’s degree majored in economics from Fuzhou University (福州大學) in the PRC in July 2002. Mr. Liao then received his master’s degree in law from Yunnan University (雲南大學) in the PRC in July 2006. He also holds the PRC Legal Professional Qualification Certificate (中國法律職業資格證書) issued by the Ministry of Justice of the People’s Republic of China (中華人民共和國司法部) in February 2009.

Mr. Lin Sen (林森), aged 49, was appointed as an independent non-executive Director of our Company in March 2026.

Mr. Lin has over 20 years of extensive experience in accounting, auditing, corporate finance and financial management. Mr. Lin worked at PricewaterhouseCoopers International Limited from February 2001 to November 2006. From 2006 to 2017, Mr. Lin served as the chief financial officer of Palm Commerce Information Technology (China) Co., Ltd. (掌信彩通信息科技(中國)有限公司). From June 2017 to April 2019, Mr. Lin served as the chief financial officer of 7 Road Holdings Limited (第七大道控股有限公司) (stock code: 0797), a company listed on the Stock Exchange. From July 2017 to September 2022, Mr. Lin served as an independent non-executive Director of Crypto Flow Technology Limited (加冕科技有限公司) (formerly known as Loto Interactive Limited) (stock code: 8198), a company listed on the Stock Exchange. From March 2021 to August 2022, Mr. Lin served as the chief financial officer of Shenzhen Thunderstone Technology Co., Ltd. (深圳雷炎科技有限公司). From December 2021 to December 2024, Mr. Lin served as an independent director of Shenzhen Jiang & Associates Creative Design Co., Ltd. (深圳市傑恩創意設計股份有限公司) (stock code: 300668), a company listed on the Shenzhen Stock Exchange. From September 2022 to December 2023, Mr. Lin served as the chief financial officer at AsiaLinq Investment Pte Ltd.. Since July 2025, Mr. Lin has been serving as the chief financial officer at ChainUp Pte. Ltd..

DIRECTORS AND SENIOR MANAGEMENT

Mr. Lin currently serves as an independent director of each of (i) Metalpha Technology Holding Limited (a company listed on NASDAQ Global Market, stock symbol: MATH), since December 2021; (ii) J and Friends Holdings Limited (a company listed on NASDAQ Global Market, stock symbol: JF), since January 2023; (iii) Bright Future Technology Holdings Limited (輝煌明天科技控股有限公司) (a company listed on the Stock Exchange, stock code: 1351), since December 2023; and (iv) Shenzhen Zhaowei Machinery & Electronics Co., Ltd (深圳市兆威機電股份有限公司) (a company listed on the Stock Exchange (stock code: 2692) and the Shenzhen Stock Exchange (stock code: 003021)).

Mr. Lin obtained a bachelor's degree in international business administration from Central University of Finance and Economics (中央財經大學) in the PRC in July 1998 and a master's degree of business administration from China Europe International Business School (中歐國際工商學院) in the PRC in July 2011. Mr. Lin obtained a master's degree from National University of Singapore in Singapore in January 2025. Mr. Lin is also a member of the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since October 2002.

Dr. Wang Wenbo (王文博), aged 43, was appointed as an independent non-executive Director of our Company in March 2026.

Since 2018, Dr. Wang has been serving as an associate professor, a tenured faculty member and a PhD supervisor of the Department of Marketing at The Hong Kong University of Science and Technology (香港科技大學).

Dr. Wang currently serves as an independent director of each of (i) FIYTA Precision Technology Group Co., Ltd. (飛亞達精密科技集團股份有限公司) (stock code: 000026), since September 2024; (ii) Haoxiangni Health Food Co., Ltd. (好想你健康食品股份有限公司) (stock code: 002582), since October 2025; and (iii) Beijing RongCloud Network Technology Co., Ltd. (北京雲中融信網絡科技股份有限公司), since December 2025.

Dr. Wang obtained his bachelor's degree in business administration and master's degree in corporate management at the Guanghua School of Management, Peking University (北京大學光華管理學院) in the PRC in July 2005 and July 2007, respectively. Dr. Wang subsequently obtained his Ph.D. degree in marketing from the Leonard N. Stern School of Business, New York University in the United States in May 2012. Dr. Wang is currently a member of the Association of Chartered Certified Accountants Think Tank.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in April 2026, and (ii) understands his or her obligations as a director of a [REDACTED] issuer on the Stock Exchange under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) that he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his/her independence at the time of his/her appointments.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets out information regarding the members of senior management of our Company.

Name	Age	Position/Title	Date of Appointment as a Senior Management	Date of Joining our Group	Role and Responsibility
Mr. Ma Enduo (馬恩多)	56	Chairman of the Board, executive Director and chief executive officer	September 16, 2004	September 16, 2004	Overall guidance on the business and strategic development of our Group
Ms. Wu Weijia (伍薇佳)	50	Executive Director, executive vice president of our Group and general manager of global business	September 16, 2004	September 16, 2004	Overseeing the overseas sales business of our Group
Mr. Ma Hongfan (馬紅帆)	54	Executive Director, vice president of our Group and general manager of production centre	November 28, 2013	September 16, 2004	Overseeing the production and manufacturing of products of our Group
Mr. Ye Hai (葉海)	53	Executive Director, vice president of our Group and general manager of supply chain centre	September 16, 2004	September 16, 2004	Overseeing the procurement process and logistics of our Group
Mr. Zhu Yong (朱勇)	41	Chief financial officer	July 16, 2018	July 16, 2018	Overall financial management and capital markets transactions of our Group
Ms. Zheng Lijun (鄭黎君)	41	Board secretary	April 25, 2022	April 25, 2022	Overseeing Board related matters

For the biographical details of Mr. Ma, Ms. Wu, Mr. Ma Hongfan and Mr. Ye Hai, see “— Board of Directors — Executive Directors” in this section.

Mr. Zhu Yong (朱勇), aged 41, joined our Company in July 2018 and has been serving as chief financial officer since then.

Prior to joining our Group, from March 2007 to February 2012, Mr. Zhu served as a senior project manager at Zhongshen Zhonghuan Certified Public Accountants (Hunan Office Team) (中審眾環會計師事務所(湖南分所團隊)). From May 2012 to July 2015, Mr. Zhu was head of the group’s accounting function and financial headquarters at Lens Technology Co., Ltd. (藍思科技股份有限公司), a company listed on the Stock Exchange (stock code: 6613) and the Shenzhen Stock Exchange (stock code: 300433). From August 2015 to June 2018, Mr. Zhu served as vice president and chief financial officer of Hunan Yiduo Household Products Co., Ltd. (湖南一朵生活用品有限公司).

Mr. Zhu received his bachelor’s degree in economics from Hunan University (湖南大學) in the PRC in October 2017. Mr. Zhu is currently pursuing an executive master of business administration degree at The Hong Kong University of Science and Technology (香港科技大學). Mr. Zhu was accredited as a senior accountant (高級會計師) by Hunan Provincial Department of Human Resources and Social Security (湖南省人力資源與社會保障廳) since December 2020.

Ms. Zheng Lijun (鄭黎君), aged 41, joined our Company in April 2022 and has been serving as our Board secretary since then. She acts as the director of the board office of our Company from December 2024.

DIRECTORS AND SENIOR MANAGEMENT

Prior to joining the Group, Ms. Zheng worked at Guangdong Renren Law Offices (廣東仁人律師事務所) from October 2008 to May 2011. From May 2011 to April 2022, Ms. Zheng worked at Shenzhen Auto Electric Power Plant Co., Ltd. (深圳奧特迅電力設備股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002227), she served as an affairs representative of the securities department from April 2012 to April 2022. From April 2018 to April 2022, she served as the head of securities and legal department.

Ms. Zheng received her bachelor’s degree in law from Yangtze University (長江大學) in the PRC in July 2007. She then received her master’s degree in business administration from Guanghua School of Management, Peking University (北京大學光華管理學院) in the PRC in July 2019. Ms. Zheng holds the PRC Legal Professional Qualification Certificate (中國法律職業資格證書) issued by the Ministry of Justice of the People’s Republic of China (中華人民共和國司法部) in March 2011 and obtained the qualification of board secretary granted by the Shenzhen Stock Exchange in July 2011.

FURTHER INFORMATION ABOUT OUR INDEPENDENT NON-EXECUTIVE DIRECTOR

On October 24, 2022, the Guangdong Regulatory Bureau of the CSRC (中國證券監督管理委員會廣東監管局) (“**Guangdong CSRC**”) issued a caution letter (警示函) (the “**Caution Letter**”) to, among others, Mr. Liao Qian, our independent non-executive Director, in his then capacity as the board secretary of TCL Technology. It was stated in the Caution Letter that, during an on-site inspection of TCL Technology by the Guangdong CSRC, it was discovered that there were certain inaccuracies in TCL Technology’s relevant financial disclosures, which were resulted from (i) certain construction-in-progress projects were not transferred to fixed assets and depreciated in a timely manner; and (ii) capitalization of outsourced R&D project expenses. Further, according to the Caution Letter, there was failure in making timely disclosure of certain large asset impairment provisions. These incidents violated certain prevalent PRC accounting standards as well as applicable articles under the Measures for the Administration of Information Disclosure of Listed Companies (CSRC Order No. 182).

As at the Latest Practicable Date and to the best knowledge of Mr. Liao, these incidents have been concluded.

Our Directors are of the view that Mr. Liao is suitable to act as a Director under Rules 3.08 and 3.09 of the Listing Rules having considered the following reasons: (i) as advised by our PRC Legal Advisor, the Caution Letter does not constitute an administrative penalty under the applicable PRC laws and regulations, and would not disqualify Mr. Liao from acting as a director of any PRC company under the PRC Company Law; (ii) according to the Caution Letter, there is no evidence that the Incident involved any dishonesty or fraudulence on the part of Mr. Liao which would affect his suitability to act as an independent non-executive Director; (iii) the relevant incidents took place before the Track Record Period and as confirmed by Mr. Liao, he had not been subject to any other investigation or proceedings by the CSRC, its local counterparts, the Shenzhen Stock Exchange or any other regulatory authorities during the Track Record Period and up to the Latest Practicable Date; and (iv) Mr. Liao held or currently holds directorships within various public companies in Chinese Mainland and Hong Kong, and also joined training sessions on directors’ duties and corporate governance of Hong Kong [REDACTED] companies, so as to keep abreast of the laws and regulations applicable to [REDACTED] companies and their directors.

DIRECTORS’ AND SENIOR MANAGEMENT’S INTERESTS

Save as disclosed above, each of our Directors and members of senior management has not been a director of any public company the securities of which are listed on any securities market in Hong Kong or overseas in the three years immediately preceding the date of this Document.

None of our Directors and members of the senior management is related to other Directors and members of the senior management.

DIRECTORS AND SENIOR MANAGEMENT

To the best knowledge, information and belief of our Directors having made all reasonable enquiries, save as disclosed in “— Further Information about our Independent Non-executive Director” above, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

JOINT COMPANY SECRETARIES

Ms. Zheng Lijun (鄭黎君), aged 41, was appointed as a joint company secretary of our Company in April 2026. For details of her biography, see “— Senior Management”.

Mr. Tse Yu Yeung (謝愉陽) was appointed as the other joint company secretary of our Company in April 2026 with effect from the [REDACTED]. Mr. Tse has over 5 years of experience in company secretarial and corporate governance fields and is currently an assistant manager, Entity Solutions at Computershare Hong Kong Investor Services Limited. Mr. Tse obtained a master’s degree of science in Corporate Governance and Compliance from Hong Kong Baptist University in July 2024. He is an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the relevant PRC laws and regulations and the Corporate Governance Code, our Company has formed four Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategy and ESG Committee.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Mr. Lin Sen, Dr. Wang Wenbo and Mr. Liao Qian. Mr. Lin Sen serves as the chairperson of the Audit Committee, holding the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but not limited to, making recommendations to the Board on the appointment, reappointment and removal of the external auditors, monitoring the Company’s financial statements, annual reports and accounts, and interim reports, reviewing the Company’s financial controls and discussing the risk management and internal control systems with management of the Company. The Audit Committee will also discharge the roles and responsibilities of a supervisory committee under the PRC laws.

Remuneration Committee

We have established a Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of part 2 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely Mr. Lin Sen, Mr. Liao Qian and Mr. Ma Enduo. Mr. Lin Sen serves as the chairperson of the Remuneration Committee. The primary duties of the Remuneration Committee include, but not limited to, making recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management remuneration, reviewing and approving the management’s remuneration proposals with reference to the Board’s corporate goals and objectives and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

Nomination Committee

We have established a Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Dr. Wang Wenbo, Mr. Lin Sen and Ms. Wu

DIRECTORS AND SENIOR MANAGEMENT

Weijia. Dr. Wang Wenbo serves as the chairperson of the Nomination Committee. The primary duties of the Nomination Committee include, but not limited to, reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company’s corporate strategy, identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships, and assessing the independence of independent non-executive Directors.

Strategy and ESG Committee

The Strategy and ESG Committee of our Company consists of four Directors, namely Mr. Ma Enduo, Ms. Wu Weijia, Mr. Ma Hongfan and Mr. Ye Hai. Mr. Ma Enduo serves as the chairperson of the Strategy and ESG Committee. The primary duties of the Strategy and ESG Committee are, among others, to conduct regular reviews and make recommendations on the Company’s development strategies, review Company’s ESG plans, review matters materially affecting the Company’s development, and handle other matters authorized by the Board.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors received their remuneration in the form of salaries, social security, housing benefits and other employee benefits, the employer’s contribution to the pension plans, discretionary bonuses and share-based compensation.

For information on remuneration of Directors and the five highest paid individuals of the Group during the Track Record Period, see notes 9 and 10 to the Accountant’s Report.

Under the arrangement currently in force, we estimate the total compensation before taxation to be accrued to our Directors for the year ending December 31, 2026 to be approximately RMB38 million. The actual remuneration of Directors in 2026 may be different from the expected remuneration.

We confirmed that during the Track Record Period, no remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company or as compensation for loss of office in connection with the management positions of any subsidiary of our Company. During the Track Record Period, none of our Directors waived any remuneration. Save as disclosed in notes 9 and 10 to the Accountant’s Report, no other payments have been paid, or are payable, by our Company or our subsidiary to our Directors or the five highest paid individuals during the Track Record Period.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with Corporate Governance Code set out in Appendix C1 to the Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules after the [REDACTED].

Pursuant to code provision C.2.1 of part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate Chairman and chief executive officer and Mr. Ma currently performs these two roles. Our Board believes that, in view of his experience, personal profile and his roles in our Company as mentioned above, Mr. Ma is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as our chief executive officer. The Board also believes that vesting the roles of both Chairman and chief executive officer in the same person has the benefit of (i) ensuring consistent leadership within the Group, (ii) enabling more effective and efficient overall strategic planning and execution of strategic initiatives of the Board, and (iii) facilitating the flow of information between the management and the Board for the

DIRECTORS AND SENIOR MANAGEMENT

Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this arrangement will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and the chief executive officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Save as disclosed above, our Directors consider that upon [REDACTED], we will comply with all applicable code provisions of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules.

BOARD AND WORKFORCE DIVERSITY

We are committed to promoting the culture of diversity in the Company. We have strived to promote diversity to the extent practicable by taking into consideration a number of factors in our corporate governance structure. We have adopted the board diversity policy (the “**Board Diversity Policy**”) which sets out the objective and approach to achieve and maintain diversity of our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, race, cultural background, educational background, industry experience and professional experience. Our Directors have a balanced mix of knowledge and skills. They obtained degrees in various areas, including economics, business management, law, finance and marketing. Our Company has evaluated the structure, size and composition of our Board, and is of the opinion that the structure of our Board is reasonable, and the experience and skills of the Directors in various aspects and fields can enable our Company to maintain a high standard of operations. Our Board Diversity Policy is well implemented as evidenced by the fact that there are both female and male Directors ranging from 43 years old to 56 years old with experience from different industries and sectors.

We will continue to take steps to promote gender diversity at all levels of our Company, including but not limited to our Board and the senior management levels. We will have at least one female Director at all times, and we will ensure that a female Director serves on the Nomination Committee at all times. We will encourage our incumbent Board members to recommend female candidate directors and take other actions to help achieve greater board diversity, for example inviting some of our outstanding female staff at mid to senior level to attend and observe Board meetings. This will allow our Board to understand more about these potential female candidates before they are nominated to our Board and provide opportunities for potential female candidates to prepare themselves for director duties. We will also continue to ensure that there is gender diversity when recruiting staff at mid to senior level so that we will have a pipeline of female senior management and potential successors to our Board in due time to ensure gender diversity of our Board. Our Group will continue to emphasize training of female talents and providing long-term development opportunities for our female staff including but not limited to business operation, management, accounting and finance, legal and compliance. As such, we are of the view that our Board will be offered chances to identify competent female staff at mid to senior level to be nominated as a Director in future with a pipeline of female candidates.

We are committed to adopting a similar approach to promote diversity within management (including but not limited to the senior management) of the Company to enhance the effectiveness of corporate governance of the Company as a whole.

Our Nomination Committee is responsible for ensuring the diversity of our Board members. After the [REDACTED], we will review the Board Diversity Policy from time to time, develop and review measurable objectives for implementing the policy, and monitor the progress on achieving these measurable objectives to ensure its continued effectiveness. We will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

DIRECTORS AND SENIOR MANAGEMENT

ANTI-CORRUPTION AND WHISTLE BLOWING POLICIES

We are committed to acting with integrity, honesty, fairness, impartiality, and ethical business practices. We have adopted an anti-corruption policy to promote an ethical culture within our Group and have zero-tolerance for bribery and any act of corruption. Our Board and senior management also strive to promote an ethical culture within our Group. We have also adopted a whistle blowing policy that serves the purpose of establishing whistleblowing procedures for employees and other relevant external parties of our Group, in order to report and escalate any suspicious misconducts. In accordance with the policy, we protect all whistleblowers from any kind of retaliation. All the information provided by the whistleblowers will be kept strictly confidential.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as our Compliance Adviser pursuant to Rules 3A.19 and 3A.23 of the Listing Rules, with a term commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. Our Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws.

Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Adviser will advise our Company, among others, in the following circumstances: (a) before the publication of any regulatory announcement, circular, or financial report; (b) when a transaction that might constitute a notifiable or connected transaction is contemplated, including share issues, sales or transfers of treasury shares, and share repurchases; (c) when we propose to use the [REDACTED] from the [REDACTED] in a manner different from that detailed in this Document, or when our business activities, developments, or results deviate from any forecast, estimate, or other information in this Document; and (d) when the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or [REDACTED] volume of its [REDACTED] securities, or any other matters in accordance with Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, the compliance adviser shall inform us on a timely basis of any amendment or supplement to the Listing Rules issued by the Stock Exchange from time to time and any new or amended laws and regulations in Hong Kong applicable to our Company. The compliance adviser shall also provide advice to us on the continuing requirements under the Listing Rules and applicable laws and regulations.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion the [REDACTED], the group of Controlling Shareholders (comprising Mr. Ma and the Employee Shareholding Platforms of which Mr. Ma is their respective general partner) will be, in aggregate, entitled to control the exercise of approximately [REDACTED]% of the voting rights (assuming the [REDACTED] is not exercised) or approximately [REDACTED]% of the voting rights (assuming the [REDACTED] is exercised in full) and thus remain as a group of Controlling Shareholders.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently of our Controlling Shareholders and their close associates after [REDACTED]

Management Independence

We are able to carry on our business independently from the Controlling Shareholders from a management perspective. Our Board consists of nine Directors, including five executive Directors, one non-executive Director and three independent non-executive Directors. Our executive Directors and senior management team are responsible for the day-to-day management of our operations.

Notwithstanding the roles of Mr. Ma in our Board and our senior management team, our Directors are of the view that our Company is able to function independently from the Controlling Shareholders for the following reasons:

- (a) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (b) our daily management and operations are carried out by our senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group;
- (c) all of the independent non-executive Directors are independent of the Controlling Shareholders. Our independent non-executive Directors have extensive experience in different areas. We believe that they will be able to exercise their independent judgment and will be able to provide impartial opinions in the decision-making process of our Board to protect the interests of our Shareholders as a whole;
- (d) where a Board meeting or Shareholders' meeting is held to consider a proposed transaction in which our Directors or Controlling Shareholders or any of their respective close associates have a material interest, the relevant Directors or our Controlling Shareholders and their respective close associates shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting; and
- (e) we have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and the Controlling Shareholders which would support our independent management, in accordance with our Articles, relevant corporate governance policies and the Listing Rules as well as other applicable rules, laws and regulations.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from the Controlling Shareholders and their close associates after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational Independence

Our Company has full rights to make all decisions on and to carry out for our own business development, staffing, logistics, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses necessary to carry on and operate our principal businesses, and we have sufficient operational capacity in terms of capital and employees to operate independently. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from the Controlling Shareholders and their close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

Based on the above, our Directors believe that we are able to operate independently from the Controlling Shareholders and their close associates.

Financial Independence

Our Group has a finance center independent from our Controlling Shareholders and their respective close associates. We have also established an independent financial system to make the decisions based on our own business needs. Moreover, our Group opens and manages bank accounts independently, and has never shared any bank account with Controlling Shareholders. Our Group has independent taxation registration according to the relevant laws, and makes tax payments independently according to the applicable PRC taxation laws and regulations. Our Group has never made any tax payment jointly with Controlling Shareholders or any other entities controlled by them.

Our Group has sufficient capital to operate its business independently and has adequate internal resources and a strong credit profile to support its daily operations. In addition, we are capable of obtaining financing from third parties without relying on any guarantee or security provided by our group of Controlling Shareholders. As of the Latest Practicable Date, there were no loans, advances and balances due to or from our Controlling Shareholders or their respective close associates, nor were there any pledges and guarantees provided by and to our Controlling Shareholders or their respective close associates.

Based on the above, our Directors are of the view that we are able to maintain financial independence from our Controlling Shareholders and their close associates.

DISCLOSURE UNDER RULE 8.10 OF THE LISTING RULES

As of the Latest Practicable Date, none of our Controlling Shareholders or Directors had any interest in any business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE

Our Company will comply with the provisions of the Corporate Governance Code in Appendix C1 to the Listing Rules, which sets out principles of good corporate governance. Our Directors recognize the importance of good corporate governance in protection of our Shareholders' interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and the Controlling Shareholders:

- (a) where a Shareholders' meeting is to be held for considering proposed transactions in which the Controlling Shareholders or any of their respective associates has a material interest, the Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (b) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with a Controlling Shareholder or any of his/its associates, our Company will comply with the applicable Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent shareholders’ approval;
- (c) our Board consists of a balanced composition of executive Directors, non-executive Director and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company’s expenses; and
- (e) we have appointed Somerley Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and the Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the following persons will have interests in our Shares which would fall to be disclosed pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of Shareholder	Nature of Interest	As of the Latest Practicable Date			Following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
		Description of Shares	Number of Shares	Approximate percentage of shareholding in our total share capital	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in Unlisted Shares/H Shares ⁽²⁾	Approximate percentage of shareholding in our total share capital ⁽²⁾
Mr. Ma ⁽³⁾	Beneficial owner	Unlisted Shares	29,685,099	59.09%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interests held in controlled corporations	Unlisted Shares	3,838,075	7.64%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%
Gongqingcheng Gongchuang ⁽³⁾	Beneficial owner	Unlisted Shares	3,601,241	7.17%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%
Ms. Wu	Beneficial owner	Unlisted Shares	4,415,871	8.79%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Ma Hongfan	Beneficial owner	Unlisted Shares	3,040,435	6.05%	[REDACTED]	[REDACTED]%	[REDACTED]%
		H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%
Zhuhai Xinyi ⁽⁴⁾	Beneficial owner	Unlisted Shares	2,952,521	5.88%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%
Fosun International Limited ⁽⁴⁾	Interests held in controlled corporations	Unlisted Shares	4,546,316	9.05%	[REDACTED]	[REDACTED]	[REDACTED]
		H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the assumptions that (i) [REDACTED] Unlisted Shares will be converted into H Shares, and (ii) the total number of the Shares in issue will be [REDACTED] Shares immediately after completion of the [REDACTED]; and (iii) the [REDACTED] is not exercised.
- (3) Mr. Ma is the sole general partner of Gongqingcheng Gongchuang and Amos Gongchuang. Therefore, by virtue of the SFO, Mr. Ma is deemed to be interested in the Shares held by Gongqingcheng Gongchuang and Amos Gongchuang.
- (4) Each general partner of Xingtian Investment, Zhuhai Xinyi and Wuhan Xinmeng is controlled by Fosun International Limited (“**Fosun International**”), a company listed on the Stock Exchange (stock code: 0656). Therefore, by virtue of the SFO, Fosun International is deemed to be interested in the Shares held by each of Xingtian Investment, Zhuhai Xinyi and Wuhan Xinmeng.

For details of the substantial shareholders who will be, directly or indirectly, interested in 10% or more of the value of any class of Shares varying rights to vote in all circumstances at general meetings of any member of our Group, see “Statutory and General Information — Further Information About Our Directors, Senior Management and Substantial Shareholders — 2. Substantial Shareholders — Interests of the substantial shareholders in other members of our Group” in Appendix V to this Document.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have interests and/or short positions in Shares or underlying shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE CAPITAL

This section presents certain information regarding our share capital before and upon completion of the [REDACTED].

BEFORE THE [REDACTED]

As of the Latest Practicable Date, the registered capital of our Company was RMB50,236,834, comprising 50,236,834 Unlisted Shares of nominal value RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately following completion of the [REDACTED], assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]
Unlisted Shares to be converted to H Shares	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

Immediately following completion of the [REDACTED], assuming the [REDACTED] is fully exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate percentage to total share capital (%)
Unlisted Shares in issue	[REDACTED]	[REDACTED]
Unlisted Shares to be converted to H Shares	[REDACTED]	[REDACTED]
H Shares to be issued under the [REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	100.00

RANKING

Upon completion of the [REDACTED] and the conversion of the Unlisted Shares into H Shares, the Shares will consist of H Shares and Unlisted Shares. H Shares and Unlisted Shares are all ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association. However, apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai — Hong Kong Stock Connect or the Shenzhen — Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities, H Shares generally cannot be subscribed for by or traded between legal or natural persons of the PRC.

Unlisted Shares and H Shares will rank *pari passu* with each other in all respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this Document. All dividends in respect of the H Shares are to be paid by us in Hong Kong dollars or in the form of H Shares.

SHARE CAPITAL

CONVERSION OF OUR UNLISTED SHARES INTO H SHARES

All our Unlisted Shares are not [REDACTED] or [REDACTED] on any stock exchange. The holders of our Unlisted Shares may convert their Shares into H Shares provided that such conversion shall have completed any requisite internal approval process and complied with the relevant regulations as prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the overseas stock exchange(s) and have completed the required filing with the securities regulatory authorities of the State Council, including the CSRC. The [REDACTED] of such converted H Shares on the Stock Exchange will also require the approval of the Stock Exchange.

Based on the procedures for the conversion of our Unlisted Shares into H Shares as disclosed in this section, we can apply for the [REDACTED] of all or any portion of our Unlisted Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any [REDACTED] of additional Shares after our [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it will not require such prior application for [REDACTED] at the time of our [REDACTED] in Hong Kong.

No class Shareholder voting is required for the [REDACTED] and [REDACTED] of the converted Shares on the Hong Kong Stock Exchange. Any application for [REDACTED] of the converted Shares on the Hong Kong Stock Exchange after our [REDACTED] is subject to prior notification by way of announcement to inform Shareholders and the public of such proposed conversion.

After all the requisite approvals have been obtained, the following procedures will need to be completed: the relevant Unlisted Shares will be withdrawn from the Unlisted Share register, and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our H Share register will be on the condition that (a) our [REDACTED] lodges with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates, and (b) the admission of the H Shares to [REDACTED] on the Hong Kong Stock Exchange will comply with the Listing Rules and the General Rules of HKSCC and the HKSCC Operational Procedures in force from time to time. Until the converted Shares are re-registered on our H Share register, such Shares would not be [REDACTED] as H Shares.

TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

Pursuant to the PRC Company Law, our Shares issued prior to the [REDACTED] shall not be transferred within one year from the [REDACTED]. Shares transferred by our Directors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company unless otherwise permitted by applicable laws and regulations. The Shares that the aforementioned persons hold in our Company cannot be transferred within half a year after they leave their positions as Directors and members of the senior management in our Company.

For details of the lock-up undertaking given by the Controlling Shareholders pursuant to Rule 10.07 of the Listing Rules, see “[REDACTED]”.

REGISTRATION OF SHARES NOT [REDACTED] ON AN OVERSEAS STOCK EXCHANGE

According to the Guidelines for the “Full Circulation” Program for Domestic Unlisted Shares of H-Share Listed Companies (《H股公司境内未上市股份申请“全流通”业务指引》) announced by the CSRC, the domestic shareholders of our Shares that are not listed on the overseas stock exchange shall handle share transfer registration business in accordance with the relevant business rules of the CSDC. Further, H-share companies should submit the relevant status reports to the CSRC within 15 days after the transfer registration with the CSDC of such shares involved in the application is completed.

SHAREHOLDERS GENERAL MEETING

For details of circumstances under which our Shareholders’ general meeting are required, see “Summary of Articles of Association of the Company” in Appendix IV to this Document.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements and the accompanying notes included in the Accountants’ Report set forth in Appendix I to this Document. Our consolidated financial statements have been prepared in accordance with IFRSs, which may differ in material aspects from generally accepted accounting principles in other jurisdictions. You should read the entire Accountants’ Report and not merely rely on the information contained in this section.

These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate under the circumstances. However, whether the actual outcome and developments will meet our expectations and predictions depends on a number of risks and uncertainties, over which we do not have control. In evaluating our business, you should carefully consider all of the information, including, but not limited to, that set forth under “Risk Factors,” “Forward-Looking Statements” and provided elsewhere in this Document.

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial year ended December 31 of such year. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a leading global sugar confectionery company. We are engaged in the design, manufacturing and sales of innovative products designed to deliver both happiness and health to consumers worldwide. We market our products primarily under two brands, Amos and Biobor. Our business model is built on a fully integrated value chain, which seamlessly connects deep consumer and market trend insights, and innovation-driven product development, with world-class manufacturing and global channel and marketing. This end-to-end integration leads to high-quality, impactful products and ensures operational efficiency and a rapid “concept-to-shelf” product pipeline on a global scale.

BASIS OF PREPARATION

Our historical financial information during the Track Record Period has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). For details of the basis of preparation, see Note 2.1 to the Accountants’ Report included in Appendix I to this Document. Further details of the material accounting policy information adopted are set out in Note 2.3 of the Accountants’ Report included in Appendix I to this Document.

The preparation of our historical financial information during the Track Record Period in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to our historical financial information during the Track Record Period are disclosed in Note 3 to the Accountants’ Report included in Appendix I to this Document.

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MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business and results of operations have been, and are expected to continue to be, influenced by various general factors affecting the global confectionery industry, including overall macroeconomic and its impact on consumer behavior, production and procurement costs, geopolitical dynamics and regulatory developments, and the overall competitive landscape. Adverse movements in any of these areas may have a material impact on our business and results of operations. In addition to these general factors, our results of operations are affected by the following specific factors, including:

Product Portfolio and Continuous Product Innovation and Upgrade

Our revenue growth and profitability are significantly shaped by our product portfolio and innovation capabilities. Our current portfolio primarily comprises (i) own-brand products, including Amos and Biobor, and (ii) third-party brands. The continued expansion of this portfolio relies on our ability to leverage consumer insights effectively and drive focused research and development initiatives.

This broadening portfolio enables us to respond swiftly to changing market dynamics and shifts in consumer behavior. Continuous product enhancement is essential to sustaining our competitive position and driving sustainable revenue growth. By drawing on deep consumer understanding and strong R&D capabilities, we consistently introduce products that align closely with market trends, particularly in areas such as nutritional confectionery products. For example, the introduction of Biobor was a direct response to emerging customer needs, underscoring how our innovation focus helps build differentiated, resonant brands.

Global Sales Network and Channel Expansion

We reach consumers through an extensive multi-channel sales network integrating key accounts (primarily including retailers), distributors and online direct sales channels. Effective management and continuous expansion of these channels enable us to deeply penetrate diverse markets, covering different consumption scenarios and geographic regions, thereby supporting revenue growth and market share gains. For details, see “Business — Our Sales Channels.” We believe our ability to grow our business will depend on whether we can continue to expand our sales and distribution network to reach more consumers and to provide them with easy access to our products.

Moreover, we will also actively expand our business globally. During the Track Record Period, we generated a substantial portion of revenue from overseas markets such as North America, Europe, Oceania and other regions, in aggregate representing 52.8%, 68.0% and 77.1% of our total revenues in 2023, 2024 and 2025, respectively. We plan to continue to penetrate in existing markets and expand our footprints into new markets. Global operations are subject to various inherent challenges, including but not limited to difficulties in product development, manufacturing, logistics, and navigating unfamiliar regulatory framework. Changes in international trade policies can also impact our export activities. Adjustments in tariffs, quotas, and trade agreements may either facilitate or hinder our access to overseas markets. Accordingly, our revenue and results of operations may be affected. See “Risk Factors — Risks Relating to Our Business and Industry — Operating globally exposes us to inherent risks, which will persist as we further expand our international footprint. Shifts in the global economic landscape, along with evolving diplomatic and trade relations, could negatively impact our operating results and lead to fluctuations to the demand for our products.”

As a result of our global operations, we have transactional currency exposures. For example, a significant portion of our sales are made in United States dollars, while our purchases are primarily made in Renminbi. Therefore, foreign exchange fluctuation may affect our gross profits and gross profit margins. We will continue to monitor and manage our foreign exchange exposure effectively and will consider hedging any exposure where appropriate.

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Brand Building and Marketing Effectiveness

Our brand recognition and marketing effectiveness are fundamental drivers of our financial performance. Product and marketing innovation serves as the core of our brand-building strategy. As our brand portfolio matures, we have consistently reinforced a premium positioning in the consumer mindset, while strengthening the differentiated association of our brands with happiness and health. Our online approach leverages social commerce and content platforms through a dedicated in-house team, maintaining a robust presence on major global social media platforms such as TikTok and Instagram, enabling seamless integration of brand storytelling and product innovation. Offline, we go beyond traditional shelf placements and promotions by integrating our online marketing initiatives. Initiatives like the “Candy Dream Factory” create immersive brand experiences that connect with global consumers under the unifying proposition of “Happy and Healthy,” fostering deep emotional and cultural resonance. In 2023, 2024, and 2025, selling and distribution expenses amounted to RMB198.9 million, RMB266.7 million, and RMB429.5 million, representing 18.6%, 17.0%, and 15.4% of revenue, respectively, demonstrating improving marketing efficiency and a strong return on brand investment. The elevated recognition of our brand drives our direct sales and sales to key accounts, which in turn contributed to our increased overall gross profit margin. We believe that maintaining strong brand relevance — through continuous innovation, integrated channel execution, and online brand exposure — is essential to sustaining revenue momentum and expanding operating margins.

Cost Structure and Operational Efficiency

Our profitability depends largely on our ability to effectively control costs and enhance operational efficiency. In 2023, 2024 and 2025, our costs of sales amounted to RMB619.6 million, RMB912.6 million and RMB1,402.3 million, representing 57.9%, 58.1% and 50.4% of revenue, respectively. In the same years, our operating expenses, including selling and distribution expenses, administrative expenses, and research and development expenses, amounted to RMB280.0 million, RMB389.4 million and RMB583.0 million, representing 26.2%, 24.8% and 21.0% of revenue, respectively. Our cost structure is affected by the fluctuation of raw material prices, such as gelatin, white granulated sugar and glucose syrup. Our production costs and profit margin depend on our ability to source major raw materials at competitive prices. To mitigate the impact of volatile raw material prices, we have maintained stable and long-term relationship with key suppliers.

In addition, our operating efficiency is affected by our ability to control the aggregate of operating expenses. As our business continues to grow, we expect total operating expenses to increase in absolute terms while we expect to benefit from economies of scale to improve our operational efficiency in the long term.

Our Ability to Increase Production Capacity and Utilization

Our ability to further increase production capacity is critical to supporting stable and sustained business growth, though such expansion entails additional costs and uncertainties. To manage and strengthen our production capabilities, we plan to build new production facilities, upgrade existing equipment, develop additional production lines, and refine our manufacturing processes. In line with this strategy, we are establishing a manufacturing plant in Vietnam to produce our own-brand products. We expect this manufacturing plant to enhance regional supply-chain resilience and serve growing international demand, in particular, the North America and Europe. The factory is expected to commence operations by or around the end of 2026. In addition, to rapidly scale our manufacturing capacity, we leverage qualified third-party OEM partners. This approach enables flexible production expansion without the upfront capital investment. By collaborating with established OEMs that have certified production lines and operational expertise, we can accelerate time-to-market for new products, enter new geographic regions more efficiently, and better manage demand volatility. This flexible arrangement, together with our own manufacturing strategy, provide an agile and cost-effective pathway to support our business growth. For details, please see “Business — Manufacturing.” Overall, our future revenue and operating performance will increasingly depend on our ability to scale production capacity in line with market needs.

MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

Some of our accounting policies require us to apply estimates, assumptions, and complex judgments related to accounting items. These estimates, assumptions, and judgments have a significant impact on our financial position and results of operations. Our management continuously evaluates such estimates,

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assumptions, and judgments based on past experience, industry practices, and expectations of future events that are deemed reasonable under the circumstances. During the Track Record Period, there had not been any material deviation from our management’s estimates or assumptions and actual results, and we had not made any material changes to these estimates or assumptions. We do not expect any material changes to these estimates and assumptions in the foreseeable future.

Our material accounting policy information, estimates and judgments, which are important for understanding our financial condition and results of operations, are set forth in further detail in Note 2.3 and Note 3 to the Accountants’ Report included in Appendix I to this Document.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

The following table sets forth a summary of our consolidated statements of profit or loss, in absolute amounts, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Revenue	1,070,381	100.0	1,571,251	100.0	2,782,069	100.0
Cost of sales	(619,605)	(57.9)	(912,573)	(58.1)	(1,402,289)	(50.4)
Gross profit	450,776	42.1	658,678	41.9	1,379,780	49.6
Other income and gains . .	15,542	1.5	18,056	1.1	18,785	0.7
Selling and distribution expenses	(198,924)	(18.6)	(266,656)	(17.0)	(429,503)	(15.4)
Administrative expenses . .	(73,826)	(6.9)	(107,416)	(6.8)	(135,225)	(4.9)
Research and development expenses . .	(7,292)	(0.7)	(15,279)	(1.0)	(18,258)	(0.7)
Impairment losses on financial instruments, net	(360)	(0.0)	(6,250)	(0.4)	(3,520)	(0.1)
Other expenses	(2,136)	(0.2)	(2,358)	(0.2)	(3,045)	(0.1)
Finance costs	(1,337)	(0.1)	(14,173)	(0.9)	(11,985)	(0.4)
Profit before tax	182,443	17.0	264,602	16.8	797,029	28.6
Income tax expense	(45,400)	(4.2)	(66,271)	(4.2)	(197,008)	(7.1)
Profit for the year	137,043	12.8	198,331	12.6	600,021	21.6

Non-IFRS Financial Measure

We use adjusted net profit, a non-IFRS financial measure, in evaluating our operating results and for financial and operational decision-making purposes. We believe that adjusted net profit (non-IFRS measures) helps identify underlying trends in our business, provides useful information about our results of operations, and enhances the overall understanding of our past performance and future prospects.

Adjusted net profit (non-IFRS measures) should not be considered in isolation or construed as an alternative to net profit or any other measure of performance or as an indicator of our operating performance. Adjusted net profit (non-IFRS measures) presented here may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

Adjusted net profit (non-IFRS measures) represents net profit excluding share-based compensation expenses, which is a non-cash item, and [REDACTED] expenses, which related to the [REDACTED]. The table below sets forth a reconciliation of our net profit to adjusted net profit (non-IFRS measures) for the years indicated.

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	For the year ended December 31,		
	2023	2024	2025
	RMB	RMB (in thousands)	RMB
Profits for the year	137,043	198,331	600,021
Add:			
Share-based compensation expenses	4,598	4,167	3,238
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profits (non-IFRS measures) . . .	[REDACTED]	[REDACTED]	[REDACTED]

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

During the Track Record Period, we generated revenue from sales of sugar confectionery products to customers across the globe.

Revenue by Product Line

The following table sets forth the breakdown of our revenue by product line in absolute amounts and as a percentage of our total revenue, for the years indicated. For a detailed discussion of the fluctuations of our revenue during the Track Record Period, see “— Period-to-Period Comparison of Results of Operations”.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	(in thousands, except for percentages)					
Own-brand Products						
Amos	505,717	47.2	828,450	52.7	1,968,282	70.7
Biobor	166,583	15.6	163,131	10.4	199,524	7.2
Sub-total	672,300	62.8	991,581	63.1	2,167,806	77.9
Third-party Brands	398,081	37.2	579,670	36.9	614,263	22.1
Total	1,070,381	100.0	1,571,251	100.0	2,782,069	100.0

Own-brand products. The revenue generated from own-brand products increased from RMB672.3 million in 2023 to RMB991.6 million in 2024, and further to RMB2,167.8 million in 2025, primarily attributable to the increased demands for our blockbuster products across multiple geographic and sales channels, such as Peelerz and 4D gummies. With expansion of Biobor into more markets, we expect the revenue contribution of Biobor will gradually increase.

Third-party brands. Third-party brands primarily include our ODM products, and to a lesser extent, we also sell third-party brand products that are not manufactured by us. The revenue generated from third-party brands increased from RMB398.1 million in 2023 to RMB579.7 million in 2024, and further increased to RMB614.3 million in 2025, primarily attributable to the deepened collaboration and more favorable pricing arrangement with our clients. The revenue generated from third-party brands, as a percentage of total revenue, decreased from 37.2% in 2023 to 36.9% in 2024, and further to 22.1% in 2025, reflecting our strategic focus on our own-brand products.

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Revenue By Geographical Market

The following table sets forth a breakdown of our total revenue by geographical market in absolute amounts and as a percentage of total revenue for the periods indicated:

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
North America	353,369	33.0	720,044	45.9	1,465,279	52.7
China ⁽¹⁾	505,046	47.2	502,995	32.0	636,755	22.9
Europe	43,623	4.1	67,110	4.3	272,635	9.8
Oceania ⁽²⁾	56,419	5.3	140,478	8.9	186,979	6.7
Other regions ⁽³⁾	111,924	10.4	140,624	8.9	220,421	7.9
Total	1,070,381	100.0	1,571,251	100.0	2,782,069	100.0

Notes:

- (1) Includes Chinese Mainland, Hong Kong SAR, Macao SAR, and Taiwan region.
- (2) Includes Australia and New Zealand.
- (3) Primarily includes Latin America, Southeast Asia, East Asia and Africa.

During the Track Record Period, we generate our revenue primarily from North America and China. Revenue generated from North America increased from RMB353.4 million in 2023 to RMB720.0 million in 2024, and further to RMB1,465.3 million in 2025, primarily attributable to elevated brand recognition of our own-brand products, our enhanced sales and marketing efforts and the successful introduction of high-demand products in the region. Revenue generated from China remained relatively stable at RMB505.0 million and RMB503.0 million in 2023 and 2024, respectively. Revenue generated from China increased to RMB636.8 million in 2025, primarily attributable to the increased demand of our products and deepened collaboration with existing clients and channels.

Key Operating Metrics

The following table sets forth sales volume and average selling price for the years indicated.

	Year ended December 31,					
	2023		2024		2025	
	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price	Sales Volume	Average Selling Price
	<i>(thousand ton)</i>	<i>(RMB in thousands per ton)</i>	<i>(thousand ton)</i>	<i>(RMB in thousands per ton)</i>	<i>(thousand ton)</i>	<i>(RMB in thousands per ton)</i>
Own-brand Products						
Amos	9.1	55.5	14.2	58.2	32.0	61.5
Biobor	1.9	88.8	1.8	88.3	2.2	89.0
Third-party Brands . . .	15.0	26.6	21.7	26.7	20.2	30.5

The average selling price of Amos increased from RMB55.5 thousand per ton in 2023 to RMB58.2 thousand per ton in 2024, and further increased to RMB61.5 thousand per ton in 2025, primarily attributable to the introduction of higher-priced products, combined with stronger pricing in North America market. The sales volume of Amos substantially increased from 9.1 thousand ton in 2023 to 14.2 thousand ton in 2024, and further increased to 32.0 thousand ton in 2025, primarily attributable to increased demands for our blockbuster products across multiple geographies and sales channels, such as Peelerz and 4D gummies. The average selling price of Biobor remained relatively stable at RMB88.8 thousand per ton, RMB88.3 thousand per ton, and RMB89.0 thousand per ton in 2023, 2024 and 2025,

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respectively. The average selling price of third -party brands increased from RMB26.7 thousand per ton in 2024 to RMB30.5 thousand per ton in 2025, primarily attributable to the deepened collaboration and more favorable pricing arrangement with our existing clients.

Cost of Sales

Our cost of sales primarily consists of (i) raw materials costs, which include costs related to OEMs, (ii) manufacturing costs in relation to our production facilities, (iii) logistic fees, (iv) labor costs, (v) tariff, and (vi) others.

The following table sets out a breakdown of our cost of sales by nature, in absolute amounts and as a percentage of our total cost of sales, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Raw materials costs	449,786	72.6	575,642	63.1	876,759	62.5
Manufacturing costs	71,959	11.6	119,062	13.0	132,641	9.5
Logistic fees	41,355	6.7	99,702	10.9	165,364	11.8
Labor costs	41,088	6.6	71,117	7.8	93,881	6.7
Tariff	6,000	1.0	31,702	3.5	107,944	7.7
Others ⁽¹⁾	9,417	1.5	15,348	1.7	25,700	1.8
Total	619,605	100.0	912,573	100.0	1,402,289	100.0

Notes:

(1) Primarily includes inventory write-downs.

Gross Profit and Gross Profit Margin

The following table sets out the gross profit and gross profit margin by product lines, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Own-brand Products						
Amos	233,979	46.3	384,750	46.4	1,045,669	53.1
Biobor	88,284	53.0	81,876	50.2	105,962	53.1
Third-party Brands	128,513	32.3	192,052	33.1	228,149	37.1
Total	450,776	42.1	658,678	41.9	1,379,780	49.6

Our overall gross profit margins remained relatively stable at 42.1% and 41.9% in 2023 and 2024, respectively. Our overall gross profit margin subsequently increased to 49.6% in 2025, primarily driven by the steady growth in sales volume and average selling price of our two own-brand products during the Track Record Period as a result of enhanced brand recognition. In addition, our gross profits were also affected by third-party brands, which also recorded an increased growth profit margin, primarily driven by the increased average selling price.

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Selling and Distribution Expenses

Our selling and distribution expenses consist of (i) employee compensation, (ii) promotion expenses, (iii) transportation and business development, (iv) warehouse fee, (v) share-based compensation expenses and (vi) others.

The following table sets forth a breakdown of our selling and distribution expenses, in absolute amounts and as a percentage of our total selling and distribution expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Employee compensation .	100,492	50.5	119,826	44.9	183,890	42.8
Promotion expenses	62,905	31.6	84,420	31.7	151,808	35.3
Transportation and business development .	9,978	5.0	17,777	6.7	14,695	3.4
Warehouse fee	5,024	2.5	21,056	7.9	57,526	13.4
Share-based compensation expenses	1,508	0.8	1,076	0.4	666	0.2
Others ⁽¹⁾	19,017	9.6	22,501	8.4	20,918	4.9
Total	198,924	100.0	266,656	100.0	429,503	100.0

Notes:

(1) Primarily include depreciation expenses for office leasing and sample fees.

Administrative Expenses

Our administrative expenses consist of (i) employee compensation, (ii) depreciation and amortization, (iii) office expense, (iv) professional service, (v) share-based compensation expenses, (vi) short-term lease payments, (vii) [REDACTED] expenses, and (viii) others.

The following table sets forth a breakdown of our administrative expenses, in absolute amounts and as a percentage of our total administrative expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Employee compensation .	40,557	54.9	50,058	46.6	65,794	48.7
Depreciation and amortization	7,526	10.2	15,560	14.5	17,174	12.7
Office expense	7,901	10.7	12,840	12.0	13,386	9.9
Professional service	8,930	12.1	11,473	10.7	14,832	11.0
Share-based compensation expenses	2,926	4.0	2,926	2.7	2,422	1.8
Short-term lease payments	886	1.2	1,824	1.7	2,274	1.7
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others ⁽¹⁾	5,100	6.9	12,735	11.8	18,918	13.9
Total	[REDACTED]	100.0	[REDACTED]	100.0	[REDACTED]	100.0

Notes:

(1) Primarily include stamp duty, property tax, and travel expenses.

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Research and Development Expenses

Our research and development expenses consist of (i) employee compensation, including share-based compensation expenses, (ii) material cost, (iii) service fee, (iv) depreciation and amortization, and (v) others.

The following table sets forth the breakdown of our research and development expenses, in absolute amounts and as a percentage of our total research and development expenses, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Employee compensation .	5,875	80.6	8,138	53.3	11,538	63.2
Material cost	582	8.0	4,404	28.8	3,330	18.2
Service fee	469	6.4	1,745	11.4	1,918	10.5
Depreciation and amortization	233	3.2	766	5.0	1,229	6.7
Others	133	1.8	226	1.5	243	1.4
Total	7,292	100.0	15,279	100.0	18,258	100.0

Other Income and Gains

Other income and gains consist of (i) other income and (ii) gains. Other income consists of (i) bank interest income, (ii) government grants — income, and (iii) others. Gains consist of (i) gains from financial assets at fair value through profit or loss, (ii) foreign exchange gains, (iii) gains on early termination or revision of certain lease contract.

The following table sets forth the breakdown of our other income and gains for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
<i>(in thousands, except for percentages)</i>						
Other income						
Bank interest income . .	892	5.7	2,843	15.7	2,799	14.9
Government grants – income	5,867	37.7	2,678	14.8	1,762	9.4
Others	647	4.2	635	3.5	725	3.9
Total other income	7,406	47.6	6,156	34.0	5,286	28.2
Gains						
Gains from financial assets at fair value through profit or loss	3,828	24.6	3,575	19.9	6,271	33.3
Foreign exchange gains, net	3,709	23.9	8,325	46.1	7,228	38.5
Gains on early termination or revision of certain lease contracts	599	3.9	–	–	–	–
Total gains	8,136	52.4	11,900	66.0	13,499	71.8
Total	15,542	100.0	18,056	100.0	18,785	100.0

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Impairment Losses on Financial Instruments, Net

Impairment losses on financial instruments, net represents expected credit losses for trade receivables amounting to RMB0.4 million, RMB6.3 million and RMB3.5 million in 2023, 2024 and 2025, respectively.

Finance Costs

Our finance costs consist of (i) interest expenses on lease liabilities, and (ii) interest on bank and other borrowings.

The following table sets forth the breakdown of our finance costs, in absolute amounts and as a percentage of our total finance costs, for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB	%	RMB	%	RMB	%
	<i>(in thousands, except for percentages)</i>					
Interest expenses on lease liabilities	1,136	85.0	824	5.8	1,128	9.4
Interest on bank and other borrowings	5,956	445.5	13,667	96.4	10,857	90.6
Less: interest capitalized	(5,755)	(430.5)	(318)	(2.2)	—	—
Total	1,337	100.0	14,173	100.0	11,985	100.0

Income Tax Expenses

We are subject to income tax on an entity basis on profits arising in, or derived from, tax jurisdictions in which members of our Group are domiciled and operate.

PRC

Under the Law of the PRC on EIT Law and Implementation Regulation of the EIT Law, the EIT rate of the Group’s PRC subsidiaries is 25% unless subject to tax exemption. Certain of the Group’s PRC subsidiaries are qualified as small and micro enterprises and were entitled to a preferential EIT rate of 5% for the taxable income below RMB3 million during the years ended December 31, 2023, 2024 and 2025.

Hong Kong

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Track Record Period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

United States

Under United States Internal Revenue Code, the subsidiaries established in United States are subject to a unified Federal CIT rate of 21% and variable state income and franchise tax ranging from 0.75% to 9.8% depends on which state the subsidiaries has nexus with.

Other Overseas Areas

The Company’s other overseas subsidiaries are subject to income tax at rates ranging from 9% to 30%.

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PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue by Product Line

Our revenue increased by 77.1% from RMB1,571.3 million in 2024 to RMB2,782.1 million in 2025, primarily due to revenue growth of our own-brand products, and to a less extent to the third-party brands.

Own-brand products. Revenue from own-brand products increased by 118.6% from RMB991.6 million in 2024 to RMB2,167.8 million in 2025, primarily attributable to our revenue growth from both Amos and Biobor.

- **Amos.** Revenue from Amos increased by 137.6% from RMB828.5 million in 2024 to RMB1,968.3 million in 2025, primarily attributable to (i) the increased sales volume from 14.2 thousand ton in 2024 to 32.0 thousand ton in 2025, as a result of increased demands for our blockbuster products across multiple geographics and sales channels, such as Peelerz and 4D gummies, driven by our increased sales efforts, and (ii) increased average selling price from RMB58.2 thousand per ton in 2024 to RMB61.5 thousand per ton in 2025, primarily due to the introduction of higher-priced products, combined with stronger pricing in North America market.
- **Biobor.** Revenue from Biobor increased by 22.3% from RMB163.1 million in 2024 to RMB199.5 million in 2025, primarily attributable to the increased sales volume from 1.8 thousand ton in 2024 to 2.2 thousand ton in 2025, and the increased average selling price from RMB88.3 thousand per ton in 2024 to RMB89.0 thousand per ton in 2025, both primarily due to the strengthened relationship with existing sales channels driven by our enhanced branding.

Third-party brands. Revenue from third-party brands increased by 6.0% from RMB579.7 million in 2024 to RMB614.3 million in 2025, primarily attributable to the increased average selling price from RMB26.7 thousand per ton in 2024 to RMB30.5 thousand per ton in 2025, mainly attributable to the deepened collaboration and more favorable pricing arrangement with our existing clients, despite the decreased sales volume from 21.7 thousand ton in 2024 to 20.2 thousand ton in 2025, primarily due to our strategic focus on own-brand products.

Revenue By Geographical Market

Our revenue increased by 77.1% from RMB1,571.3 million in 2024 to RMB2,782.1 million in 2025, primarily due to revenue growth in North America, Europe and China. Our revenue generated in North America increased by 103.5% from RMB720.0 million in 2024 to RMB1,465.3 million in 2025, primarily attributable to robust regional demand, driven by introduction of new products, deeper penetration of established sales channels, and enhanced brand recognition. Our revenue generated in Europe increased by 306.3% from RMB67.1 million in 2024 to RMB272.6 million in 2025, primarily attributable to our strategic partnerships with leading retailers, such as Costco, and distributors in key new markets, including the UK, the Netherlands, and France. Our revenue generated in China increased by 26.6% from RMB503.0 million in 2024 to RMB636.8 million in 2025, primarily attributable to the increased product demand, including higher-priced products, and deepened collaboration with existing sales channels.

Cost of Sales

Our cost of sales increased 53.7% from RMB912.6 million in 2024 to RMB1,402.3 million in 2025, primarily driven by (i) the increase of raw materials from RMB575.6 million in 2024 to RMB876.8 million in 2025, in line with our business growth, (ii) the increase of logistic fees from RMB99.7 million in 2024 to RMB165.4 million in 2025, in line with our business growth in overseas markets, and (iii) the increase of tariff from RMB31.7 million in 2024 to RMB107.9 million in 2025, in line with our business growth in North America.

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Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 109.5% from RMB658.7 million in 2024 to RMB1,379.8 million in 2025, respectively.

Our overall gross profit margins increased from 41.9% in 2024 to 49.6% in 2025, primarily attributable to the steady growth of our own-brand products. Gross profit margins of Amos increased from 46.4% in 2024 to 53.1% in 2025, primarily attributable to the increased average selling price from RMB58.2 thousand per ton in 2024 to RMB61.5 thousand per ton in 2025. Gross profit margins of Biobor increased from 50.2% in 2024 to 53.1% in 2025, primarily attributable to the enhanced brand value and more efficient cost management. Gross profit margins of third-party brands increased from 33.1% in 2024 to 37.1% in 2025, primarily attributable to the increased average selling price from RMB26.7 thousand per ton in 2024 to RMB30.5 thousand per ton in 2025.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 61.1% from RMB266.7 million in 2024 to RMB429.5 million in 2025, respectively, primarily attributable to an increase in (i) promotion expenses from RMB84.4 million in 2024 to RMB151.8 million in 2025, primarily due to our enhanced marketing initiatives for our new products, and (ii) employee compensation from RMB119.8 million in 2024 to RMB183.9 million in 2025, primarily due to our expanded sales team and higher salaries.

Administrative Expenses

Our administrative expenses increased by 25.9% from RMB107.4 million in 2024 to RMB135.2 million in 2025, primarily attributable to an increase in employee compensation from RMB50.1 million in 2024 to RMB65.8 million in 2025 as a result of expanded team size and higher salaries.

Research and Development Expenses

Our research and development expenses increased by 19.5% from RMB15.3 million in 2024 to RMB18.3 million in 2025, respectively, primarily attributable to the increase in employee compensation from RMB8.1 million in 2024 to RMB11.5 million in 2025, primarily due to the R&D team expansion to support the development of new products.

Other Income and Gains

Our other income and gains increased by 4.0% from RMB18.1 million in 2024 to RMB18.8 million in 2025, respectively, primarily attributable to an increase in gains from financial assets at fair value through profit or loss from RMB3.6 million in 2024 to RMB6.3 million in 2025, primarily due to the increased financial assets we purchased.

Impairment Losses on Financial Instruments, Net

Impairment losses on financial instruments, net narrowed by 43.7% from RMB6.3 million in 2024 to RMB3.5 million in 2025, respectively, primarily attributable to our enhanced receivables management.

Finance Costs

Our finance costs decreased by 15.4% from RMB14.2 million in 2024 to RMB12.0 million in 2025, respectively, primarily attributable to a decrease in interest on bank and other borrowings from RMB13.7 million in 2024 to RMB10.9 million in 2025, respectively, primarily due to the decreased interest rate.

Income Tax Expense

We recorded income tax of RMB66.3 million and RMB197.0 million in 2024 and 2025, respectively.

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Profit for the Year

As a result of the foregoing, our profit for the year increased by 202.5% from RMB198.3 million in 2024 to RMB600.0 million in 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue by Product Line

Our revenue increased by 46.8% from RMB1,070.4 million in 2023 to RMB1,571.3 million in 2024, primarily due to revenue growth of own-brand products, and to a less extent to the revenue growth of third-party brands.

Own-brand products. Revenue from own-brand products increased by 47.5% from RMB672.3 million in 2023 to RMB991.6 million in 2024, primarily attributable to the revenue growth from Amos.

- **Amos.** Revenue from Amos increased by 63.8% from RMB505.7 million in 2023 to RMB828.5 million in 2024, (i) primarily attributable to the increased sales volume from 9.1 thousand ton in 2023 to 14.2 thousand ton in 2024, primarily due to increased demands for our blockbuster products across multiple geographics and sales channels, such as 4D gummies and Peelerz, driven by our increased sales efforts, and (ii) the increased average selling price from RMB55.5 thousand per ton in 2023 to RMB58.2 thousand per ton in 2024, primarily due to the introduction of higher-priced products, combined with stronger pricing in North America market.
- **Biobor.** Revenue from Biobor remained stable at RMB166.6 million and RMB163.1 million in 2023 and 2024. The sales volume of Biobor remained relatively stable at 1.9 thousand ton and 1.8 thousand ton in 2023 and 2024, relatively, and the average selling price of Biobor also remained relatively stable at RMB88.8 thousand per ton and RMB88.3 thousand per ton in 2023 and 2024, respectively.

Third-party brands. Revenue from third-party brands increased by 45.6% from RMB398.1 million in 2023 to RMB579.7 million in 2024, primarily attributable to the increased sales volume from 15.0 thousand ton in 2023 to 21.7 thousand ton in 2024, primarily due to deepened relationship with existing sales channels. The average selling price remained relatively stable at RMB26.6 thousand per ton and RMB26.7 thousand per ton in 2023 and 2024, respectively.

Revenue By Geographical Market

Our revenue increased by 46.8% from RMB1,070.4 million in 2023 to RMB1,571.3 million in 2024, primarily due to revenue growth in North America and Oceania.

Our revenue generated in North America increased by 103.8% from RMB353.4 million in 2023 to RMB720.0 million in 2024, primarily attributable to robust regional demand, driven by introduction of new products, deeper penetration of established sales channels, and enhanced brand recognition. Our revenue generated in Oceania increased by 149.0% from RMB56.4 million in 2023 to RMB140.5 million in 2024, primarily attributable to our increased sales to existing retailers and distributors as we deepen our penetration in the market.

Cost of Sales

Our cost of sales increased by 47.3% from RMB619.6 million in 2023 to RMB912.6 million in 2024, primarily driven by (i) the increase in raw materials from RMB449.8 million in 2023 to RMB575.6 million in 2024, in line with our business growth, and (ii) the increase in manufacturing costs from RMB72.0 million in 2023 to RMB119.1 million in 2024, in line with our business growth.

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Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 46.1% from RMB450.8 million in 2023 to RMB658.7 million in 2024.

Our overall gross profit margins remained relatively stable at 42.1% and 41.9% in 2023 and 2024, respectively. Gross profit margins of Amos remained relatively stable at 46.3% and 46.4% in 2023 and 2024, respectively. Gross profit of Biobor decreased from 53.0% in 2023 to 50.2% in 2024, primarily attributable to increased raw material costs associated with the introduction of diversified packaging in 2024 to capture higher market shares. Gross profit margins of third-party brands remained relatively stable at 32.3% and 33.1% in 2023 and 2024, respectively.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 34.0% from RMB198.9 million in 2023 to RMB266.7 million in 2024, primarily attributable to (i) an increase in promotion expenses from RMB62.9 million in 2023 to RMB84.4 million in 2024, primarily attributable to our enhanced marketing initiatives, and (ii) an increase in employee compensation from RMB100.5 million in 2023 to RMB119.8 million in 2024 as a result of our efforts in expanding our sales network.

Administrative Expenses

Our administrative expenses increased by 45.5% from RMB73.8 million in 2023 to RMB107.4 million in 2024, primarily attributable to the increase in (i) employee compensation from RMB40.6 million in 2023 to RMB50.1 million in 2024, primarily attributable to the team expansion and higher salaries, and (ii) depreciation and amortization from RMB7.5 million in 2023 to RMB15.6 million in 2024, primarily related to our Jiangmen factories.

Research and Development Expenses

Our research and development expenses increased by 109.5% from RMB7.3 million in 2023 to RMB15.3 million in 2024, primarily attributable to the increase in (i) material costs from RMB0.6 million in 2023 to RMB4.4 million in 2024, primarily due to our enhanced product development efforts, and (ii) employee compensation from RMB5.9 million in 2023 to RMB8.1 million in 2024, primarily due to the employment of professionals.

Other Income and Gains

Our other income and gains increased by 16.2% from RMB15.5 million in 2023 to RMB18.1 million in 2024, primarily attributable to an increase in foreign exchange gains from RMB3.7 million in 2023 to RMB8.3 million in 2024, primarily driven by increased revenue from overseas regions and stronger US dollars against RMB during the year.

Impairment Losses on Financial Instruments, Net

Impairment losses on financial instruments, net increased from RMB0.4 million in 2023 to RMB6.3 million in 2024, primarily attributable to the increased trade receivables in line with our business growth.

Finance Costs

Our finance costs increased from RMB1.3 million in 2023 to RMB14.2 million in 2024, primarily due to an increase in interest on bank and other borrowings from RMB6.0 million in 2023 to RMB13.7 million in 2024, mainly attributable to the cessation of interest capitalization following the completion of the construction of Jiangmen factories.

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Income Tax Expense

We recorded income tax expense of RMB45.4 million and RMB66.3 million in 2023 and 2024, respectively.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 44.7% from RMB137.0 million in 2023 to RMB198.3 million in 2024.

DISCUSSION OF CERTAIN KEY ITEMS FROM OUR CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth selected information from our consolidated statements of financial position as of the dates indicated, which has been extracted from our consolidated financial statements included in Appendix I to this Document.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Total non-current assets	571,080	646,015	713,744
Total current assets	546,153	850,937	1,550,765
Total assets	1,117,233	1,496,952	2,264,509
Total non-current liabilities	280,557	301,527	322,279
Total current liabilities	289,423	486,772	1,093,355
Total liabilities	569,980	788,299	1,415,634
Net current assets	256,730	364,165	457,410
Net assets	547,253	708,653	848,875

Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated.

	As of December 31,			As of February 28,
	2023	2024	2025	2026
	(RMB in thousands)			(unaudited)
Current assets				
Inventories	103,388	205,653	321,796	284,877
Trade receivables	99,414	278,736	365,880	424,093
Prepayments, other receivables and other assets	75,808	76,158	98,718	150,262
Prepaid income tax	1,324	3,040	1,799	340
Financial assets at fair value through profit or loss	80,325	59,487	442,767	199,687
Restricted cash	3,620	1,018	1,816	275
Time deposits	2,374	21,910	—	—
Cash and cash equivalents	179,900	204,935	317,989	262,841
Total current assets	546,153	850,937	1,550,765	1,322,375

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	As of December 31,			As of
	2023	2024	2025	February 28,
				2026
				(unaudited)
	(RMB in thousands)			
Current liabilities				
Trade payables	114,983	221,914	233,384	268,225
Other payables and accruals	110,297	136,523	554,183	191,409
Contract liabilities	28,780	29,697	60,490	31,747
Interest-bearing bank and other borrowings	13,583	51,800	114,008	115,436
Lease liabilities	11,470	10,415	16,398	16,484
Tax payable	10,310	36,423	114,892	97,058
Total current liabilities	289,423	486,772	1,093,355	720,359
Net current assets	256,730	364,165	457,410	602,016

Our net current assets increased from RMB457.4 million as of December 31, 2025 to RMB602.0 million as of February 28, 2026, primarily due to the decrease in current liabilities outweighs the decrease in current assets. Our current assets decreased primarily attributable to the decrease of financial assets at fair value through profit or loss from RMB442.8 million as of December 31, 2025 to RMB199.7 million as of February 28, 2026, primarily attributable to our disposal of relevant financial assets. Our current liabilities decreased primarily attributable to the decrease of other payables and accruals from RMB554.2 million as of December 31, 2025 to RMB191.4 million as of February 28, 2026, primarily attributable to the payment of dividends.

Our net current assets increased from RMB364.2 million as of December 31, 2024 to RMB457.4 million as of December 31, 2025, primarily due to the increase in current assets outweighs the increase in current liabilities. Our current assets increased primarily attributable to (i) an increase in financial assets at fair value through profit or loss from RMB59.5 million as of December 31, 2024 to RMB442.8 million as of December 31, 2025, (ii) an increase in inventories from RMB205.7 million as of December 31, 2024 to RMB321.8 million as of December 31, 2025, mainly due to our business growth, (iii) an increase in cash and cash equivalents from RMB204.9 million as of December 31, 2024 to RMB318.0 million as of December 31, 2025, and (iv) an increase in trade receivables from RMB278.7 million as of December 31, 2024 to RMB365.9 million as of December 31, 2025, in line with our business growth. Our current liabilities increased primarily attributable to (i) an increase in other payables and accruals from RMB136.5 million as of December 31, 2024 to RMB554.2 million as of December 31, 2025, mainly due to an increased payroll and welfare, driven by team expansion and higher salaries, (ii) an increase in tax payable from RMB36.4 million as of December 31, 2024 to RMB114.9 million as of December 31, 2025, and (iii) an increase in interest-bearing bank and other borrowings from RMB51.8 million as of December 31, 2024 to RMB114.0 million as of December 31, 2025.

Our net current assets increased from RMB256.7 million as of December 31, 2023 to RMB364.2 million as of December 31, 2024, primarily due to the increase in current assets outweighs the increase in current liabilities. Our current assets increased primarily attributable to (i) an increase in trade receivables from RMB99.4 million as of December 31, 2023 to RMB278.7 million as of December 31, 2024, in line with our business growth, and (ii) an increase in inventories from RMB103.4 million as of December 31, 2023 to RMB205.7 million as of December 31, 2024, primarily driven by the increased production scale resulting from capacity expansion at the newly established Jiangmen factories. Our current liabilities increased primarily attributable to (i) an increase in trade payables from RMB115.0 million as of December 31, 2023 to RMB221.9 million as of December 31, 2024, (ii) an increase in interest-bearing bank and other borrowings from RMB13.6 million as of December 31, 2023 to RMB51.8 million as of December 31, 2024, and (iii) an increase in tax payables from RMB10.3 million as of December 31, 2023 to RMB36.4 million as of December 31, 2024, in line with our business growth.

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Assets

Property, Plant and Equipment

Our property, plant and equipment consist of (i) buildings, (ii) machinery, (iii) furniture, fixtures and office equipment, (iv) motor vehicles and others, (v) construction in progress, and (vi) leasehold improvement. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Buildings	44,417	405,169	393,846
Machinery	64,606	131,075	132,809
Furniture, fixtures and office equipment	3,234	15,930	21,076
Motor vehicles and others	2,350	2,831	2,344
Construction in progress	378,911	10,271	9,626
Leasehold improvements	4,284	3,806	4,239
Total	497,802	569,082	563,940

The carrying amount of our property, plant and equipment increased from RMB497.8 million as of December 31, 2023 to RMB569.1 million as of December 31, 2024, mainly due to (i) an increase in buildings from RMB44.4 million as of December 31, 2023 to RMB405.2 million as of December 31, 2024, primarily attributable to the commencement of operation of Jiangmen factories, and (ii) an increase in machinery from RMB64.6 million as of December 31, 2023 to RMB131.1 million as of December 31, 2024, primarily attributable to the upgrading of machinery in Jiangmen factories, partially offset by a decrease in construction in progress from RMB378.9 million in 2023 to RMB10.3 million in 2024, primarily due to the transfer of construction in progress to fixed assets. The carrying amount of our property, plant and equipment remained relatively stable at RMB569.1 million and RMB563.9 million in 2024 and 2025, respectively.

Inventories

Our inventories primarily include (i) finished goods, (ii) raw materials, (iii) work in progress, and (iv) goods in transit. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Finished goods	50,990	138,888	249,609
Raw materials	33,112	43,052	42,790
Work in progress	11,814	12,430	13,458
Goods in transit	7,472	11,283	15,939
Total	103,388	205,653	321,796

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Our inventories increased from RMB103.4 million as of December 31, 2023 to RMB205.7 million as of December 31, 2024, primarily attributable to an increase in finished goods from RMB51.0 million as of December 31, 2023 to RMB138.9 million as of December 31, 2024, primarily due to the increased production scale resulting from capacity expansion at the newly established Jiangmen factories to support increased demands. Our inventories subsequently increased to RMB321.8 million as of December 31, 2025, primarily attributable to an increase in finished goods from RMB138.9 million as of December 31, 2024 to RMB249.6 million as of December 31, 2025, was in line with our business growth.

We assess impairment to inventories from time to time during the Track Record Period and may write down our inventories to their net realizable value if they become expired or damaged, or their prices go down, and their net realizable value substantially decreases. The write-down of inventories was RMB5.5 million, RMB12.3 million, and RMB18.1 million for the year ended December 31, 2023, 2024 and 2025, respectively. The increase of write-down of inventories in 2024 and 2025 was primarily in line with our business growth.

The following table sets forth an aging analysis of our inventories, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 1 year	103,327	205,284	318,947
Over 1 year ⁽¹⁾	61	369	2,849
Total	<u>103,388</u>	<u>205,653</u>	<u>321,796</u>

Note:

- (1) Primarily in relation to finished goods for overseas sales.

The following table sets forth our inventory turnover days during the years indicated.

	As of December 31,		
	2023	2024	2025
	(days)		
Inventory turnover days ⁽¹⁾	51	62	69

Note:

- (1) Inventory turnover days for a year are calculated as the average of the beginning and ending balances of net value of inventory for the year divided by cost of sales for that year and multiplied by the number of days in that year (i.e. 365 days for a calendar year).

Our inventory turnover days increased from 51 days in 2023 to 62 days in 2024, and then increased to 69 days in 2025, primarily attributable to the increased sales to overseas markets, which carries longer transit time.

As of February 28, 2026, RMB181.3 million, or 56.3% of inventories outstanding as of December 31, 2025, had been subsequently settled.

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Trade Receivables

Our trade receivables consist of trade receivables arising from our business operations. The following table sets forth a breakdown of our trade receivables as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Trade receivables	103,579	289,049	378,875
Allowance for expected credit losses	(4,165)	(10,313)	(12,995)
Total	99,414	278,736	365,880

Our trade receivables significantly increased from RMB99.4 million as of December 31, 2023 to RMB278.7 million as of December 31, 2024, primarily due to the rapid growth of international business in 2024, which led to increase in trade receivable in the year end.

Our trade receivables subsequently increased to RMB365.9 million as of December 31, 2025, primarily due to our increased trade receivables from retailers in line with our robust revenue growth.

As of December 31, 2023, 2024 and 2025, we recorded loss allowances for expected credit losses of RMB4.2 million, RMB10.3 million and RMB13.0 million, respectively.

The following table sets forth an aging analysis of our trade receivables, based on the transaction date and net of allowance for expected credit losses, as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Within 3 months	88,654	247,674	303,116
3 to 6 months	8,431	20,244	43,633
6 to 12 months	1,354	9,039	17,194
Over 12 months	975	1,779	1,937
Total	99,414	278,736	365,880

The following table sets forth the turnover days of our trade receivables for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(days)		
Trade receivables turnover days ⁽¹⁾	37	44	42

Note:

- (1) Trade receivables turnover days for a period are calculated as the average of the opening and ending balances of trade receivables divided by revenue for the relevant period, and then multiplied by the number of days in that year (i.e. 365 days for a calendar year).

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Our trade receivables turnover days increased from 37 days in 2023 to 44 days in 2024, primarily attributable to the increased sales volume to certain key accounts, to whom we granted longer credit terms. Our trade receivables turnover days remained relatively stable at 44 days and 42 days in 2024 and 2025, respectively.

As of February 28, 2026, RMB262.7 million, or 71.8% of our trade receivables outstanding as of December 31, 2025, had been subsequently settled.

Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets consist of (i) prepayments to suppliers, (ii) value-added tax recoverable, (iii) low-value consumables (iv) rental deposits, and (v) others. The following table sets forth a breakdown of our prepayments, other receivables and other assets as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Prepayments to suppliers	13,004	16,031	55,292
Value-added tax recoverable	51,007	43,749	22,305
Low-value consumables	2,419	7,729	11,123
Rental deposits	5,372	4,427	3,626
Others	4,006	4,222	6,372
Total	75,808	76,158	98,718

Our prepayments, other receivables and other assets increased from RMB75.8 million as of December 31, 2023 to RMB76.2 million as of December 31, 2024, primarily attributed to (i) an increase in low-value consumables from RMB2.4 million as of December 31, 2023 to RMB7.7 million as of December 31, 2024, driven by the operation of Jiangmen production center, and (ii) an increase in prepayments to suppliers from RMB13.0 million as of December 31, 2023 to RMB16.0 million as of December 31, 2024, primarily driven by our business growth, partially offset by a decrease in value-added tax recoverable from RMB51.0 million as of December 31, 2023 to RMB43.7 million as of December 31, 2024, primarily due to the increased output value-added tax with the commencement of production of Jiangmen production center.

Our prepayments, other receivables and other assets subsequently increased to RMB98.7 million as of December 31, 2025, primarily attributable to an increase in prepayments to suppliers from RMB16.0 million as of December 31, 2024 to RMB55.3 million as of December 31, 2025, primarily driven by our business growth, partially offset by a decrease in value-added tax recoverable from RMB43.7 million as of December 31, 2024 to RMB22.3 million as of December 31, 2025.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss consists of (i) wealth management products, and (ii) structured deposits. Our financial assets at fair value through profit or loss decreased from RMB80.3 million as of December 31, 2023 to RMB59.5 million as of December 31, 2024, primarily due to the decrease in structured deposits from RMB80.3 million as of December 31, 2023 to RMB50.4 million as of December 31, 2024, partially offset by an increase in wealth management products from nil as of December 31, 2023 to RMB9.0 million as of December 31, 2024.

Our financial assets at fair value through profit or loss subsequently increased to RMB442.8 million as of December 31, 2025, primarily due to the increase in wealth management products from RMB9.0 million as of December 31, 2024 to RMB397.7 million as of December 31, 2025.

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With regard to the purchase of wealth management products, we have established an investment policy focused on risk diversification and stable returns, with fund security as the top priority. We invest only in low-risk products issued by reputable banks. We monitor risk management from time to time. The Board sets the overall investment strategy and approves material investments. Our finance department is primarily responsible for formulating, executing, and overseeing our investment decisions. To support this, we have put in place the following treasury policies and internal authorization controls:

- We have formulated internal control measures to regulate our process of investment in wealth management products;
- The finance department will support to source wealth management product investment opportunities, performing analysis, seeking necessary approvals, executing transactions, and managing ongoing investments when necessary; and
- Investments in wealth management products could be made when we have surplus cash that is not required for our short-term working capital purposes and in no event beyond the amount authorized by our senior management team.

Prior to making an investment, we will evaluate the sufficiency of our remaining working capital for our business needs, operating activities, research and development need, and capital expenditures to assess and determine the amount available for investment following the proposed transaction. We adopt a prudent approach in selecting financial assets. Our investment strategy related to financial assets focuses on prudently minimizing financial risks by aligning investment maturities with anticipated operating cash needs, while aiming to deliver stable and reasonable returns to benefit our shareholders. We make investment decisions related to financial assets on a case-by-case basis after thoroughly considering a number of factors, including but not limited to the macro-economic environment, general market conditions, risk control and credit of invested subjects, our own working capital conditions, and the expected profit or potential loss of the investment. To control our risk exposure, we have in the past sought and may continue in the future to seek other low-risk wealth management products. After the [REDACTED], we intend to continue our investment in wealth management products strictly in compliance with internal policies and guidelines, Articles of Association, and the requirements under Chapter 14 of the Listing Rules.

Cash and Cash Equivalents

Our cash and cash equivalents increased from RMB179.9 million as of December 31, 2023 to RMB204.9 million as of December 31, 2024, and further increased to RMB318.0 million as of December 31, 2025, primarily attributed to the increased profits resulting from our business growth.

Liabilities

Trade Payables

Our trade payables increased from RMB115.0 million as of December 31, 2023 to RMB221.9 million as of December 31, 2024, and further increased to RMB233.4 million as of December 31, 2025 primarily due to our higher inventory stocking to support our revenue growth.

We are generally granted a credit period of 30 to 90 days by our suppliers on purchases of goods. All of our trade payables as of December 31, 2023, 2024 and 2025 were within one year.

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The following table sets forth the turnover days of our trade payables for the years indicated.

	As of December 31,		
	2023	2024	2025
	(days)		
Trade payables turnover days ⁽¹⁾	75	67	59

Note:

- (1) Trade payables turnover days for a year are calculated as the average of the opening and closing trade payables balances divided by the cost of sales for the relevant period, and then multiplied by the number of days in that year (i.e. 365 days for a calendar year).

The turnover days of trade payables decreased from 75 days in 2023 to 67 days in 2024, and further decreased to 59 days in 2025, primarily attributable to the accelerated payment cycle.

As of February 28, 2026, RMB166.3 million, or 71.2% of our trade payables outstanding as of December 31, 2025, had been subsequently settled.

Other Payables and Accruals

The following table sets forth a breakdown of our other payables and accruals as of the dates indicated.

	As of December 31,		
	2023	2024	2025
	(RMB in thousands)		
Current			
Dividend payable	—	—	400,000
Other payables for property, plant and equipment	50,247	56,167	29,034
Accrued expenses	14,380	26,091	27,127
Payroll and welfare payable	31,544	37,710	81,857
Other tax payables	5,748	9,260	7,565
Others	8,378	7,295	8,600
Subtotal	<u>110,297</u>	<u>136,523</u>	<u>554,183</u>
Non-Current			
Other payables for property, plant and equipment	—	11,243	—
Others	—	—	839
Subtotal	<u>—</u>	<u>11,243</u>	<u>839</u>
Total	<u>110,297</u>	<u>147,766</u>	<u>555,022</u>

Our other payables and accruals increased from RMB110.3 million as of December 31, 2023 to RMB147.8 million as of December 31, 2024, primarily attributable to the increase of (i) other payables for property, plant and equipment from RMB50.2 million as of December 31, 2023 to RMB67.4 million as of December 31, 2024, and (ii) accrued expenses from RMB14.4 million as of December 31, 2023 to RMB26.1 million as of December 31, 2024. Our other payables and accruals subsequently increased from RMB147.8 million as of December 31, 2024 to RMB555.0 million as of December 31, 2025, primarily due to the dividend declared in 2025 amounting to RMB400.0 million which was paid in 2026.

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Contract Liabilities

Our contract liabilities primarily represent advanced payments relating to sales of products. Our contract liabilities remained stable from RMB28.8 million as of December 31, 2023 to RMB29.7 million as of December 31, 2024. Our contract liabilities increased to RMB60.5 million as of December 31, 2025, primarily attributable to the increased advance payments we received from customers, in line with our business growth.

As of February 28, 2026, RMB44.5 million, or 73.6% of contract liabilities outstanding as of December 31, 2025, had been subsequently settled.

Tax Payables

Our tax payable increased from RMB10.3 million as of December 31, 2023 to RMB36.4 million as of December 31, 2024 and further to RMB114.9 million as of December 31, 2025, primarily attributable to our increased profits for the year.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we relied on cash and cash equivalents, cash generated from operations, and bank loans as the major sources of liquidity. We intend to finance our future capital requirements in the same manner after the [REDACTED]. We do not anticipate any changes to the availability of financing to fund our operation in the future.

Cash Flow

The following table sets forth our cash flows for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in thousands)		
Net cash flows from operating activities	126,199	112,813	588,532
Net cash flows used in investing activities	(306,128)	(67,536)	(478,282)
Net cash flows from/(used in) financing activities	188,634	(28,567)	(4,424)
Net increase in cash and cash equivalents . . .	8,705	16,710	105,826
Cash and cash equivalents at beginning of year .	167,486	179,900	204,935
Effect of foreign exchange differences, net	3,709	8,325	7,228
Cash and cash equivalents at the end of the year	179,900	204,935	317,989

Net Cash Flows from Operating Activities

Net cash flows from operating activities in 2025, was RMB588.5 million, which primarily consists of profit before tax of RMB797.0 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items primarily include (i) depreciation of property, plant and equipment of RMB35.3 million, (ii) depreciation of right-of-use assets of RMB14.6 million, and (iii) write-down of inventories to net realisable value of RMB18.1 million. The amount was further adjusted by changes in working capital, primarily attributable to (i) an increase in inventories of RMB134.3 million, and (ii) an increase in trade receivables of RMB90.7 million, partially offset by (i) an increase in other payables and accruals of RMB44.8 million, and (ii) an increase in contract liabilities of RMB30.8 million.

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Net cash flows from operating activities in 2024 was RMB112.8 million, which primarily consists of profit before tax of RMB264.6 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items, primarily include (i) depreciation of property, plant and equipment of RMB26.4 million, (ii) depreciation of right-of-use assets of RMB14.6 million, and (iii) net impairment losses of inventories of RMB12.3 million. The amount was further adjusted by changes in working capital, primarily attributable to (i) an increase in trade receivables of RMB185.6 million, and (ii) an increase in inventories of RMB114.6 million, partially offset by (i) an increase in trade payables of RMB106.9 million, and (ii) an increase in other payables and accruals of RMB20.3 million.

Net cash flows from operating activities in 2023 was RMB126.2 million, which primarily consists of profit before tax of RMB182.4 million, adjusted for certain non-cash and non-operating items. Adjustments for such non-cash and non-operating items, primarily include (i) depreciation of right-of-use assets of RMB15.5 million, and (ii) depreciation of property, plant and equipment of RMB7.0 million. The amount was further adjusted by changes in working capital, primarily attributable to (i) an increase in prepayments, deposits and other receivables of RMB38.5 million, and (ii) an increase in inventories of RMB39.9 million, partially offset by (i) an increase in trade payables of RMB41.4 million, and (ii) a decrease in trade receivables of RMB17.3 million.

Net Cash Flows Used in Investing Activities

Net cash flows used in investing activities in 2025 was RMB478.3 million, primarily due to (i) purchases of wealth management products and structured deposits of RMB2,054.6 million, and (ii) purchases of property, plant and equipment of RMB112.6 million, partially offset by proceeds from sale of wealth management products and structured deposits of RMB1,677.3 million.

Net cash flows used in investing activities in 2024 was RMB67.5 million, primarily due to (i) purchases of wealth management products and structured deposits of RMB682.9 million, and (ii) purchases of property, plant and equipment of RMB82.8 million, partially offset by proceeds from sale of wealth management products and structured deposits of RMB707.7 million.

Net cash flows used in investing activities in 2023 was RMB306.1 million, primarily due to (i) purchases of wealth management products and structured deposits of RMB1,087.4 million, and (ii) purchases of property, plant and equipment of RMB245.4 million, partially offset by proceeds from sale of wealth management products and structured deposits of RMB1,030.9 million.

Net Cash Flows from/Used in Financing Activities

Net cash flows used in financing activities in 2025 was RMB4.4 million, primarily due to (i) repayment of bank and other borrowings of RMB404.7 million, (ii) dividends paid to equity shareholders of RMB55.9 million, and (iii) principal portion of lease payments of RMB12.5 million, partially offset by new bank and other borrowings of RMB481.0 million.

Net cash flows used in financing activities in 2024 was RMB28.6 million, primarily due to (i) repayment of bank and other borrowings of RMB177.1 million, (ii) dividends paid to equity shareholders of RMB42.1 million, and (iii) principal portion of lease payments of RMB14.0 million, partially offset by new bank and other borrowings of RMB217.7 million.

Net cash flows from financing activities in 2023 was RMB188.6 million, primarily due to new bank and other borrowings of RMB242.2 million, partially offset by (i) dividends paid to equity shareholders of RMB32.3 million, and (ii) principal portion of lease payments of RMB14.7 million.

INDEBTEDNESS

As of February 28, 2026, being the most recent practicable date for the purpose of the indebtedness statement, we had total indebtedness of RMB450.8 million, including interest-bearing bank and other borrowings and lease liabilities.

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The following table sets forth our indebtedness as of the dates indicated.

	As of December 31,			As of
	2023	2024	2025	February 28, 2026
	(RMB in thousands)			
Current				
Interest-bearing bank and other borrowings	13,583	51,800	114,008	115,436
Lease liabilities	11,470	10,415	16,398	16,484
Non-current				
Interest-bearing bank and other borrowings	274,788	278,615	292,376	292,376
Lease liabilities	5,716	11,669	29,064	26,475
Total	305,557	352,499	451,846	450,771

Interest-Bearing Bank and Other Borrowings

The interest-bearing bank and other borrowings consists of (i) secured long term bank loans and (ii) secured other borrowings. The interest rates of our bank loans range from 1.2% to 4.0% during the Track Record Period. As of February 28, 2026, our unutilized banking facilities were RMB449.4 million. For details, see Note 27 to the Accountants’ Report included in Appendix I to this Document.

Lease Liabilities

The current portion of lease liabilities remained relatively stable at RMB11.5 million and RMB10.4 million as of December 31, 2023 and 2024, respectively. The current portion of lease liabilities further increased to RMB16.4 million as of December 31, 2025, primarily attributable to the increased lease for warehousing purpose in Jiangmen.

The non-current portion of lease liabilities increased from RMB5.7 million as of December 31, 2023 to RMB11.7 million as of December 31, 2024, primarily due to the new leases for offices and warehousing uses. The non-current portion of lease liabilities further increased to RMB29.1 million as of December 31, 2025, primarily attributable to the increased lease for warehousing purpose in Jiangmen.

Except as otherwise disclosed under the sections titled “— Indebtedness”, we did not have any material bank overdrafts, loans, or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, other recognized lease liabilities, guarantees, or other material contingent liabilities.

Our Directors confirm that as of the Latest Practicable Date, the agreements under our borrowings did not contain any covenants that would have a material and adverse effect on our ability to obtain additional borrowings or issue debt or equity securities in the future. Our Directors further confirm that we had no defaults in bank and other borrowings, nor did we breach any covenants (that were not waived) during the Track Record Period and up to the Latest Practicable Date. Additionally, our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulties in obtaining credit facilities, nor any withdrawal of facilities or requests for early repayment. Our Directors further confirm that there have been no material changes in our indebtedness since February 28, 2026 and up to the date of this Document.

CAPITAL EXPENDITURES

Our historical capital expenditures primarily included payments for the purchase of property, plant and equipment and intangible assets. In 2023, 2024 and 2025, our capital expenditures amounted to RMB247.3 million, RMB84.0 million and RMB122.9 million. We will continue to make capital expenditures to support the expected growth of our business and our expansion plans. For details, see “Future Plans and Use of [REDACTED] — Use of [REDACTED].” We intend to fund these future capital expenditures with financial resources available to us, including our existing cash and bank balances, unutilized banking facilities, cash flows generated from our operating activities and net [REDACTED] from the [REDACTED].

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CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and 2025, we had capital commitment related to property, plant and equipment, intangible assets, and leases in an aggregate amount of RMB7.6 million, RMB0.6 million and RMB154.9 million.

KEY FINANCIAL RATIOS

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

	As of/For the year ended December 31,		
	2023	2024	2025
Revenue growth	22.1%	46.8%	77.1%
Gross profit margin	42.1%	41.9%	49.6%
Net profit margin	12.8%	12.6%	21.6%
Adjusted net profits margin ⁽¹⁾	13.2%	12.9%	21.7%
Current ratio ⁽²⁾	1.9	1.7	1.4
Quick ratio ⁽³⁾	1.5	1.3	1.1
Return on equity ⁽⁴⁾	25.0%	28.0%	70.7%

Notes:

- (1) Calculated by adjusted net profit as of the end of the year divided by total revenue as of the end of the same year.
- (2) Calculated by current assets as of the end of the year divided by current liabilities as of the end of the same year.
- (3) Calculated by current assets as of the end of the year less inventories as of the end of the same year divided by current liabilities as of the end of the same year.
- (4) Calculated by profit for the year divided by the average of the beginning and ending balances of total equity for the same year and multiplied by 100%.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. For details of our related party transactions, see Note 36 to the Accountants’ Report included in Appendix I to this Document.

Our Directors are of the view that each of the related party transactions set out in Note 36 to the Accountants’ Report included in Appendix I to this Document was conducted in the ordinary course of business on an arm’s length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or cause our historical results to become non-reflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any material off-balance sheet arrangement.

CONTINGENT LIABILITIES

As of December 31, 2023 and 2024 and 2025, we did not have any contingent liabilities. Our Directors confirm that there has been no material change in our contingent liabilities as of the Latest Practicable Date.

FINANCIAL INFORMATION

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT FINANCIAL RISK

We are exposed to a variety of market and other financial risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk. We manage and monitor these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Interest Rate Risk

Our exposure to the risk of changes in market interest rates relates primarily to our long term debt obligations with a floating interest rate.

Our policy is to manage interest cost using a mix of fixed and variable rate debts. We enter into interest rate swaps, in which we agree to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Foreign Currency Risk

We have transactional currency exposures. Such exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units' functional currencies.

Credit Risk

We trade mainly with recognized and creditworthy third parties. It is our policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Liquidity Risk

We monitor our risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both our financial instruments and financial assets, such as trade receivables, and projected cash flows from operations.

DIVIDENDS

During the Track Record Period, we have declared dividend of RMB32.3 million, RMB42.1 million and RMB455.9 million for the year ended December 31, 2023, 2024 and 2025, respectively. After the Track Record Period and as of the date of this Document, we did not declare any dividends to our Shareholders.

According to applicable laws in the PRC and our Articles of Association, dividends may be paid only out of distributable profit and we may distribute after-tax profits after making up losses and appropriation of statutory reserves. Any future determination to pay dividends, as well as the amount will be made at the discretion of our Board of Directors which will be subject to the shareholder approval processes and may be based on a number of factors, including but not limited to our future operations and earnings, capital requirements and surplus, cash flows and general financial condition, contractual restrictions, taxation and other factors from time to time that the Board of Directors may deem relevant, and will also be subject to our Articles of Association and constitutional documents, as well as applicable laws and regulations. Any future declarations and payments of dividends may or may not reflect the historical declarations and payments of dividends.

FINANCIAL INFORMATION

WORKING CAPITAL SUFFICIENCY

Our Directors are of the opinion taking into account the financial resources available to our Group, including the estimated net [REDACTED] from the [REDACTED], the expected cash flows generated from operating activities, cash and cash equivalents, and unutilized banking facilities, we have sufficient working capital for our present requirements and for the next 12 months from the date of this Document.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we have distributable reserves of RMB252.0 million.

[REDACTED] EXPENSES

Our [REDACTED] expenses mainly include (i) [REDACTED]-related expenses, such as [REDACTED] fees and [REDACTED], and (ii) non-[REDACTED]-related expenses, comprising professional fees paid to our legal advisers and reporting accountants for their services rendered in relation to the [REDACTED] and the [REDACTED], and other fees and expenses. Assuming full payment of the discretionary incentive fee, the estimated total [REDACTED] expenses (based on the mid-point of the [REDACTED] range and [assuming that the [REDACTED] is not exercised]) for the [REDACTED] are approximately RMB[REDACTED], accounting for approximately [REDACTED]% of our gross [REDACTED]. Among such estimated total [REDACTED] expenses, we expect to pay [REDACTED]-related expenses of RMB[REDACTED], professional fees for our legal advisers and reporting accountants of RMB[REDACTED] and other fees and expenses of RMB[REDACTED]. An estimated amount of RMB[REDACTED] for our [REDACTED] expenses, accounting for approximately [REDACTED]% of our gross [REDACTED], is expected to be expensed through the statement of profit or loss and an estimated amount of RMB[REDACTED] is expected to be recognized directly as a deduction from equity upon the [REDACTED]. We did not recognize any [REDACTED] expenses in 2023 and 2024. We recognized [REDACTED] expenses of RMB[REDACTED] in 2025, in our consolidated statements of profit or loss and other comprehensive income.

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of the Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of the periods reported on in the Accountants’ Report set out in Appendix I to this Document, and there had been no event since December 31, 2025, that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this Document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

Please refer to “Appendix II — Unaudited [REDACTED] Financial Information” for further details.

FINANCIAL INFORMATION

PROPERTY INTERESTS AND PROPERTY VALUATION REPORT

Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent property valuer, set out in Appendix III of this Document, sets out details of our property interests as of February 28, 2026. Jones Lang LaSalle Corporate Appraisal and Advisory Limited valued our property interests at an amount of RMB424.4 million as of February 28, 2026.

A reconciliation of the net book value of our property interests as of December 31, 2025 as set out in Accountants’ Report in Appendix I to their market value as of February 28, 2026 as stated in the property valuation report in Appendix III is set out below:

	<i>(RMB in thousands)</i>
Net book value of the property interests as of December 31, 2025	405,959
Addition	9,743
Depreciation	(2,215)
Net book value of the property interests as of February 28, 2026	413,487
Fair value gain.	<u>10,913</u>
Market value of the property interests as of February 28, 2026 as set out in the property valuation report in Appendix III to this Document	<u><u>424,400</u></u>

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Growth Strategies” for a detailed description of our future plans.

USE OF [REDACTED]

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

In line with our strategies, we intend to use the net [REDACTED] for the following purposes, subject to changes with respect to our evolving business needs and changing market conditions:

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to optimizing and expanding our global manufacturing network, further strengthening our production capacity in key markets.

- (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to enhance our production capacity.

We will increase production capacity in China and potentially overseas key markets by building new factories. This will enhance our production scale and quality, optimize our capacity utilization and deployment, globalize our production and supply chain layout, and optimize logistics time and costs to better capture the rapidly growing market demand and serve international customers with localized product offerings.

- (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to upgrade our existing production facility.

We plan to expand the capacity of our factories in China and the factory under construction in Vietnam. This will be achieved through technical and equipment upgrades, which will lower our unit production costs by enabling economies of scale.

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to expand the international presence of our operations and deepen the global sales channel network.

- (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to broaden the coverage of our global sales channels.

We plan to broaden the coverage of our global sales channels, including increasing penetration in China, North America, Europe and other markets. Specific measures include: (i) deepening domestic omni-channel coverage and penetration, (ii) increasing penetration and shelf presence in existing overseas channels, and (iii) collaborating with more online platforms to increase our market share in key markets.

- (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to establish local sales and operational teams both domestically and overseas.

To expand and accelerate penetration into international markets, we plan to hire and retain local talent for various business functions, and lease offices.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to continuously advancing global brand building and localized marketing to enhance the global influence of our brand.
 - (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to invest in targeted marketing initiatives in markets including China, Europe and the U.S., to increase brand awareness. First, we plan to enhance the promotion and marketing efforts of our brand and products on social media. In addition, we will conduct localized brand campaigns in key overseas markets, actively participate in or sponsor official international events, incorporate local elements, and enhance brand influence and affinity.
 - (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to develop space that enables interactive and immersive confectionery-themed experience.

We plan to develop collaborations such as premium candy experience spaces in key markets, for example, upgrading a “Candy Dream Factory” or partnering with overseas retail stores to create real-world, interactive consumer experience spaces, complementing our global brand image and premium perception.

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strength our R&D investment to achieve global product R&D expansion and product portfolio enhancement.
 - (i) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to deeply cultivate our existing product portfolio and for R&D iteration, as well as establish new R&D centers globally.

We plan to leverage our candy innovation and knowhow of the Amos brand, iterating more flavors and play patterns for core blockbuster products to extend product lifecycle; and strengthen the nutritional candy characteristics of Biobor, developing candy products with more nutritional features to build a rich nutritional candy product portfolio. In addition, we will invest in the development of new brand products, creating a richer product and brand portfolio.

- (ii) Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to continuously invest in product development and manufacturing technology R&D and application.

We will invest in food science, and R&D of raw materials and production processes, and strengthen our competitiveness through increasing patents portfolio to maintain our product appeal and competitiveness.

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to comprehensive corporate digital transformation and upgrading.

We plan to invest in the digital and intelligent transformation and upgrading of our global supply chain system, empowering production breakthroughs with leading technologies such as AI to enhance the production efficiency of our supply chain system.

In addition, we will also invest in digital and intelligent transformation and upgrading of our enterprise operations, including the construction of corporate ERP system to enable data-driven decision-making and operations in areas such as marketing, R&D, and consumer insights.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be allocated to potential investment and acquisition opportunities.

We plan to seek potential acquisition targets globally, investing in and acquiring brands or products in existing or adjacent product categories that complement and enrich our product offerings, strengthen our brand portfolios, enhance our overall market share and drive future growth. We will also target potential opportunities to increase or optimize production capacity domestically and overseas. As of the Latest Practicable Date, we have not identified any potential investment or acquisition target or entered into any definite investment or acquisition agreement; and

- Approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for working capital and general corporate purposes.

These funds will provide financial flexibility to support our ongoing operational needs and general corporate requirements.

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED] range, the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED] or HK\$[REDACTED], respectively. If we make an upward or downward [REDACTED] adjustment to set the final [REDACTED] to be above or below the mid-point of the [REDACTED] range, we will increase or decrease the allocation of the net [REDACTED] to the above purposes on a pro rata basis.

The additional net [REDACTED] that we would receive if the [REDACTED] was exercised in full would be (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the maximum [REDACTED] of the indicative [REDACTED] range), (ii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range) and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the minimum [REDACTED] of the indicative [REDACTED] range). We intend to apply the additional net [REDACTED] to the above uses on a pro rata basis.

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes or if we are unable to effect any part of our future development plans as intended, we may hold such funds in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR THE [REDACTED]

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HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report, prepared for inclusion in this Document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Document.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF AMOS FOOD (GROUP) CO., LTD AND MERRILL LYNCH (ASIA PACIFIC) LIMITED, CHINA MERCHANTS SECURITIES (HK) CO., LTD AND J.P. MORGAN SECURITIES (FAR EAST) LIMITED

Introduction

We report on the historical financial information of Amos Food (Group) Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-54, which comprises the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 (the “Relevant Periods”), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-54 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the “Document”) in connection with the [REDACTED] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX I

ACCOUNTANTS’ REPORT

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of preparation set out in note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to note 12 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Relevant Periods.

Certified Public Accountants

Hong Kong

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the “Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	1,070,381	1,571,251	2,782,069
Cost of sales		(619,605)	(912,573)	(1,402,289)
Gross profit		450,776	658,678	1,379,780
Other income and gains	6	15,542	18,056	18,785
Selling and distribution expenses		(198,924)	(266,656)	(429,503)
Administrative expenses		(73,826)	(107,416)	(135,225)
Research and development expenses		(7,292)	(15,279)	(18,258)
Impairment losses on financial instruments, net . .		(360)	(6,250)	(3,520)
Other expenses		(2,136)	(2,358)	(3,045)
Finance costs	8	(1,337)	(14,173)	(11,985)
PROFIT BEFORE TAX	7	182,443	264,602	797,029
Income tax expense	11	(45,400)	(66,271)	(197,008)
PROFIT FOR THE YEAR		137,043	198,331	600,021
Attributable to:				
Owners of the parent		137,043	198,331	600,021
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)		2.74	3.97	12.00

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
PROFIT FOR THE YEAR	<u>137,043</u>	<u>198,331</u>	<u>600,021</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	<u>63</u>	<u>1,013</u>	<u>(7,124)</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	<u>63</u>	<u>1,013</u>	<u>(7,124)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	<u>63</u>	<u>1,013</u>	<u>(7,124)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>137,106</u>	<u>199,344</u>	<u>592,897</u>
Attributable to:			
Owners of the parent	<u>137,106</u>	<u>199,344</u>	<u>592,897</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	497,802	569,082	563,940
Right-of-use assets	15(a)	40,735	45,058	66,328
Other intangible assets	16	2,163	2,346	6,116
Deferred tax assets	28	7,821	10,383	12,948
Time deposits	23	10,663	—	—
Other non-current assets	18	11,896	19,146	64,412
Total non-current assets		571,080	646,015	713,744
CURRENT ASSETS				
Inventories	19	103,388	205,653	321,796
Trade receivables	20	99,414	278,736	365,880
Prepayments, other receivables and other assets	21	75,808	76,158	98,718
Prepaid income tax		1,324	3,040	1,799
Financial assets at fair value through profit or loss	22	80,325	59,487	442,767
Restricted cash	23	3,620	1,018	1,816
Time deposits	23	2,374	21,910	—
Cash and cash equivalents	23	179,900	204,935	317,989
Total current assets		546,153	850,937	1,550,765
CURRENT LIABILITIES				
Trade payables	24	114,983	221,914	233,384
Other payables and accruals	25	110,297	136,523	554,183
Contract liabilities	26	28,780	29,697	60,490
Interest-bearing bank and other borrowings	27	13,583	51,800	114,008
Lease liabilities	15(b)	11,470	10,415	16,398
Tax payable		10,310	36,423	114,892
Total current liabilities		289,423	486,772	1,093,355
NET CURRENT ASSETS		256,730	364,165	457,410
TOTAL ASSETS LESS CURRENT LIABILITIES				
		827,810	1,010,180	1,171,154
NON-CURRENT LIABILITIES				
Interest-bearing bank and other borrowings	27	274,788	278,615	292,376
Lease liabilities	15(b)	5,716	11,669	29,064
Other payables and accruals	25	—	11,243	839
Deferred tax liabilities	28	53	—	—
Total non-current liabilities		280,557	301,527	322,279
NET ASSETS		547,253	708,653	848,875
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital	29	15,995	15,995	15,995
Reserves	31	531,258	692,658	832,880
Total equity		547,253	708,653	848,875

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

Note	Attributable to owners of the parent								
	Paid-in capital	Capital reserve*	Equity-settled share-based payment reserve*	Statutory reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(note 29)	(note 31(a))	(note 31(b))	(note 31(c))					
At 1 January 2023	15,995	199,233	9,579	3,591	(191)	209,659	437,866	2,447	440,313
Profit for the year	—	—	—	—	—	137,043	137,043	—	137,043
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations . .	—	—	—	—	63	—	63	—	63
Total comprehensive income for the year . .	—	—	—	—	63	137,043	137,106	—	137,106
Acquisition of non-controlling interests . .	—	14	—	—	—	—	14	(2,447)	(2,433)
Share-based payment compensation	—	—	4,598	—	—	—	4,598	—	4,598
Cash dividends 12	—	—	—	—	—	(32,331)	(32,331)	—	(32,331)
Transfer from retained profits	—	—	—	6,514	—	(6,514)	—	—	—
At 31 December 2023 . .	15,995	199,247	14,177	10,105	(128)	307,857	547,253	—	547,253

Year ended 31 December 2024

Note	Attributable to owners of the parent							Non-controlling interests	Total equity
	Paid-in capital	Capital reserve*	Equity-settled share-based payment reserve*	Statutory reserve*	Exchange fluctuation reserve*	Retained profits*	Total		
	RMB'000 (note 29)	RMB'000 (note 31(a))	RMB'000 (note 31(b))	RMB'000 (note 31(c))	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	15,995	199,247	14,177	10,105	(128)	307,857	547,253	–	547,253
Profit for the year	–	–	–	–	–	–	198,331	–	198,331
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	–	1,013	–	–	1,013
Total comprehensive income for the year	–	–	–	–	–	1,013	198,331	–	199,344
Share-based payment compensation	–	–	4,167	–	–	–	–	–	4,167
Cash dividends 12	–	–	–	–	–	–	(42,111)	–	(42,111)
At 31 December 2024	<u>15,995</u>	<u>199,247</u>	<u>18,344</u>	<u>10,105</u>	<u>885</u>	<u>464,077</u>	<u>708,653</u>	<u>–</u>	<u>708,653</u>

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Year ended 31 December 2025

Attributable to owners of the parent							
Note	Paid-in capital	Capital reserve*	Equity-settled share-based payment reserve*	Statutory reserve*	Exchange fluctuation reserve*	Retained profits*	Total equity
	RMB'000 (note 29)	RMB'000 (note 31(a))	RMB'000 (note 31(b))	RMB'000 (note 31(c))	RMB'000	RMB'000	RMB'000
At 1 January 2025	15,995	199,247	18,344	10,105	885	464,077	708,653
Profit for the year	–	–	–	–	–	600,021	600,021
Other comprehensive income for the year:							
Exchange differences on translation of foreign operations	–	–	–	–	(7,124)	–	(7,124)
Total comprehensive income for the year . . .	–	–	–	–	(7,124)	600,021	592,897
Share-based payment compensation	–	–	3,238	–	–	–	3,238
Dividends declared 12	–	–	–	–	–	(455,913)	(455,913)
Vesting of share-based payment	–	21,582	(21,582)	–	–	–	–
At 31 December 2025 . . .	<u>15,995</u>	<u>220,829</u>	<u>–</u>	<u>10,105</u>	<u>(6,239)</u>	<u>608,185</u>	<u>848,875</u>

* These reserve accounts comprise the consolidated reserves of RMB531,258,000, RMB692,658,000 and RMB832,880,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

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ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOW

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax:		182,443	264,602	797,029
Adjustments for:				
Finance costs	8	1,337	14,173	11,985
Bank interest income	6	(892)	(2,843)	(2,799)
Losses on disposal of property, plant and equipment	7	26	648	337
Gains on disposal of right-of-use assets	6	(599)	—	—
Fair value gains on financial assets at fair value through profit or loss	6	(3,828)	(3,575)	(6,271)
Depreciation of property, plant and equipment	14	7,001	26,440	35,302
Depreciation of right-of-use assets	15(a)	15,543	14,584	14,603
Amortisation of intangible assets	16	295	456	607
Impairment losses on financial assets, net . .	7	360	6,250	3,520
Write-down of inventories to net realisable value	7	5,482	12,331	18,126
Foreign exchange gains, net	6	(3,709)	(8,325)	(7,228)
Equity-settled share-based payment expense .	7	4,598	4,167	3,238
Other non-cash expenses		785	6,664	9,429
		208,842	335,572	877,878
Increase in inventories		(39,939)	(114,596)	(134,269)
Decrease/(increase) in trade receivables		17,310	(185,572)	(90,664)
(Increase)/decrease in prepayments, deposits and other receivables		(38,499)	1,410	(22,884)
Increase in other non-current assets		(9,121)	(12,566)	(10,636)
Increase in trade payables		41,440	106,931	11,470
Increase in other payables and accruals		2,568	20,307	44,791
Increase in contract liabilities		2,100	917	30,793
(Increase)/decrease in restricted cash		(3,620)	2,602	(798)
Cash generated from operations		181,081	155,005	705,681
Interest received		557	2,297	2,714
Income tax paid		(55,439)	(44,489)	(119,863)
Net cash flows from operating activities		126,199	112,813	588,532

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	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property, plant and equipment . . .		(245,431)	(82,764)	(112,588)
Proceeds from disposal of items of property, plant and equipment		–	44	3
Purchase of other intangible assets		(1,826)	(1,228)	(10,305)
Purchases of wealth management products and structured deposits		(1,087,438)	(682,939)	(2,054,648)
Proceeds from sale of wealth management products and structured deposits		1,030,941	707,677	1,677,261
Purchases of time deposits		(2,374)	(10,716)	–
Proceeds from sale of time deposits		–	2,390	21,995
Net cash flows used in investing activities . . .		<u>(306,128)</u>	<u>(67,536)</u>	<u>(478,282)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank and other borrowings		242,181	217,717	481,004
Repayment of bank and other borrowings . . .		(290)	(177,126)	(404,692)
Dividends paid		(32,331)	(42,111)	(55,913)
Principal portion of lease payments		(14,707)	(14,009)	(12,495)
Interest portion of lease payments		(1,136)	(824)	(1,128)
Interest paid		<u>(5,083)</u>	<u>(12,214)</u>	<u>(11,200)</u>
Net cash flows from/(used in) financing activities		<u>188,634</u>	<u>(28,567)</u>	<u>(4,424)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,705	16,710	105,826
Cash and cash equivalents at beginning of year		167,486	179,900	204,935
Effect of foreign exchange differences, net . . .		<u>3,709</u>	<u>8,325</u>	<u>7,228</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	23	<u>179,900</u>	<u>204,935</u>	<u>317,989</u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances	23	<u>179,900</u>	<u>204,935</u>	<u>317,989</u>
Cash and cash equivalents as stated in the statement of cash flows		<u>179,900</u>	<u>204,935</u>	<u>317,989</u>

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STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		As at 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment	14	3,328	2,810	3,257
Right-of-use assets		995	142	2,710
Other intangible assets	16	48	28	3,883
Investment in subsidiaries	17	71,831	311,741	313,472
Deferred tax assets		2,215	684	824
Other non-current assets	18	154	278	225
Total non-current assets		78,571	315,683	324,371
CURRENT ASSETS				
Inventories	19	2,516	8,454	8,695
Trade receivables	20	27,670	34,948	55,240
Prepayments, other receivables and other assets	21	352,868	309,565	514,725
Financial assets at fair value through profit or loss	22	70,322	50,447	198,064
Time deposits	23	–	10,911	–
Cash and cash equivalents	23	25,804	39,832	73,056
Total current assets		479,180	454,157	849,780
CURRENT LIABILITIES				
Trade payables	24	136,638	162,822	106,258
Other payables and accruals	25	128,583	144,996	463,476
Contract liabilities	26	1,196	1,243	818
Interest-bearing bank and other borrowings	27	5,888	9,609	–
Lease liabilities		880	152	623
Tax payable		4,941	29,421	87,522
Total current liabilities		278,126	348,243	658,697
NET CURRENT ASSETS		201,054	105,914	191,083
TOTAL ASSETS LESS CURRENT LIABILITIES				
		279,625	421,597	515,454
NON-CURRENT LIABILITIES				
Lease liabilities		152	–	2,120
Total non-current liabilities		152	–	2,120
NET ASSETS		279,473	421,597	513,334
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital	29	15,995	15,995	15,995
Reserves	31	263,478	405,602	497,339
Total equity		279,473	421,597	513,334

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Amos Food (Group) Co., Ltd., (the “Company”, previously name as “Shenzhen AMOS Sweets & Foods Co., Ltd. (深圳市金多多食品有限公司)”) was incorporated and registered in the People’s Republic of China (hereinafter referred to as “PRC”) as a limited liability company in September 2004. On 10 March 2026, the Company was converted into a joint stock company (further details of which are set out in note 29(a) to the Historical Financial Information). The registered office of the Company is located at Futian Bonded Area, Xinruike Building, 6th Floor, Zone C, Fubao Subdistrict, Futian District, Shenzhen, Guangdong Province, the PRC.

During the Relevant Periods, the Company and its subsidiaries (together as the “Group”) were involved in design, manufacturing and sales of candy and confectionery products.

As at the date of this report and during the Relevant Periods, the particulars of the Company’s principal subsidiaries are set out below:

Name*	Notes	Place of registration and operation and date of establishment	Registered capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Shenzhen Amos Food Marketing Co., Ltd. (深圳市金多多食品營銷有限公司)*	(b)	PRC/ Chinese Mainland 23 May 2011	RMB4,000,000	100%	–	Sales within Chinese Mainland
AMOS SWEET CO., LTD (深圳市阿麥斯食品科技有限公司)*	(b)	PRC/ Chinese Mainland 13 January 2006	RMB10,240,000	100%	–	Research and development (“R&D”) and manufacturing of food products
Amos Food (Guangdong) Co., Ltd. (阿麥斯(廣東)食品科技有限公司)*	(b)	PRC/ Chinese Mainland 15 July 2020	RMB250,000,000	100%	–	R&D and manufacturing of food products
Amos Food (HK) Limited (阿麥斯食品(香港)有限公司)	(c)	Hong Kong 12 August 2020	100,000 Shares	100%	–	Overseas Sales Platform
AMOS SWEETS INC.	(c)	USA 28 September 2020	USD20,000	–	100%	Overseas Sales Platform
Biobor Health (Guangdong) Co., Ltd. (貝歐寶(廣東)健康科技有限公司)*	(b)	PRC/ Chinese Mainland 17 March 2023	RMB10,000,000	100%	–	Manufacturing of nutritional food
Shenzhen AMOS E-commerce Co., Ltd. (深圳市金多多電子商務有限公司)*	(b)	PRC/ Chinese Mainland 13 May 2016	RMB1,000,000	–	100%	Online sales within Chinese Mainland

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

* The English names of these companies are translation of their respective Chinese names for identification purpose only as they have not registered any official English names.

Notes:

- The statutory financial statements of the Company for the years ended 31 December 2023 and 2024 prepared in accordance with the China Accounting Standards for Business Enterprises (“CAS”) were audited by RSM China CPA LLP, Shenzhen Branch (容誠會計師事務所(特殊普通合夥)深圳分所). No audited financial statements have been prepared for the Company for the year ended 31 December 2025.
- The statutory financial statements of these companies for the years ended 31 December 2023 and 2024 prepared in accordance with the CAS were audited by Shenzhen Dinyu Certified Public Accountants Firm (General Partnership) (深圳市鼎譽會計師事務所(普通合夥)). No audited financial statements have been prepared for these companies for the year ended 31 December 2025.
- No audited statutory financial statements have been prepared for these companies since their incorporation or establishment.

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2.1 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the “IASB”).

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2025, together with the relevant transitional provisions, have been consistently adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for certain financial instruments which have been measured at fair value.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

• Amendments to IFRS 10 and IAS 28 . . .	• <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ¹
• Amendments to IFRS 9 and IFRS 7 . . .	• <i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
• Amendments to IFRS 9 and IFRS 7 . . .	• <i>Contracts Referencing Nature-dependent Electricity</i> ²
• <i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	• Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 ²
• IFRS 18	• <i>Presentation and Disclosure in Financial Statements</i> ³
• IFRS 19 and its amendments	• <i>Subsidiaries without Public Accountability: Disclosures</i> ³
• Amendments to IAS 21	• <i>Translation to a Hyperinflationary Presentation Currency</i> ³

1 No mandatory effective date yet determined but available for adoption

2 Effective for annual periods beginning on or after 1 January 2026

3 Effective for annual periods beginning on or after 1 January 2027

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The Group is in the process of making an assessment of the impact of these new and revised IFRS Accounting Standards upon initial application. So far, the Group considers that these new and revised IFRS Accounting Standards, except for IFRS 18, may result in changes in certain accounting policies but are unlikely to have a significant impact on the Group’s financial performance and financial position in the period of initial application. The application of IFRS 18 is not expected to have a material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statements of profit or loss and other comprehensive income and disclosures in the future financial information. The Group will continue to assess the impact of IFRS 18 on the Group’s financial information.

2.3 MATERIAL ACCOUNTING POLICY INFORMATION

Fair value measurement

The Group measures certain financial instruments at fair value at the end of each of the Relevant Periods. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each of the Relevant Periods.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the Relevant Periods as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person’s family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

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or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives used for this purpose are as follows:

Category	Useful Life (Years)	Salvage value rate	Annual depreciation rate
		(%)	(%)
Buildings	30	5	3.17
Machinery	5 to 10	5	19 to 9.5
Furniture, fixtures and office equipment	5	5	19
Motor vehicles & others	5	5	19
Leasehold improvements	Shorter of remaining lease terms and estimated useful lives		

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at the end of each of the Relevant Periods.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of the Relevant Periods.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 to 10 years based on the Group’s past experiences, usages of the software and the authorised period for such uses.

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Trademark

Trademark are shown at historical cost. Trademark had finite useful lives and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademark over its estimated useful life of 4 to 10 years.

Research and development expenses

All research costs are charged to the consolidated statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Categories	Estimated useful lives
Land use right	50 years
Warehouses and office premises	2-8 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group’s lease liabilities are presented separately in the consolidated statement of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of warehouses and office premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

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Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on the equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group’s consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group’s continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade payables, other payables and accruals and interest-bearing bank borrowings.

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Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade payables, other payables and accruals and interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the consolidated statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each of the Relevant Periods between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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The carrying amount of deferred tax assets is reviewed at the end of each of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each of the Relevant Periods and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the Relevant Periods.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the consolidated statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(a) Sale of products

The Group primarily sells its products to customers mainly through offline channels such as retailer and offline distributors and online channels. Revenue from the sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally upon the acceptance by the customer.

Some contracts for the sale of products provide customers with rights of return and volume rebates, giving rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(ii) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

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Share-based payment

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using the discounted cash flow model, further details of which are given in note 30 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

Other employee benefits

Pension scheme

The employees of the Company and Group’s subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. The Company and these subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the Relevant Periods

If the Group receives information after the Relevant Periods, but prior to the date of authorisation for issue, about conditions that existed at the end of the relevant period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its consolidated financial statements to reflect any adjusting events after the relevant period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the relevant period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Interim dividends are simultaneously proposed and declared, consequently, interim dividends are recognised immediately as a liability when they are proposed and declared. Dividends are disclosed in note 12 to the Historical Financial Information.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each of the Relevant Periods. Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss.

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Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of each of the Relevant Periods, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of each of the Relevant Periods and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group’s Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group’s accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary difference can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are contained in note 28 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each of the Relevant Periods, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Variable consideration for returns and volume rebates

The Group estimates variable consideration to be included in the transaction price for the sale of products with rights of return and volume rebates.

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of each product to estimate expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group.

The Group’s expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer is likely to be entitled to a rebate depends on the customer’s historical rebate entitlement and accumulated purchases to date.

The Group has applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold. The model uses the historical purchasing patterns and rebate entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group’s past experience regarding returns and rebate entitlements may not be representative of customers’ actual returns and rebate entitlements in the future.

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Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group’s historical observed default rates. The Group calibrated the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products, consumer price index, deposit reserve ratio, inflation rate and rate of unemployment) are expected to deteriorate over the next year which can lead to an increased number of defaults in the retail sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of a customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in note 19 to the Historical Financial Information.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group “would have to pay”, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Provision for inventory write-down

The Group measures inventory at the lower of cost and net realisable value in accordance with its accounting policy. A provision for inventory write-down is recognised when the cost of inventory exceeds its net realisable value, or for obsolete and slow-moving items which are identified as no longer suitable for sale or use based on sales forecasts. Identifying impairment of inventory requires management to exercise judgement and make estimates based on conclusive evidence, taking into account factors such as the purpose for holding the inventory, current market conditions and the impact of events occurring after the balance sheet date. Differences between actual outcomes and previous estimates will affect the carrying amount of inventory and the recognition or reversal of inventory write-down provisions in the period in which the estimates are revised.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is not organised into business units based on their products and only has one reportable operating segment. Management monitors the operating results of the Group’s operating segment as a whole for the purpose of making decisions about resource allocation and performance assessment.

Geographical information

(a) Revenue from customers

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Chinese Mainland	502,805	499,616	635,616
Outside-Chinese Mainland	567,576	1,071,635	2,146,453
Total	<u>1,070,381</u>	<u>1,571,251</u>	<u>2,782,069</u>

The revenue information of continuing operations above is based on the locations of the customers.

(b) Non-current assets

Majority of the non-current assets of the Group were located in Chinese Mainland. Thus, no geographic information of non-current assets is presented.

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Information about major customers

Revenue from a single customer or a group of customers under common control which amounted to 10% or more is set out below:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Customer A	116,341	N/A*	N/A*

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group’s revenue during the respective period.

5. REVENUE

An analysis of revenue is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers			
Sale of products	1,070,381	1,571,251	2,782,069

Revenue from contracts with customers

(a) Disaggregated revenue information

The Group derives revenues at a point in time:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Timing of revenue recognition			
Goods transferred at a point in time	1,070,381	1,571,251	2,782,069

The following table shows the amounts of revenue recognised that were included in the contract liabilities at the beginning of each of the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sale of products	26,680	28,780	29,697

(b) Performance obligations

The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 90 days generally on receipt of the products by customer or upon the confirmation from customer, except for domestic distributors, where payment in advance is normally required. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

The Group has no revenue contract that has an original expected duration of more than one year, thus management has applied the practical expedient under IFRS 15 and is not required to disclose the aggregate amount of the transaction prices allocated to the performance obligations that are unsatisfied or partially satisfied as of the end of each of the Relevant Periods.

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6. OTHER INCOME AND GAINS

	Note	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Other income				
Bank interest income		892	2,843	2,799
Government grants – income	<i>i</i>	5,867	2,678	1,762
Others		647	635	725
Total other income		7,406	6,156	5,286
Gains				
Fair value gains on financial assets at fair value through profit or loss		3,828	3,575	6,271
Foreign exchange gains, net		3,709	8,325	7,228
Gains on termination or revision of leases		599	–	–
Total gains		8,136	11,900	13,499
Total other income and gains		15,542	18,056	18,785

i The government grants have been received by the Group for the purpose to encourage the business development. These grants related to income and assets which are credited to profit or loss immediately and are amortised over the useful lives of relevant assets, respectively. There are no unfulfilled conditions or contingencies related to those grants.

7. PROFIT BEFORE TAX

The Group’s profit before tax is arrived at after charging/(crediting):

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Cost of inventories sold		562,833	765,821	1,103,281
Depreciation of property, plant and equipment*		2,741	11,499	12,668
Depreciation of right-of-use assets*		11,383	9,069	10,206
Amortisation of other intangible assets*		295	456	607
Lease payments not included in the measurement of lease liabilities		4,182	3,013	3,867
Research and development expenses		1,417	7,141	6,720
Employee benefit expense* (including directors’ and chief executive’s remuneration as set out in note 9):				
Wages and salaries		129,346	148,063	224,357
Equity-settled share-based payment expense	<i>31</i>	4,598	4,167	3,238
Pension scheme contributions		12,047	15,272	21,995
Total		145,991	167,502	249,590
Foreign exchange differences, net		(3,709)	(8,325)	(7,228)
Impairment losses on financial assets, net	<i>20</i>	360	6,250	3,520
Write-down of inventories to net realisable value		5,482	12,331	18,126
Losses on disposal of items of property, plant and equipment		26	648	337
Bank interest income		(892)	(2,843)	(2,799)
Fair value gains on financial assets at fair value through profit or loss		(3,828)	(3,575)	(6,271)

* The depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of other intangible assets and employee benefit expense are included in “Selling and distribution expenses”, “Administrative expenses”, and “Research and development expenses” in profit or loss.

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8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest expenses on lease liabilities	1,136	824	1,128
Interest on bank and other borrowings	5,956	13,667	10,857
Total interest expense	7,092	14,491	11,985
Less: Interest capitalised*	(5,755)	(318)	–
Total	1,337	14,173	11,985

* The capitalisation rate used to determine the amount of borrowing costs eligible for capitalization is 3.9% to 4.0%.

9. DIRECTORS’ AND CHIEF EXECUTIVE’S REMUNERATION

Directors’ remuneration for the Relevant Periods, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	–	–	–
Other emoluments:			
Salaries, allowances and benefits in kind	5,949	5,906	5,918
Performance related bonuses	4,603	4,463	23,561
Pension scheme and social welfare	324	328	444
Total	10,876	10,697	29,923

(a) Independent non-executive directors

In March 2026, Mr. Liao Qian, Mr. Lin Sen and Mr. Wang Wenbo were appointed as the independent non-executive directors of the Company. There were no other fees or emoluments payable to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, a non-executive director and the chief executive:

	Year ended 31 December 2023			
	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme and social welfare	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:				
Mr. Ma Enduo (note i)	2,052	960	81	3,093
Mr. Ma Hongfan (note ii)	1,289	737	81	2,107
Ms. Wu Weijia (note iii)	1,647	2,415	81	4,143
Mr. Ye Hai (note iv)	961	491	81	1,533
Non-executive director:				
Mr. Cong Yonggang (v)	–	–	–	–
Total	5,949	4,603	324	10,876

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Year ended 31 December 2024				
	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme and social welfare	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:				
Mr. Ma Enduo (<i>note i</i>)	2,035	960	82	3,077
Mr. Ma Hongfan (<i>note ii</i>)	1,276	960	82	2,318
Ms. Wu Weijia (<i>note iii</i>)	1,637	1,960	82	3,679
Mr. Ye Hai (<i>note iv</i>)	958	583	82	1,623
Non-executive director:				
Mr. Cong Yonggang (<i>v</i>)	—	—	—	—
Total	<u>5,906</u>	<u>4,463</u>	<u>328</u>	<u>10,697</u>

Year ended 31 December 2025				
	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme and social welfare	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Executive directors:				
Mr. Ma Enduo (<i>note i</i>)	2,048	2,697	111	4,856
Mr. Ma Hongfan (<i>note ii</i>)	1,279	1,806	111	3,196
Ms. Wu Weijia (<i>note iii</i>)	1,633	18,155	111	19,899
Mr. Ye Hai (<i>note iv</i>)	958	903	111	1,972
Non-executive director:				
Mr. Cong Yonggang (<i>v</i>)	—	—	—	—
Total	<u>5,918</u>	<u>23,561</u>	<u>444</u>	<u>29,923</u>

Notes:

- (i) Mr. Ma Enduo was appointed as a director and the chief executive of the Company in September 2004.
- (ii) Mr. Ma Hongfan was appointed as a director of the Company in November 2013.
- (iii) Ms. Wu Weijia was appointed as a director of the Company in September 2004.
- (iv) Mr. Ye Hai was appointed as a director of the Company in September 2004.
- (v) Mr. Cong Yonggang was appointed as a director of the Company in November 2021.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during years ended 31 December 2023, 2024 and 2025 included four, four, and four directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration for the remaining one, one and one highest paid employee who was not a director of the Company during years ended 31 December 2023, 2024 and 2025, respectively, are as follows:

Year ended 31 December			
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Salaries, allowances and benefits in kind	959	948	949
Performance related bonuses	246	280	320
Pension scheme and social welfare	78	79	104
Share-based payments	1,982	1,982	1,817
Total	<u>3,265</u>	<u>3,289</u>	<u>3,190</u>

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

Year ended 31 December			
	2023	2024	2025
Nil to HKD 4,000,000.	1	1	1
	<u>—</u>	<u>—</u>	<u>—</u>

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11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and/or operate.

Hong Kong profit tax

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

PRC enterprise income tax

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the EIT rate of the Group’s PRC subsidiaries is 25% unless subject to tax exemption set out below.

Certain of the Group’s PRC subsidiaries are qualified as small and micro enterprises and were entitled to a preferential EIT rate of 5% for the taxable income below RMB3 million during the years ended 31 December 2023, 2024 and 2025.

United States

Under United States Internal Revenue Code, the subsidiaries established in United States are subject to a unified Federal CIT rate of 21% and variable state income and franchise tax ranging from 0.75% to 9.8% depends on which state the subsidiaries has nexus with.

Other overseas areas

The Company’s other overseas subsidiaries are subject to income tax at rates ranging from 8.25% to 30%.

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current income tax			
Charge for the year	48,471	68,886	198,569
Underprovision in prior years	5	–	1,004
Deferred income tax (note 28)	(3,076)	(2,615)	(2,565)
Total	<u>45,400</u>	<u>66,271</u>	<u>197,008</u>

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rates, are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Profit before tax	182,443	264,602	797,029
Tax charge at the statutory tax rate of 25%	45,611	66,151	199,257
Effect of different tax rates enacted by local authorities	(1,529)	(2,104)	(3,320)
Adjustments in respect of current tax of previous periods	5	–	1,004
Expenses not deductible for tax	2,235	3,049	1,199
Super deduction for research and development expenses	(1,399)	(1,628)	(1,601)
Tax losses and temporary difference not recognised	477	803	469
Tax charge at the Group’s effective rate	<u>45,400</u>	<u>66,271</u>	<u>197,008</u>

12. DIVIDENDS

On 25 June 2023, the Company declared final 2022 dividend of RMB32,331,000 to its shareholders. Such dividend was fully paid by August 2023.

On 26 June 2024, the Company declared final 2023 dividend of RMB42,111,000 to its shareholders. Such dividend was fully paid by July 2024.

On 26 June 2025, the Company declared final 2024 dividend of RMB55,913,000 to its shareholders. Such dividend was fully paid by July 2025.

On 26 August 2025, the Company declared an interim dividend of RMB400,000,000 to its shareholders. Such dividend was fully paid by March 2026.

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13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average numbers of ordinary shares in issue during the Relevant Periods. The weighted average numbers of ordinary shares in issue for the Relevant Periods before the conversion of the Company into a joint stock company were determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon conversion of the Company into a joint stock company on 1 March 2026.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December		
	2023	2024	2025
<u>Earnings</u>			
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation (RMB’000)	137,043	198,331	600,021
<u>Shares</u>			
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	50,000,000	50,000,000	50,000,000

No adjustment has been made to the basic earnings per share amounts presented for the Relevant Periods in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue.

14. PROPERTY, PLANT AND EQUIPMENT

The Group

	Buildings	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Construction in progress	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
31 December 2023							
At 1 January 2023:							
Cost	–	8,552	41,377	5,490	2,992	239,598	298,009
Accumulated depreciation	–	(3,143)	(15,158)	(2,744)	(2,163)	–	(23,208)
Net carrying amount	–	5,409	26,219	2,746	829	239,598	274,801
At 1 January 2023, net of accumulated depreciation	–	5,409	26,219	2,746	829	239,598	274,801
Additions	–	1,136	590	1,310	1,874	225,117	230,027
Transfers	44,594	–	41,210	–	–	(85,804)	–
Depreciation provided during the year	(177)	(2,261)	(3,388)	(822)	(353)	–	(7,001)
Disposals	–	–	(25)	–	–	–	(25)
At 31 December 2023, net of accumulated depreciation	44,417	4,284	64,606	3,234	2,350	378,911	497,802
At 31 December 2023:							
Cost	44,594	9,688	82,423	6,800	4,866	378,911	527,282
Accumulated depreciation	(177)	(5,404)	(17,817)	(3,566)	(2,516)	–	(29,480)
Net carrying amount	44,417	4,284	64,606	3,234	2,350	378,911	497,802

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	Buildings	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024							
At 1 January 2024:							
Cost	44,594	9,688	82,423	6,800	4,866	378,911	527,282
Accumulated depreciation . . .	(177)	(5,404)	(17,817)	(3,566)	(2,516)	–	(29,480)
Net carrying amount	<u>44,417</u>	<u>4,284</u>	<u>64,606</u>	<u>3,234</u>	<u>2,350</u>	<u>378,911</u>	<u>497,802</u>
At 1 January 2024, net of accumulated depreciation . . .	44,417	4,284	64,606	3,234	2,350	378,911	497,802
Additions	–	1,932	793	5,397	1,231	89,059	98,412
Transfer	371,122	–	76,740	9,837	–	(457,699)	–
Depreciation provided during the year	(10,370)	(2,410)	(10,587)	(2,360)	(713)	–	(26,440)
Disposals	–	–	(477)	(178)	(37)	–	(692)
At 31 December 2024, net of accumulated depreciation . . .	<u>405,169</u>	<u>3,806</u>	<u>131,075</u>	<u>15,930</u>	<u>2,831</u>	<u>10,271</u>	<u>569,082</u>
At 31 December 2024:							
Cost	415,716	11,620	157,459	21,520	5,492	10,271	622,078
Accumulated depreciation . . .	(10,547)	(7,814)	(26,384)	(5,590)	(2,661)	–	(52,996)
Net carrying amount	<u>405,169</u>	<u>3,806</u>	<u>131,075</u>	<u>15,930</u>	<u>2,831</u>	<u>10,271</u>	<u>569,082</u>
	Buildings	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025							
At 1 January 2025:							
Cost	415,716	11,620	157,459	21,520	5,492	10,271	622,078
Accumulated depreciation . . .	(10,547)	(7,814)	(26,384)	(5,590)	(2,661)	–	(52,996)
Net carrying amount	<u>405,169</u>	<u>3,806</u>	<u>131,075</u>	<u>15,930</u>	<u>2,831</u>	<u>10,271</u>	<u>569,082</u>
At 1 January 2025, net of accumulated depreciation . . .	405,169	3,806	131,075	15,930	2,831	10,271	569,082
Additions	–	3,235	369	5,041	246	21,609	30,500
Transfer	1,896	–	15,815	4,543	–	(22,254)	–
Depreciation provided during the year	(13,219)	(2,802)	(14,202)	(4,352)	(727)	–	(35,302)
Disposals	–	–	(248)	(86)	(6)	–	(340)
At 31 December 2025, net of accumulated depreciation . . .	<u>393,846</u>	<u>4,239</u>	<u>132,809</u>	<u>21,076</u>	<u>2,344</u>	<u>9,626</u>	<u>563,940</u>
At 31 December 2025:							
Cost	417,612	14,855	172,164	30,724	5,612	9,626	650,593
Accumulated depreciation . . .	(23,766)	(10,616)	(39,355)	(9,648)	(3,268)	–	(86,653)
Net carrying amount	<u>393,846</u>	<u>4,239</u>	<u>132,809</u>	<u>21,076</u>	<u>2,344</u>	<u>9,626</u>	<u>563,940</u>

At 31 December 2023, the Group’s buildings and construction in progress with a carrying value of RMB345,000,000 were pledged to secure banking facilities granted to the Group (note 27).

At 31 December 2024 and 2025, the Group’s buildings and machinery with a carrying value of RMB412,388,000 and RMB433,198,000, respectively were pledged to secure banking facilities granted to the Group (note 27).

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	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2023					
At 1 January 2023:					
Cost	573	5	708	571	1,857
Accumulated depreciation	(573)	(5)	(358)	(36)	(972)
Net carrying amount	<u>–</u>	<u>–</u>	<u>350</u>	<u>535</u>	<u>885</u>
At 1 January 2023, net of accumulated depreciation	–	–	350	535	885
Additions	622	–	500	1,784	2,906
Depreciation provided during the year	(83)	–	(130)	(250)	(463)
At 31 December 2023, net of accumulated depreciation	<u>539</u>	<u>–</u>	<u>720</u>	<u>2,069</u>	<u>3,328</u>
At 31 December 2023:					
Cost	1,195	5	1,208	2,355	4,763
Accumulated depreciation	(656)	(5)	(488)	(286)	(1,435)
Net carrying amount	<u>539</u>	<u>–</u>	<u>720</u>	<u>2,069</u>	<u>3,328</u>
	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2024					
At 1 January 2024:					
Cost	1,195	5	1,208	2,355	4,763
Accumulated depreciation	(656)	(5)	(488)	(286)	(1,435)
Net carrying amount	<u>539</u>	<u>–</u>	<u>720</u>	<u>2,069</u>	<u>3,328</u>
At 1 January 2024, net of accumulated depreciation	539	–	720	2,069	3,328
Additions	–	–	342	–	342
Depreciation provided during the year	(207)	–	(206)	(447)	(860)
At 31 December 2024, net of accumulated depreciation	<u>332</u>	<u>–</u>	<u>856</u>	<u>1,622</u>	<u>2,810</u>
At 31 December 2024:					
Cost	1,195	5	1,550	2,355	5,105
Accumulated depreciation	(863)	(5)	(694)	(733)	(2,295)
Net carrying amount	<u>332</u>	<u>–</u>	<u>856</u>	<u>1,622</u>	<u>2,810</u>

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	Leasehold improvements	Machinery	Furniture, fixtures and office equipment	Motor vehicles & others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
31 December 2025					
At 1 January 2025:					
Cost	1,195	5	1,550	2,355	5,105
Accumulated depreciation	(863)	(5)	(694)	(733)	(2,295)
Net carrying amount	<u>332</u>	<u>—</u>	<u>856</u>	<u>1,622</u>	<u>2,810</u>
At 1 January 2025, net of accumulated depreciation	332	—	856	1,622	2,810
Additions	—	—	1,415	—	1,415
Depreciation provided during the year	(207)	—	(313)	(448)	(968)
At 31 December 2025, net of accumulated depreciation	<u>125</u>	<u>—</u>	<u>1,958</u>	<u>1,174</u>	<u>3,257</u>
At 31 December 2025:					
Cost	1,195	5	2,965	2,355	6,520
Accumulated depreciation	(1,070)	(5)	(1,007)	(1,181)	(3,263)
Net carrying amount	<u>125</u>	<u>—</u>	<u>1,958</u>	<u>1,174</u>	<u>3,257</u>

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of warehouses and office premises used in its operations. Lump sum payments were made upfront to acquire certain parcels of land use rights from local government with lease periods of 50 years, and no ongoing payments will be made under the terms of these land leases. Leases of warehouses and office premises generally have lease terms between 2 and 8 years.

(a) Right-of-use assets

The carrying amounts of the Group’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Warehouses and office premises	Land use right	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	29,794	24,695	54,489
Additions	3,071	—	3,071
Depreciation charge	(15,027)	(516)	(15,543)
Termination or revision of leases	(1,282)	—	(1,282)
As at 31 December 2023 and 1 January 2024	<u>16,556</u>	<u>24,179</u>	<u>40,735</u>
Additions	18,907	—	18,907
Depreciation charge	(14,068)	(516)	(14,584)
As at 31 December 2024 and 1 January 2025	<u>21,395</u>	<u>23,663</u>	<u>45,058</u>
Additions	35,873	—	35,873
Depreciation charge	(14,087)	(516)	(14,603)
As at 31 December 2025	<u>43,181</u>	<u>23,147</u>	<u>66,328</u>

At 31 December 2023, 2024 and 2025, the Group’s land use right with a net carrying value of RMB24,179,000, RMB23,663,000 and RMB23,147,000, respectively were pledged to secure general banking facilities granted to the Group (note 27).

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(b) Lease liabilities

The carrying amount of Group’s lease liabilities and the movements during the Relevant Periods are as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
At the beginning of year	30,703	17,186	22,084
New leases	3,071	18,907	35,873
Accretion of interest recognised during the year	1,136	824	1,128
Payments	(15,843)	(14,833)	(13,623)
Termination or revision of leases	(1,881)	–	–
At the end of year	17,186	22,084	45,462
Analysed into:			
Current portion	11,470	10,415	16,398
Non-current portion	5,716	11,669	29,064

The maturity analysis of lease liabilities is disclosed in note 39 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Interest on lease liabilities	1,136	824	1,128
Depreciation charge of right-of-use assets	11,383	9,069	10,206
Gains on termination or revision of leases	(599)	–	–
Expense relating to short-term leases	4,182	3,013	3,867
Total amount recognised in profit or loss	16,102	12,906	15,201

(d) The total cash outflow for leases is disclosed in note 32(c) to the Historical Financial Information.

16. OTHER INTANGIBLE ASSETS

The Group

	Trademark	Software	Total
	RMB’000	RMB’000	RMB’000
31 December 2023			
At 1 January 2023:			
Cost	5,389	2,291	7,680
Accumulated amortisation	(5,321)	(1,355)	(6,676)
Net carrying amount	68	936	1,004
Cost at 1 January 2023, net of accumulated amortisation	68	936	1,004
Additions	–	1,454	1,454
Amortisation provided during the year	(20)	(275)	(295)
At 31 December 2023	48	2,115	2,163
At 31 December 2023 and at 1 January 2024:			
Cost	5,389	3,746	9,135
Accumulated amortisation	(5,341)	(1,631)	(6,972)
Net carrying amount	48	2,115	2,163

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	Trademark	Software	Total
	RMB'000	RMB'000	RMB'000
31 December 2024			
At 1 January 2024:			
Cost	5,389	3,746	9,135
Accumulated amortisation	(5,341)	(1,631)	(6,972)
Net carrying amount	48	2,115	2,163
Cost at 1 January 2024, net of accumulated amortisation	48	2,115	2,163
Additions	15	624	639
Amortisation provided during the year	(20)	(436)	(456)
At 31 December 2024	43	2,303	2,346
At 31 December 2024 and at 1 January 2025:			
Cost	5,404	4,370	9,774
Accumulated amortisation	(5,361)	(2,067)	(7,428)
Net carrying amount	43	2,303	2,346
	Trademark	Software	Total
	RMB'000	RMB'000	RMB'000
31 December 2025			
At 1 January 2025:			
Cost	5,404	4,370	9,774
Accumulated amortisation	(5,361)	(2,067)	(7,428)
Net carrying amount	43	2,303	2,346
Cost at 1 January 2025, net of accumulated amortisation	43	2,303	2,346
Additions	40	4,337	4,377
Amortisation provided during the year	(22)	(585)	(607)
At 31 December 2025	61	6,055	6,116
At 31 December 2025:			
Cost	5,444	8,707	14,151
Accumulated amortisation	(5,383)	(2,652)	(8,035)
Net carrying amount	61	6,055	6,116

The Company

	Trademark
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	110
Accumulated amortisation	(42)
Net carrying amount	68
Cost at 1 January 2023, net of accumulated amortisation	68
Amortisation provided during the year	(20)
At 31 December 2023	48
At 31 December 2023 and at 1 January 2024:	
Cost	110
Accumulated amortisation	(62)
Net carrying amount	48

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	Trademark
	RMB’000
31 December 2024	
At 1 January 2024:	
Cost	110
Accumulated amortisation	(62)
Net carrying amount	48
Cost at 1 January 2024, net of accumulated amortisation	48
Amortisation provided during the year	(20)
At 31 December 2024	28
At 31 December 2024 and at 1 January 2025:	
Cost	110
Accumulated amortisation	(82)
Net carrying amount	28

	Trademark	Software	Total
	RMB’000	RMB’000	RMB’000
31 December 2025			
At 1 January 2025:			
Cost	110	–	110
Accumulated amortisation	(82)	–	(82)
Net carrying amount	28	–	28
Cost at 1 January 2025, net of accumulated amortisation	28	–	28
Additions	39	3,937	3,976
Amortisation provided during the year	(22)	(99)	(121)
At 31 December 2025	45	3,838	3,883
Cost	149	3,937	4,086
Accumulated amortisation	(104)	(99)	(203)
Net carrying amount	45	3,838	3,883

17. INVESTMENTS IN SUBSIDIARIES

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Unlisted shares, at cost	55,147	294,397	296,397
Deemed investment arising from share-based payment	16,684	17,344	17,075
Total	71,831	311,741	313,472

18. OTHER NON-CURRENT ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Prepayments for property and equipment and intangible assets	2,256	3,770	48,322
Low-value consumables	7,208	12,580	8,154
Rental deposits	2,432	2,796	7,936
Total	11,896	19,146	64,412

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The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Rental deposits	154	124	176
Others	—	154	49
Total	<u>154</u>	<u>278</u>	<u>225</u>

19. INVENTORIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Finished goods	50,990	138,888	249,609
Raw materials	33,112	43,052	42,790
Work in progress	11,814	12,430	13,458
Goods in transit	7,472	11,283	15,939
Total	<u>103,388</u>	<u>205,653</u>	<u>321,796</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Finished goods	2,516	8,454	8,695
Total	<u>2,516</u>	<u>8,454</u>	<u>8,695</u>

20. TRADE RECEIVABLES

The Group

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Trade receivables	103,579	289,049	378,875
Allowance for expected credit losses	(4,165)	(10,313)	(12,995)
Trade receivables, net	<u>99,414</u>	<u>278,736</u>	<u>365,880</u>

The Group’s trading terms with its customers such as domestic retailers, oversea distributors and retailers are on credit. The credit period is generally 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management. The Group’s accounts receivable mainly come from some important customers. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the transaction date and net of allowance for expected credit losses, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Within 1 year	98,439	276,957	363,943
Over 1 year	975	1,779	1,937
Total	<u>99,414</u>	<u>278,736</u>	<u>365,880</u>

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The movements in the allowance for expected credit losses of trade receivables are as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At the beginning of year	3,810	4,165	10,313
Impairment losses, net (<i>note 7</i>)	360	6,250	3,520
Amount written off as uncollectible	(5)	(102)	(838)
At the end of year	<u>4,165</u>	<u>10,313</u>	<u>12,995</u>

An impairment analysis is performed at the end of each of the Relevant Periods. The Group applies the simplified approach and assesses the expected credit losses on an individual or portfolio basis by using a provision matrix to measure expected credit losses. The trade receivables that are credit-impaired are assessed for ECLs individually. Collective assessment is performed by grouping debtors based on external credit ratings and the industry features of debtors.

Generally, trade receivables are written off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings.

Set out below is the information about the credit risk exposure on the Group’s trade receivables using a provision matrix:

	As at 31 December 2023		
	Gross Carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
On an individual basis:			
Individually assessed	1,965	100.00%	1,965
On a collective basis:			
Collectively assessed*	101,614	2.17%	2,200
Total	<u>103,579</u>	<u>4.02%</u>	<u>4,165</u>

	As at 31 December 2024		
	Gross Carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
On an individual basis:			
Individually assessed	4,619	100.00%	4,619
On a collective basis:			
Collectively assessed*	284,430	2.00%	5,694
Total	<u>289,049</u>	<u>3.57%</u>	<u>10,313</u>

	As at 31 December 2025		
	Gross Carrying amount	Expected credit loss rate	Expected credit losses
	RMB'000		RMB'000
On an individual basis:			
Individually assessed	5,761	100.00%	5,761
On a collective basis:			
Collectively assessed*	373,114	1.94%	7,234
Total	<u>378,875</u>	<u>3.43%</u>	<u>12,995</u>

* The amounts of expected credit losses for trade receivables aging over 1 year are immaterial.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	27,750	35,049	55,341
Allowance for expected credit losses	(80)	(101)	(101)
Trade receivables, net	<u>27,670</u>	<u>34,948</u>	<u>55,240</u>

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An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the transaction date and net of allowance for expected credit losses, is as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	27,670	34,948	55,240

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Prepayments to suppliers	13,004	16,031	55,292
Value-added tax recoverable	51,007	43,749	22,305
Low-value consumables	2,419	7,729	11,123
Rental deposits	5,372	4,427	3,626
Others	4,006	4,222	6,372
Total	75,808	76,158	98,718

The impairment of the financial assets included in prepayments, other receivables and other assets were measured based on 12-month expected credit loss if they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit loss. As at 31 December 2023, 2024 and 2025, the Group estimated that the loss rate for financial assets included in prepayment, other receivables and other assets was minimal.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Due from subsidiaries*	344,606	299,445	496,586
Prepayments to suppliers	2,102	2,543	9,997
Value-added tax recoverable	5,552	7,283	7,072
Rental deposits	96	160	342
Others	512	134	728
Total	352,868	309,565	514,725

* Amounts due from subsidiaries are unsecured, interest free and repayable on demand.

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products	—	9,040	397,710
Structured deposits	80,325	50,447	45,057
Total	80,325	59,487	442,767

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The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products	–	–	153,007
Structured deposits	70,322	50,447	45,057
Total	<u>70,322</u>	<u>50,447</u>	<u>198,064</u>

The wealth management products and structured deposits were issued by banks in Chinese Mainland. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

23. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

(1) Cash and cash equivalents

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Cash and bank balance	<u>179,900</u>	<u>204,935</u>	<u>317,989</u>
Denominated in:			
RMB	139,392	90,070	128,979
USD	40,231	113,368	127,105
HKD	64	381	58,218
Others	213	1,116	3,687
	<u>179,900</u>	<u>204,935</u>	<u>317,989</u>

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Cash and bank balance	<u>25,804</u>	<u>39,832</u>	<u>73,056</u>
Denominated in:			
RMB	18,867	24,024	73,056
USD	6,937	15,789	–
Others	–	19	–
	<u>25,804</u>	<u>39,832</u>	<u>73,056</u>

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(2) Restricted cash

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Restricted cash	3,620	1,018	1,816
Denominated in			
RMB	3,620	1,018	1,525
HKD	—	—	291
	<u>3,620</u>	<u>1,018</u>	<u>1,816</u>

Restricted cash mainly represented bank deposits held in designated bank accounts as required by the terms of the long-term bank borrowing agreements, which can only be used for the purposes specified in the respective agreement.

(3) Time Deposits

The Group

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Current				
Time deposits with original maturity of more than one year-current portion		—	10,999	—
Time deposits with original maturity of over three months and due within one year	i	2,374	10,911	—
		<u>2,374</u>	<u>21,910</u>	<u>—</u>
Denominated in:				
RMB		<u>2,374</u>	<u>21,910</u>	<u>—</u>
Non-current				
Time deposits with original maturity of more than one year		10,663	—	—
Denominated in:				
RMB		<u>10,663</u>	<u>—</u>	<u>—</u>

As at 31 December 2023, time deposits amounting to RMB2,374,000 was used as a guarantee deposits for electricity payment.

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Current			
Time deposits with original maturity of over three months and due within one year	—	10,911	—
Denominated in:			
RMB	—	<u>10,911</u>	<u>—</u>

The RMB is not freely convertible into other currencies, however, under Chinese Mainland’s Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances above are deposited with creditworthy banks with no recent history of default.

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24. TRADE PAYABLES

An aging analysis of the trade payables as at the end of each of the Relevant Periods, based on transaction date, is as follows:

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	114,983	221,914	233,384

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 1 year	136,638	162,822	106,258

The trade payables are non-interest-bearing and are mainly on credit terms with credit periods of 30 to 90 days.

25. OTHER PAYABLE AND ACCRUALS

The Group

	Note	As at 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Current				
Dividend payable	12	–	–	400,000
Other payables for property, plant and equipment		50,247	56,167	29,034
Accrued expenses		14,380	26,091	27,127
Payroll and welfare payable		31,544	37,710	81,857
Other tax payables		5,748	9,260	7,565
Others		8,378	7,295	8,600
Total		110,297	136,523	554,183
Non-Current				
Other payables for property, plant and equipment		–	11,243	–
Others		–	–	839
Total		–	11,243	839

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Dividend payable	–	–	400,000
Payroll and welfare payable	14,882	16,348	52,602
Due to subsidiaries	110,939	126,646	4,576
Other tax payables	1,214	870	2,573
Others	1,548	1,132	3,725
Total	128,583	144,996	463,476

* Other payables and amounts due to subsidiaries are unsecured, interest free and repayable on demand.

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26. CONTRACT LIABILITIES

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sale of products	28,780	29,697	60,490

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sale of products	1,196	1,243	818

27. INTEREST-BEARING BANK AND OTHER BORROWINGS

The Group

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025		
	Effective Interest rate	Maturity	RMB'000	Effective Interest rate	Maturity	RMB'000	Effective Interest rate	Maturity	RMB'000
Current									
Current portion of long-term bank borrowings									
– secured (ii, iii, iv, v)	3.9%-4.0%	2024	5,814	3.3%-3.9%	2025	41,210	2.80%	2026	19,008
Bank borrowings									
– secured (v)	3.45%-3.6%	2024	7,769	3.1%-3.6%	2025	10,590	–	–	–
Other borrowings									
– secured (vi)	–	–	–	–	–	–	1.2%-1.3%	2026	95,000
Total – current			13,583			51,800			114,008
Non-current									
Bank borrowings									
– secured (ii, iii, iv, v)	3.9%-4.0%	2025-2030	274,788	3.3%-3.9%	2026-2030	278,615	2.80%	2026-2033	292,376
Total – non-current			274,788			278,615			292,376
Total			288,371			330,415			406,384

The Group

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Analysed into:			
Bank borrowings repayable:			
Within one year or on demand	13,583	51,800	19,008
In the one to second year, inclusive	40,000	42,000	35,235
In the second to third years, inclusive	42,000	76,000	50,229
In the third to fourth years, inclusive	76,000	80,000	52,478
In the fourth to fifth years, inclusive	80,000	80,615	52,478
Over five years	36,788	–	101,956
Subtotal	288,371	330,415	311,384
Other borrowings repayable:			
Within one year or on demand	–	–	95,000
Subtotal	–	–	95,000
Total	288,371	330,415	406,384

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The Company

	As at 31 December 2023			As at 31 December 2024			As at 31 December 2025		
	Effective Interest rate	Maturity	RMB'000	Effective Interest rate	Maturity	RMB'000	Effective Interest rate	Maturity	RMB'000
Current									
Bank borrowings									
– secured (v)	3.45%-3.5%	2024	5,888	3.10%	2025	9,609	–	–	–

The Company

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Analysed into:			
Bank borrowings repayable:			
Within one year or on demand	5,888	9,609	–

Notes:

- All borrowings were denominated in RMB as at 31 December 2023, 2024 and 2025.
- As at 31 December 2023, the Group’s secured bank borrowings of RMB280,602,000 were secured by buildings and construction in progress and land use right with the carrying amount of RMB345,000,000 and RMB24,179,000, respectively.
- As at 31 December 2024, the Group’s secured bank borrowings of RMB319,825,000 were secured by buildings and machinery and land use right with the carrying amount of RMB412,388,000 and RMB23,663,000, respectively.
- As at 31 December 2025, the Group’s secured bank borrowings of RMB311,384,000 were secured by buildings and machinery and land use right assets with the carrying amount of RMB433,198,000 and RMB23,147,000, respectively.
- The Company and some of its subsidiaries have guaranteed certain of the Group’s bank borrowings up to RMB288,371,000, RMB330,415,000 and RMB311,384,000 as at 31 December 2023, 2024 and 2025, respectively.
- Other loans represent proceeds received from discounted internal letters of credit from the bank.

28. DEFERRED TAX

The Group

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Changes in fair value of financial assets at fair value through profit or loss	Accelerated depreciation	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	7	–	7,448	7,455
Deferred tax charged/(credited) to profit or loss during the year	74	412	(3,309)	(2,823)
At 31 December 2023	81	412	4,139	4,632
At 1 January 2024	81	412	4,139	4,632
Deferred tax charged/(credited) to profit or loss during the year	41	(72)	1,210	1,179
At 31 December 2024	122	340	5,349	5,811
At 1 January 2025	122	340	5,349	5,811
Deferred tax charged/(credited) to profit or loss during the year	328	(340)	5,446	5,434
At 31 December 2025	450	–	10,795	11,245

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Deferred tax assets

	Provision for impairment of assets	Deductible advertising expenses carried forward	Lease liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	1,714	468	7,632	2,333	12,147
Deferred tax credited/(charged) to profit or loss during the year . . .	68	1,199	(3,336)	2,322	253
At 31 December 2023	<u>1,782</u>	<u>1,667</u>	<u>4,296</u>	<u>4,655</u>	<u>12,400</u>
At 1 January 2024	1,782	1,667	4,296	4,655	12,400
Deferred tax credited/(charged) to profit or loss during the year . . .	1,936	1,313	1,225	(680)	3,794
At 31 December 2024	<u>3,718</u>	<u>2,980</u>	<u>5,521</u>	<u>3,975</u>	<u>16,194</u>
At 1 January 2025	3,718	2,980	5,521	3,975	16,194
Deferred tax credited/(charged) to profit or loss during the year . . .	2,378	1,809	5,844	(2,032)	7,999
At 31 December 2025	<u>6,096</u>	<u>4,789</u>	<u>11,365</u>	<u>1,943</u>	<u>24,193</u>

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	7,821	10,383	12,948
Net deferred tax liabilities recognised in the consolidated statements of financial position	<u>53</u>	<u>—</u>	<u>—</u>

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

The Company

The movements in deferred tax liabilities and assets during the Relevant Periods are as follows:

Deferred tax liabilities

	Changes in fair value of financial assets at fair value through profit or loss	Right-of-use assets	Total
	RMB'000	RMB'000	RMB'000
At 1 January 2023	7	425	432
Deferred tax charged/(credited) to profit or loss during the year	74	(176)	(102)
At 31 December 2023	<u>81</u>	<u>249</u>	<u>330</u>
At 1 January 2024	81	249	330
Deferred tax charged/(credited) to profit or loss during the year	30	(213)	(183)
At 31 December 2024	<u>111</u>	<u>36</u>	<u>147</u>
At 1 January 2025	111	36	147
Deferred tax (credited)/charged to profit or loss during the year	(83)	642	559
At 31 December 2025	<u>28</u>	<u>678</u>	<u>706</u>

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Deferred tax assets

	Provision for impairment of assets	Lease liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	733	472	1,252	2,457
Deferred tax credited/(charged) to profit or loss during the year	29	(214)	273	88
At 31 December 2023	762	258	1,525	2,545
At 1 January 2024	762	258	1,525	2,545
Deferred tax credited/(charged) to profit or loss during the year	31	(220)	(1,525)	(1,714)
At 31 December 2024	793	38	–	831
At 1 January 2025	793	38	–	831
Deferred tax credited to profit or loss during the year	51	648	–	699
At 31 December 2025	844	686	–	1,530

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net deferred tax assets recognised in the consolidated statements of financial position	2,215	684	824
Net deferred tax liabilities recognised in the consolidated statements of financial position	–	–	–

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

The aggregate amount of temporary differences associated with investments in subsidiaries outside Chinese Mainland for which deferred tax liabilities have not been recognised totalled RMB46,350,000, RMB63,029,000 and RMB118,799,000 as at 31 December 2023, 2024 and 2025.

29. PAID-IN CAPITAL

The Company’s paid-in capital amounted to RMB15,995,000 as at 1 January 2023, 31 December 2023, 31 December 2024 and 31 December 2025.

Pursuant to the approval in the shareholders’ meeting held in March 2026, the Company was converted from a limited liability company into a joint stock limited company. Upon conversion, the net assets of the Company as of the conversion base date were converted into 50,000,000 ordinary shares with a nominal value of RMB1.00 each, which were allotted to the existing shareholders in proportion to their respective interests prior to the conversion. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company’s capital reserve.

30. SHARE-BASED PAYMENTS

Share Incentive Scheme

On 10 December 2020, the Company adopted the phase I Pre-[REDACTED] Employee Incentive Scheme (“Phase I Pre-[REDACTED] Employee Incentive Scheme”). Accordingly, on 12 December 2020 (the “Adoption Date”), the board of directors approved the share incentive plan for certain employees of the Group (“Incentive Participants”) to recognise the contributions of the Incentive Participants to the growth and development of the Group. Eligible participants may include directors and employees of the Company or its subsidiaries. Gongqingcheng Jinduoduo Gongchuang Investment Partnership (“Gongqingcheng”) were designated as the share incentive platform to hold the shares specially awarded to the Incentive Participants under the Plan.

Under the share incentive scheme, total 777,763 RSUs representing RMB777,763 of paid-in capital held by Gongqingcheng were granted. The RSUs would vest subject to specific service condition that the employees remain in service and vest from the grant date over a vesting period of five years at minimum without any performance condition requirements.

Share-based payment expense relating to awards granted to employees which is based on the grant date fair values of the RSUs is recognised on a straight-line basis over the entire vesting period. The fair value of each RSU at the grant date is determined using a DCF model and adjusted for any applicable discount for lack of marketability (“DLOM”), taking into account the specific grant terms and conditions, with the assistance of an independent third-party valuation firm.

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The following table lists the significant inputs to the discounted cashflow fair value model used:

Risk-free interest rate (%)	2.82
WACC (%)	13.41
DLOM (%)	15.00

The shares of the Company granted directly through the share platforms and the RSUs under the Share Incentive Scheme during the Relevant Periods were as follows:

	Number of RSUs
At 1 January 2023	754,763
At 31 December 2023 and 1 January 2024	754,763
Forfeited during the year	(18,000)
At 31 December 2024 and 1 January 2025	736,763
Vested during the year	(706,763)
Forfeited during the year	(30,000)
At 31 December 2025	–

The Group recognized equity-settled share-based payment expenses of RMB4,598,000, RMB4,167,000 and RMB3,238,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

31. RESERVES

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statement of changes in equity of the Historical Financial Information.

(a) Capital reserve

The capital reserve mainly represents the difference between the value of share capital and the consideration received and the transfer of share-based payments reserve to capital reserve upon the vesting of shares under the Share Incentive Scheme.

(b) Share-based payment reserve

The share-based payment reserve of the Group represents the share-based compensation reserve due to equity-settled share-based payment transactions, details of which were set out in note 30 to the Historical Financial Information.

(c) Statutory reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the companies’ registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to equity holders of the PRC subsidiaries.

(d) Movements of the Company’s reserves

Year ended 31 December 2023

	Capital reserve	Equity-settled share-based payment reserve	Statutory reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	213,643	9,579	3,591	-774	226,039
Profit for the year	–	–	–	65,172	65,172
Total comprehensive income for the year	–	–	–	65,172	65,172
Share-based payment compensation	–	4,598	–	–	4,598
Cash dividends	–	–	–	(32,331)	(32,331)
Transfer from retained profits	–	–	6,514	(6,514)	–
At 31 December 2023	213,643	14,177	10,105	25,553	263,478

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Year ended 31 December 2024

	Capital reserve	Equity-settled share-based payment reserve	Statutory reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2024	213,643	14,177	10,105	25,553	263,478
Profit for the year	—	—	—	180,068	180,068
Total comprehensive income for the year	—	—	—	180,068	180,068
Share-based payment compensation	—	4,167	—	—	4,167
Cash dividends	—	—	—	(42,111)	(42,111)
At 31 December 2024	213,643	18,344	10,105	163,510	405,602

Year ended 31 December 2025

	Capital reserve	Equity-settled share-based payment reserve	Statutory reserve	Retained profits	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2025	213,643	18,344	10,105	163,510	405,602
Profit for the year	—	—	—	544,412	544,412
Total comprehensive income for the year	—	—	—	544,412	544,412
Share-based payment compensation	—	3,238	—	—	3,238
Dividends declared	—	—	—	(455,913)	(455,913)
Vesting of share-based payment	21,582	(21,582)	—	—	—
At 31 December 2025	235,225	—	10,105	252,009	497,339

32. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the years ended 31 December 2023, 2024 and 2025, the Group had non-cash additions to right-of-use assets of RMB3,071,000, RMB18,907,000 and RMB35,873,000 and non-cash additions to lease liabilities of RMB3,071,000, RMB18,907,000 and RMB35,873,000, respectively, in respect of lease arrangements for warehouses and office premises.

(b) Changes in liabilities arising from financing activities

As at 31 December 2023

	Interest-bearing bank and other borrowings	Lease liabilities	Dividend payable
	RMB'000	RMB'000	RMB'000
At 1 January 2023	45,607	30,703	—
Changes from financing cash flows	236,808	(15,843)	(32,331)
Dividend declared	—	—	32,331
New leases	—	3,071	—
Interest expenses	5,956	1,136	—
Termination or revision of leases	—	(1,881)	—
At 31 December 2023	288,371	17,186	—

As at 31 December 2024

	Interest-bearing bank and other borrowings	Lease liabilities	Dividend payable
	RMB'000	RMB'000	RMB'000
At 1 January 2024	288,371	17,186	—
Changes from financing cash flows	28,377	(14,833)	(42,111)
Dividend declared	—	—	42,111
New leases	—	18,907	—
Interest expenses	13,667	824	—
At 31 December 2024	330,415	22,084	—

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As at 31 December 2025

	Interest-bearing bank and other borrowings	Lease liabilities	Dividend payable
	RMB'000	RMB'000	RMB'000
At 1 January 2025	330,415	22,084	–
Changes from financing cash flows	65,112	(13,623)	(55,913)
Dividend declared	–	–	455,913
New leases	–	35,873	–
Interest expenses	10,857	1,128	–
At 31 December 2025	<u>406,384</u>	<u>45,462</u>	<u>400,000</u>

(c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statements of cash flows are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within operating activities	5,627	3,013	3,867
Within financing activities	15,835	14,833	13,623
Total	<u>21,462</u>	<u>17,846</u>	<u>17,490</u>

33. CONTINGENT LIABILITIES

As at the end of each of the Relevant Periods, neither the Group nor the Company had any significant contingent liabilities.

34. PLEDGE OF ASSETS

Details of the Group’s assets pledged for the Group’s interest-bearing bank borrowings are included in note 27 to the Historical Financial Information.

35. COMMITMENTS

(a) The Group had the following contractual commitments at the end of each of the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Contracted, but not provided for			
Intangible assets	–	–	10,948
Property, plant and equipment	7,594	608	37,384
Total	<u>7,594</u>	<u>608</u>	<u>48,332</u>

(b) The Group has a lease contract that have not yet commenced at 31 December 2025. The future lease payments for this non-cancellable lease contract are RMB7,369,000 due within one year, RMB43,789,000 due in the second to fifth years, inclusive and RMB55,455,000 due after five year.

36. RELATED PARTY TRANSACTIONS

The Group had the following material transactions with related parties during the Relevant Periods:

Compensation of key management personnel of the Group:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees	–	–	–
Salaries, allowances and benefits in kind	1,440	1,431	1,627
Performance related bonuses	295	348	497
Pension scheme and social welfare	141	144	185
Equity-settled share-based payment expenses	1,982	1,982	1,817
Total	<u>3,858</u>	<u>3,905</u>	<u>4,126</u>

Further details of directors’ emoluments are included in note 9 to the Historical Financial Information.

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37. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each of the Relevant Periods are as follows:

As at 31 December 2023

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Mandatorily designated as such		
	RMB'000	RMB'000	RMB'000
Trade receivables	–	99,414	99,414
Financial assets included in prepayments, other receivables and other assets	–	7,725	7,725
Financial assets at fair value through profit or loss	80,325	–	80,325
Financial assets included in other non-current assets	–	2,432	2,432
Time deposits	–	13,037	13,037
Restricted cash	–	3,620	3,620
Cash and cash equivalents	–	179,900	179,900
Total	<u>80,325</u>	<u>306,128</u>	<u>386,453</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	114,983
Interest-bearing bank and other borrowings	288,371
Lease liabilities	17,186
Financial liabilities included in other payables and accruals	73,005
Total	<u>493,545</u>

As at 31 December 2024

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Mandatorily designated as such		
	RMB'000	RMB'000	RMB'000
Trade receivables	–	278,736	278,736
Financial assets included in prepayments, other receivables and other assets	–	6,615	6,615
Financial assets at fair value through profit or loss	59,487	–	59,487
Financial assets included in other non-current assets	–	2,796	2,796
Restricted cash	–	1,018	1,018
Time deposits	–	21,910	21,910
Cash and cash equivalents	–	204,935	204,935
Total	<u>59,487</u>	<u>516,010</u>	<u>575,497</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB'000
Trade payables	221,914
Interest-bearing bank borrowings	330,415
Lease liabilities	22,084
Financial liabilities included in other payables and accruals	100,796
Total	<u>675,209</u>

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As at 31 December 2025

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	Mandatorily designated as such		
	RMB’000	RMB’000	RMB’000
Trade receivables	–	365,880	365,880
Financial assets included in prepayments, other receivables and other assets	–	6,653	6,653
Financial assets at fair value through profit or loss	442,767	–	442,767
Financial assets included in other non-current assets	–	7,936	7,936
Restricted cash	–	1,816	1,816
Cash and cash equivalents	–	317,989	317,989
Total	<u>442,767</u>	<u>700,274</u>	<u>1,143,041</u>

Financial liabilities

	Financial liabilities at amortised cost
	RMB’000
Trade payables	233,384
Interest-bearing bank borrowings	406,384
Lease liabilities	45,462
Financial liabilities included in other payables and accruals	64,761
Total	<u>749,991</u>

38. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, short-term time deposits, trade receivables, financial assets included in prepayments, other receivables and other assets, current portion of interest-bearing bank and other borrowings, trade payables and current portion of financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments. Management has also assessed the fair value of non-current portion of interest-bearing bank borrowings approximate to its carrying amount.

The Group’s finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the chief financial officer. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Financial assets at fair value through profit or loss of the Group represent wealth management products and structured deposits issued by banks in Chinese Mainland. For the structured deposits, the fair values are based on expected cash flow from implied yield, and for other wealth management products, the fair values are based on the quoted net assets value per unit.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value:

As at 31 December 2023

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss	–	80,325	–	80,325

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As at 31 December 2024

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	–	59,487	–	59,487
	=	=	=	=

As at 31 December 2025

	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at fair value through profit or loss	–	442,767	–	442,767
	=	=	=	=

The Group did not have any financial liabilities measured at fair value as at 31 December 2023, 2024 and 2025.

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments include cash and cash equivalents, restricted cash, wealth management products and structured deposits at fair value through profit and loss, and interest-bearing bank and other borrowings. The main purpose of these financial instruments is to raise finance for the Group’s operations. The Group has various other financial assets and liabilities such as receivables, payables and accruals which arise directly from its operations.

The main risks arising from the Group’s financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s long term debt obligations with a floating interest rate.

The Group’s policy is to manage its interest cost using a mix of fixed and variable rate debts. The Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable rate bank borrowings at the end of the Relevant Periods, assuming that the amounts of liabilities outstanding at the end of the Relevant Periods were outstanding for the whole year. A 100-basis-point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group’s profit after tax for the years ended 31 December 2023, 2024 and 2025 would have decreased/increased by RMB2,061,000, RMB2,090,000 and RMB2,193,000, respectively; the Group’s total equity would have decreased/increased by RMB2,061,000, RMB2,090,000 and RMB2,193,000 respectively. This is mainly attributable to the Group’s exposure to variable interest rates on its bank borrowings.

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units and investing and financing activities by investment holding units in currencies other than the units’ functional currencies.

The following table demonstrates the sensitivity at the end of each of the Relevant Periods to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group’s profit after tax and equity.

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	As at 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
RMB/USD			
Strengthened 5%	(3,137)	(10,047)	(14,033)
Weakened 5%	3,137	10,047	14,033

Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group’s policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

Maximum exposure and staging as at 31 December 2023, 2024 and 2025

The tables below show the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on aging unless other information is available without undue cost or effort, and staging classification as at 31 December 2023, 2024 and 2025.

The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2023

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade receivables*	–	–	–	103,579	103,579
Financial assets included in prepayments, other receivables and other assets					
– Normal**	7,725	–	–	–	7,725
Financial assets included in other non-current assets					
– Normal**	2,432	–	–	–	2,432
Restricted cash					
– Not yet past due	3,620	–	–	–	3,620
Time deposits					
– Not yet past due	13,037	–	–	–	13,037
Cash and cash equivalents					
– Not yet past due	179,900	–	–	–	179,900
Total	206,714	–	–	103,579	310,293

As at 31 December 2024

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Trade receivables*	–	–	–	289,049	289,049
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,615	–	–	–	6,615
Financial assets included in other non-current assets					
– Normal**	2,796	–	–	–	2,796
Restricted cash					
– Not yet past due	1,018	–	–	–	1,018
Time deposits					
– Not yet past due	21,910	–	–	–	21,910
Cash and cash equivalents					
– Not yet past due	204,935	–	–	–	204,935
Total	237,274	–	–	289,049	526,323

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As at 31 December 2025

	12-month ECLs	Lifetime ECLs			Total
	Stage 1	Stage 2	Stage 3	Simplified approach	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables*	–	–	–	378,875	378,875
Financial assets included in prepayments, other receivables and other assets					
– Normal**	6,653	–	–	–	6,653
Financial assets included in other non-current assets					
– Normal**	7,936	–	–	–	7,936
Restricted cash					
– Not yet past due	1,816	–	–	–	1,816
Cash and cash equivalents					
– Not yet past due	317,989	–	–	–	317,989
Total	334,394	–	–	378,875	713,269

* Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables are disclosed in note 20 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations.

The maturity profile of the Group’s financial liabilities and lease liabilities as at the end of each of the Relevant Periods, based on the contractual undiscounted payments, is as follows:

At 31 December 2023

	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	11,963	5,804	–	17,767
Interest-bearing bank and other borrowings	299,523	269,947	38,223	607,693
Trade payables	114,983	–	–	114,983
Financial liabilities included in other payables and accruals	73,005	–	–	73,005
Total	499,474	275,751	38,223	813,448

At 31 December 2024

	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	11,143	12,207	310	23,660
Interest-bearing bank and other borrowings	340,951	303,578	–	644,529
Trade payables	221,914	–	–	221,914
Financial liabilities included in other payables and accruals	89,553	11,243	–	100,796
Total	663,561	327,028	310	990,899

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At 31 December 2025

	Within 1 year	1 to 5 years	Over 5 years	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Lease liabilities	17,295	30,670	–	47,965
Interest-bearing bank and other borrowings . . .	415,165	215,924	104,811	735,900
Trade payables	233,384	–	–	233,384
Financial liabilities included in other payables and accruals	64,761	–	–	64,761
Total	<u>730,605</u>	<u>246,594</u>	<u>104,811</u>	<u>1,082,010</u>

Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders’ value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using gearing ratio, which is total liabilities divided by total assets. The gearing ratios as at the end of each of the Relevant Periods were as follows:

	As at 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Total assets	1,117,233	1,496,952	2,264,509
Total liabilities	569,980	788,299	1,415,634
Gearing ratio	<u>51.02%</u>	<u>52.66%</u>	<u>62.51%</u>

40. EVENTS AFTER THE RELEVANT PERIODS

On 10 March 2026, the Company was converted from a limited liability company into a joint stock limited company. Upon conversion, the net assets of the Company as of the conversion base date were converted into 50,000,000 ordinary shares with a nominal value of RMB1.00 each, which were allotted to the existing shareholders in proportion to their respective interests prior to the conversion.

On 14 April 2026, the Company adopted the phase II Pre-[REDACTED] employee incentive scheme (the “Phase II Pre-[REDACTED] Employee Incentive Scheme”, and together with the Phase I Pre-[REDACTED] Employee Incentive Scheme, the “Pre-[REDACTED] Employee Incentive Schemes”). Accordingly, on 20 April 2026, Shenzhen Amos Gongchuang Investment Partnership (Limited Partnership) (深圳市阿麥斯共創投資合夥企業(有限合夥)), which is designated as share incentive platform, subscribed for 236,834 shares reserving for the share-based payment for employees.

41. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

PROPERTY VALUATION REPORT

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this Document received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 28 February 2026 of the selected property interest held by the Group.



Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7th Floor, One Taikoo Place
979 King's Road, Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Company Licence No.: C-030171

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公司牌照號碼: C-030171

[[●] April 2026]

The Board of Directors

Amos Food (Group) Co., Ltd.

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Xinruike Building
Futian Free Trade Zone
Fubao Street
Futian District
Shenzhen City
Guangdong Province
PRC

Dear Sirs,

In accordance with your instructions to value the selected property interest held by Amos Food (Group) Co., Ltd. (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market value of the selected property interest as at 28 February 2026 (the “**valuation date**”).

The selected property interest forms part of non-property activities of the Group and has a carrying amount of 15% or more of the Group’s total assets and therefore the valuation of the property interest is required to be included in this Document.

Our valuation is carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Due to the nature of the buildings and structures of the property and the particular location in which it is situated, there are unlikely to be relevant market comparable sales readily available. The portions of the property interest has therefore been valued by the cost approach with reference to its depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimization.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements, less deduction for physical deterioration and all relevant

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forms of obsolescence and optimization. In arriving at the value of the land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation, it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

Our valuation has been made on the assumption that the seller sells the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the property interest.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interest valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of title documents including Real Estate Title Certificate and other official plans relating to the property interest and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interest or any tenancy amendment. We have relied considerably on the advice given by the Company’s PRC Legal Adviser — Sundial Law Firm, concerning the validity of the property interest in the PRC.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the property. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the property was carried out on 8 April 2026 by Vincent Xu who graduated in degree course with property development related subjects and has 5 years’ experience in the property valuation in the PRC.

All monetary figures stated in this report are in Renminbi (RMB).

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Climate change, sustainability, resilience, and ESG are increasingly influencing investment approaches as they may affect prospects for rental and capital growth, and susceptibility to obsolescence. Properties that do not meet the sustainability characteristics expected in the market may represent a higher investment risk, particularly as occupiers become more conscious of ESG impacts on operational workspace, which could impact on vacancy and rental levels. This view is supported by RICS in their recently published guidance note “Sustainability and ESG in commercial property valuation and strategic advice (3rd Edition).”

While some of the sustainability and ESG initiatives are considered subjective and intangible, they cannot always be demonstrated with quantifiable evidence. Based on our research and local market knowledge, there is not yet any direct and tangible evidence of ESG being reflected in specific investment behaviours and/or pricing considerations for assets of a similar nature to the subject property, although it is acknowledged that ESG criteria is forming part of an increasing number of investment mandates. However more tangible benefits such as energy efficiency are realisable in operational costs. We have not undertaken full asset and market investigations in this regard. Whilst there is currently no direct and tangible evidence to suggest that the market is making pricing adjustments for ESG, we will continue to monitor market movements and sentiment.

The valuation certificate is attached.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited
Eddie T. W. Yiu
MRICS MHKIS R.P.S.(GP)
Senior Director

Note: Eddie T.W. Yiu is a Chartered Surveyor who has 32 years’ experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

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VALUATION CERTIFICATE

Property interest held by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date
			RMB
An industrial complex located at No. 180 Shengli South Road Jianghai District Jiangmen City Guangdong Province The PRC	The property comprises a parcel of land with a site area of approximately 33,396.48 sq.m., 4 buildings and various ancillary structures erected thereon which were completed in 2024. The buildings have a total gross floor area (“GFA”) of approximately 115,906.97 sq.m. and mainly include 3 industrial plants and an ancillary building. The land use rights of the property have been granted for a term expiring on 9 November 2070 for industrial use.	As at the valuation date, except 2 units were rented to two parties, the property was occupied by the Group for production and ancillary purposes.	424,400,000

Notes:

- Pursuant to 2 Real Estate Title Certificates — Yue (2024) Jiang Men Shi Bu Dong Chan Quan Di Nos. 1023281 and 1023211, the property with a total GFA of approximately 115,906.97 sq.m. are owned by Amos Food (Guangdong) Co., Ltd. (“**Amos Guangdong Food**”, 阿麥斯(廣東)食品科技有限公司, a wholly-owned subsidiary of the Company). The relevant land use rights of a parcel of land with a site area of approximately 33,396.48 sq.m. have been granted to Amos Guangdong Food for a term expiring on 9 November 2070 for industrial use.
- Pursuant to a tenancy agreement, a unit of the property with a lettable area of approximately 95 sq.m. was rented to a tenant which is an independent third party of the Company for retail use, for a term with the expiry dates on 19 October 2029, at an annual rental of RMB38,387, exclusive of water and electricity charges.
- Pursuant to a tenancy agreement and a supplemental agreement, a unit of the property with a lettable area of approximately 13,556.92 sq.m. was rented to a tenant which is a connected party of the Company for industrial use under an indefinite-term lease, at an annual rental of RMB2,659,868, exclusive of water and electricity charges.
- Pursuant to two Mortgage Contracts Nos. GDY4750220250003 and GDY4750220250005 entered into between of Bank of China Jiangmen Branch and Amos Guangdong Food, the property with a total GFA of approximately 115,906.97 sq.m. is subject to a mortgage securing a loan in the total amount of RMB425,000,000.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, inter alia, the following:
 - Amos Guangdong Food legally owned the land use rights and the building ownership rights of the property mentioned in note 1 within the valid term of the land use rights;
 - except for the mortgages of the property mentioned in note 4, there are no other circumstances under which the property has been subject to judicial enforcement measures such as seizure or freezing; and
 - the tenancy agreements mentioned in notes 2 and 3 are legal and valid. Amos Guangdong Food as a lessor has the rights to lease these various units of the property.
- The property contributes a significant portion of revenue to the Company; we are of the view that the property is the material property held by the Company:

Details of the material property

(a)	General description of location of the property	:	The property is located at No. 180 Shengli South Road, Jianghai District, Jiangmen City, Guangdong Province. It is approximately 3.5 kilometers from Jiangmen East Railway Station. The surrounding area is a well-developed industrial hub.
(b)	Details of encumbrances, liens, pledges, mortgages against the property	:	See notes 4 and 5.
(c)	Environmental Issue	:	The Company has passed and obtained the environmental impact assessments by local authority.
(d)	Details of investigations, notices, pending litigation, breaches of law or title defects	:	See note 5.
(e)	Future plans for construction, renovation, improvement or development of the property	:	As advised by the Company, there is no plan for new major development in the next 12 months from the date of this Document.

APPENDIX IV

SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix mainly provides [REDACTED] with an overview of the Articles of Association (draft), which will take effect on the date of the Company’s [REDACTED] of H shares and [REDACTED] on the Stock Exchange of Hong Kong Limited (“SEHK”). As the following information is a summary, it does not contain all information that may be important to [REDACTED].

SHARES

Issuance of Shares

The shares of the Company are issued in the form of stock.

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall have equal right. Shares of the same class in each issuance shall be issued under the same terms and at the same price. Each share shall be subscribed for at the same price by subscribers.

INCREASE, DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase and Decrease of Shares

Based on the Company’s operational and development needs, and in accordance with the laws, regulations, and the securities regulatory rules of the place where the Company’s shares are [REDACTED], the Company may increase its capital by the following methods upon respective resolutions passed by the Shareholders’ meeting:

- (i) issuing shares to non-specific objects;
- (ii) issuing shares to specific objects;
- (iii) placing or distributing new shares to existing shareholders;
- (iv) converting capital reserve into share capital;
- (v) other methods stipulated by the laws and regulations, or approved by the SEHK, and the securities regulatory authorities of the place where the Company’s shares are [REDACTED].

Our Company may reduce its registered capital. The reduction of our Company’s registered capital shall be carried out in accordance with the procedures stipulated by the PRC Company Law, the Hong Kong Listing Rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED], other relevant regulations and the Articles of Association.

Repurchase of Shares

Our company shall not acquire its own shares, unless otherwise under any of the following circumstances:

- (i) to reduce our Company’s registered capital;
- (ii) to merge with another company holding our shares;
- (iii) to use the shares as an employee stock ownership plan or equity incentives;
- (iv) to purchase its shares from Shareholders who have voted against the resolutions on the Company’s merger or division made by the Shareholders’ Meeting;
- (v) to use the shares for converting corporate bonds issued by our Company into shares;

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- (vi) as necessary to safeguard our Company's value and the rights and interests of shareholders;
- (vii) other circumstances permitted by laws, administrative regulations, departmental rules and regulations, and other securities regulatory rules of the place where the Company's shares are [REDACTED].

Where the Company acquires its shares under the circumstances prescribed in items (iii), (v) or (vi) above, such acquisition shall be conducted through public centralized trading.

Where the Company acquires its shares under the circumstances prescribed in items (i) and (ii) above, such acquisition shall be subject to a resolution of the Shareholders' Meeting. Where the Company acquires its shares under the circumstances prescribed in items (iii), (v) and (vi) above, such acquisition shall be subject to a resolution of the Board meeting attended by at least two-thirds of the directors, in accordance with the applicable laws and regulations, the Articles of Association, the Hong Kong Listing Rules, and the securities regulatory rules of the place where the shares of the Company are [REDACTED].

Where the Company acquires its shares under the circumstances prescribed in item (i) above, such shares shall be cancelled within ten days from the date of acquisition. Where the shares are acquired under the circumstances prescribed in items (ii) and (iv) above, such shares shall be transferred or cancelled within six months. Where the shares are acquired under the circumstances prescribed in items (iii), (v) and (vi) above, the total number of the shares held by the Company shall not exceed 10% of the total issued shares, and such shares shall be transferred or cancelled within three years.

If the laws, regulations and the securities regulatory rules of the place where the shares of the Company are [REDACTED] on matters relating to the share repurchases provide otherwise, such provisions shall prevail.

Transfer of Shares

Shares of the Company shall be transferred in accordance with the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association.

All transfers of H shares shall be effected by means of an instrument of transfer in writing in the usual or common form or in any other form approved by the Board of Directors (including the standard transfer form or transfer deed prescribed by the Hong Kong Stock Exchange from time to time). Such instrument of transfer shall be executed either manually or under seal if the transferor or transferee is a company. Where the transferor or transferee is a recognized clearing house (hereinafter referred to as a "**Recognized Clearing House**") as defined under the relevant ordinances in force from time to time under the laws of Hong Kong, or its agent, the instrument of transfer may be executed either manually or by machine-imprinted signature. All instruments of transfer shall be kept at the Company's registered office or such other place as the Board of Directors may from time to time designate.

The Company shall not accept its own shares as the subject matter of a pledge.

Shares of the Company that were issued prior to a public issue shall not be transferred within one year from the date on which shares of the Company are [REDACTED] and [REDACTED] on a stock exchange.

The Directors, and senior management of the Company shall notify the Company of their holdings of shares in the Company and the changes therein. The shares transferable by them during each year of their tenures shall not exceed 25% of their total holdings of shares in the Company. The shares in the Company held by them shall not be transferred within one year from the date on which the Company's shares are [REDACTED] for [REDACTED]. The shares in the Company held by them shall not be transferred within half a year from their departure from the Company. Where the laws, administrative regulations, or the securities regulatory rules of the place where the Company's shares are [REDACTED] provide otherwise in respect of the restrictions on the transfer, such rules shall prevail.

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When shareholders holding more than 5% of the shares, Directors, and senior management officers of the Company sell their shares or other equity securities within six months from the acquisition of such shares, or purchase shares within six months from the disposal of such shares, the resulting gains shall be disgorged and paid to the Company, and the Board of Directors of the Company shall recover such gains from the abovementioned parties. However, this restriction shall not apply to securities companies holding more than 5% of the Company's shares as a result of the outstanding shares acquired under [REDACTED], and other circumstances stipulated by the CSRC. Except as otherwise provided by the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], the CSRC or any other competent authorities.

The shares or other equity securities held by the Directors, senior management officers and natural person shareholders referred to in the preceding paragraph shall include the shares or other equity securities held by their spouse, parents, children, or held by them by using other people's accounts.

Shareholders may require the Board of Directors of the Company to comply with the above requirement within 30 days if the Board of Directors fails to do so. In the event that the Board of Directors of the Company fails to rectify the situation within the said timeline, shareholders may file a legal action to the people's court in their own name for safeguarding the interests of the Company.

If the Board of Directors of the Company fails to implement the provisions set forth in the provisions of Paragraph 1, Article 31 of the Articles of Association, the relevant responsible Directors shall bear joint liability pursuant to the laws.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall establish a register of Shareholders according to the Company Law, the securities regulatory rules of the place where the Company's shares are [REDACTED], other relevant applicable regulations, and the Articles of Association, and the register of Shareholders is the sufficient evidence to prove that the Shareholders hold the shares of the Company.

The original copy of the register of Shareholders of H Shares [REDACTED] in Hong Kong is kept in Hong Kong and is available for inspection by Shareholders, but the Company may suspend the registration of Shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place where the Company's Shares are [REDACTED]. In the event that any Shareholder whose name is recorded in or any person who requests to have its name entered in the register of holders of H Shares loses his/her share certificate(s), he/she may apply to the Company for replacement of new share certificate(s) in respect thereof. Where a holder of overseas-listed foreign shares loses his/her share certificate(s) and applies for replacement, such application shall be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original copy of the register of shareholders of overseas-listed foreign shares is maintained.

Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Shareholders of the Company enjoy the following rights:

- (i) to receive dividends and other forms of interest distributions in proportion to the shares they hold;
- (ii) to file a petition of, to convene, hold and attend the Shareholders' Meetings either in person or by proxy and exercise their corresponding voting and deliberate right according to laws (Save where individual shareholders are required to waive their voting rights in respect of specific matters pursuant to the relevant requirements of the Company's [REDACTED] place);

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- (iii) to supervise, present suggestions on or make inquiries about the business operations of the Company;
- (iv) to transfer, donate or pledge their shares in accordance with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association;
- (v) to inspect, copy the Articles of Association, register of Shareholders, minutes of Shareholders' Meetings, resolutions of the Board meetings, financial and accounting reports;
- (vi) to participate in the distribution of the remaining properties of the Company in proportion to their shareholdings in the event of the termination or liquidation of the Company;
- (vii) to request the Company to purchase their shares for the Shareholders who voting against any resolutions adopted at the Shareholders' Meeting concerning merger or division of the Company; and
- (viii) other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are [REDACTED] or the Articles of Association.

Shareholders who, individually or jointly, hold 3% or more of the Company's shares for 180 or more consecutive days may request to inspect the Company's accounting books and accounting vouchers.

Shareholders demanding inspection or duplication of the relevant information or copies of the materials mentioned in the preceding provision shall comply with the requirements under the Company Law, the Securities Law, other laws, administrative regulations, departmental rules, and the securities regulatory rules of the place where the Company's shares are [REDACTED], and shall submit a written request to the Company stating the purpose of such inspection, together with documentary evidence of the class and number of shares held. Upon verification of the shareholder's identity, and receiving a confidentiality undertaking from the shareholder, the Company shall notify the shareholder to inspect and copy the relevant materials on-site at a location designated by the company. The company may refuse to allow such inspection if it has reasonable grounds to determine that the shareholder's purpose is improper and that allowing the inspection would be likely to harm the Company's legitimate interests.

In the event that the content of the resolution of the Shareholders' Meeting or resolution of the Board of Directors violates laws or administrative regulations, the Shareholder is entitled to apply to the People's Court to declare such resolutions void.

In the event that the convening procedures or voting method of the Shareholders' Meeting or the Board meeting violates any of laws, administrative regulations or the Articles of Association, or the content of the resolution which violates the Articles of Association, the Shareholder is entitled to apply to the People's Court to overturn the resolution within 60 days from the date the resolution is passed. However, if the defects in the convening procedures or voting methods are minor and do not have a substantive effect on the resolutions, such resolutions shall not be overturned.

Where disputes arise concerning the validity of resolutions of the Shareholders' Meeting, from the Board of Directors, or among shareholders and other relevant parties, a lawsuit shall be promptly filed with the People's Court. Prior to the People's Court rendering a judgment or ruling to rescind or otherwise invalidate a resolution, the relevant parties shall perform such resolution. The Company, its directors, and senior management shall duly perform their duties to ensure the normal operation of the Company.

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Where the People's Court renders a judgment or ruling on relevant matters, the Company shall fulfill its information disclosure obligations in accordance with the laws, administrative regulations, and the requirements of the CSRC and the stock exchange, fully explaining the impact thereof. After such judgment or ruling becomes effective, the Company shall actively cooperate with its implementation. If corrections to prior-period matters are involved, the Company shall handle them in a timely manner and perform the corresponding information disclosure obligations.

In the event that any of the following circumstances occurs, a resolution of the Shareholders' Meeting or the Board of Directors shall be a nullity:

- (i) the resolution is made without convening a Shareholders' Meeting or Board of Directors meeting;
- (ii) the resolution was not voted on at the Shareholders' Meeting or Board of Directors meeting;
- (iii) the number of persons present or the votes held did not reach the number required by the Company Law or the Articles of Association;
- (iv) the number of persons agreeing to the resolution matter or the votes cast did not reach the number required by the Company Law or the Articles of Association.

In the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or the Articles of Association by the Directors or senior management outside the members of the Audit Committee when performing their duties in the Company, the shareholders holding more than 1% shares separately or jointly for over 180 consecutive days may submit a written request to the Audit Committee to file an action with the People's Court. Where members of the Audit Committee violate laws, administrative regulations or the Articles of Association in their duty performance and cause loss to the Company, the above shareholders may submit a written request to the Board of Directors to file an action with the People's Court.

In the event that the Audit Committee or the Board of Directors refuse to file an action upon receipt of the Shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irreparable damage to the interests of the Company, the shareholders specified in the preceding paragraph may, in their own name, directly file an action with the People's Court for the interest of the Company.

In the event that any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified above may file an action with the People's Court pursuant to the provisions of the preceding two paragraphs.

Where the directors, the supervisor, or senior management of a wholly-owned subsidiary of the Company, in the performance of their duties, violate laws, administrative regulations, or the provisions of the Articles of Association and cause losses to the Company, or where the lawful rights and interests of the Company's wholly-owned subsidiary are infringed by others, thereby causing losses, shareholders who individually or collectively hold at least 1% of the Company's shares for a consecutive period of no less than 180 days may, in accordance with the Articles of Association, request in writing the Supervisory Committee or the Board of Directors of the wholly-owned subsidiary to initiate a lawsuit with the People's Court, or bring a lawsuit directly with the People's Court in their own name. Where a wholly-owned subsidiary of the Company does not have a Supervisory Committee or Supervisors but has established an Audit Committee, the provisions of Paragraphs 1 and 2 of the Article 37 of the Articles of Association shall apply.

In the event of a director or senior management violates laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], or the Articles of Association, thereby damaging the interests of the Shareholder(s), the Shareholder(s) may file an action with the People's Court.

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The shareholders of the Company shall undertake the following obligations:

- (i) comply with laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association;
- (ii) pay the capital contribution according to the shares subscribed for and the method of capital contribution;
- (iii) not to withdraw their capital contribution except under circumstances prescribed by laws, regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED];
- (iv) not to abuse Shareholders' rights to damage the interests of the Company or other shareholders; not abuse the independent legal person status of the Company and the limited liability of shareholders to damage the interests of the Company's creditors;
- (v) to perform other obligations prescribed in laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association.

Where a Shareholder who abuses Shareholders' rights and causes the Company or other Shareholders to suffer a loss shall be liable for making compensation in accordance with the law. Where a shareholder utilizes two or more companies under its control to conduct the acts specified in the preceding paragraph, each such company shall be jointly and severally liable for the debts of any one of the companies. Where a Shareholder who abuses the status of the Company as an independent legal entity or the limited liability of Shareholders to evade debts and seriously damages the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

Controlling Shareholders and actual controller

Controlling shareholders and actual controller of the Company shall comply with the following provisions:

- (i) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;
- (ii) to strictly implement the public statements and undertakings made and shall not change or waive them;
- (iii) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;
- (iv) not to appropriate the Company's funds in any way;
- (v) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;
- (vi) not to make use of the Company's undisclosed material information to gain benefits, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;
- (vii) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related transactions, profit distribution, asset restructuring, foreign investment or any other means;

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- (viii) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organisation and business, and not to affect the independence of the Company in any way;
- (ix) other provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], the CSRC, and the Articles of Association.

Where a controlling shareholder or actual controller of the Company does not act as a director of the Company but actually carries out the affairs of the Company, the provisions of the Articles of Association relating to the duties of loyalty and diligence of directors shall apply.

Where a controlling shareholder or actual controller of the Company instructs directors or senior managements to engage in activities that damage the interests of the Company or shareholders, they shall bear joint and several liability with such Directors or senior managements.

General Provisions for Shareholders' Meetings

The Shareholders' Meeting shall be composed of all shareholders of the Company. The Shareholders' Meeting is the organ of authority of the Company, which exercises the following powers in accordance with the law.

- (i) to elect and replace directors who are not employee representatives, and to decide on matters relating to the remuneration of directors;
- (ii) to consider and approve the reports of the Board of Directors;
- (iii) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (iv) to resolve on the increase or reduction of the registered capital of the Company;
- (v) to resolve on the issue of corporate bonds of the Company;
- (vi) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (vii) to amend the Articles of Association;
- (viii) to resolve on the appointment and dismissal of the accounting firm that undertakes the auditing activities of the Company;
- (ix) to consider and approve the guarantee matters stipulated in the Articles of Association that shall be submit to Shareholders' Meeting;
- (x) to consider matters relating to the purchases or disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;
- (xi) to consider and approve matters relating to changes in the use of proceeds;
- (xii) to consider share incentive schemes and employee share ownership schemes;
- (xiii) to consider other matters required by the laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are [REDACTED] or the Articles of Association to be decided by the Shareholders' Meeting.

The Shareholders' Meeting may authorize the Board of Directors to make a resolution on the issuance of corporate bonds.

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The following provision of guarantees to third parties by the Company are subject to the consideration and approval by the Shareholders' Meeting:

- (i) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has exceeded 50% of the Company's latest audited net assets;
- (ii) any guarantee to be provided after the total amount of external guarantees provided by the Company has exceeded 30% of its latest audited total assets;
- (iii) any guarantee provided to any guaranteed party with assets-liabilities ratio exceeding 70%;
- (iv) any single guarantee exceeding 10% of the latest audited net assets;
- (v) the cumulative guarantee amount in the last 12 months has exceeded 30% of the Company's latest audited total assets;
- (vi) any guarantees to be provided for shareholders, actual controller and their related parties;
- (vii) other circumstances as prescribed by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], or the Articles of Association, which shall be subject to the approval of the Shareholders' Meeting.

When the Shareholders' Meeting considers the guarantee matters in item (v) above, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When the Shareholders' Meeting considers a proposal to provide a guarantee to a shareholder, actual controller or their connected parties, such shareholder or the shareholder controlled by such actual controller shall not participate in the voting on such proposal, and such proposal shall be passed by more than half of the voting rights held by other shareholders present at the Shareholders' Meeting.

Any financial assistance transaction of the Company shall, in addition to being approved by a simple majority of all directors, be approved by at least two-thirds of the directors present at the Board meeting, and shall be promptly disclosed.

A financial assistance matter shall be submitted to the Shareholders' Meeting for approval after being approved by the Board, if it falls under any of the following circumstances:

- (i) the amount of the single financial assistance exceeds 10% of the Company's latest audited net assets;
- (ii) the latest financial statement data of the recipient shows a gearing ratio exceeding 70%;
- (iii) the accumulative amount of financial assistance provided within the last 12 months exceeds 10% of the Company's latest audited net assets;
- (iv) other circumstances requiring Shareholders' Meeting approval as stipulated by laws, administrative regulations, the securities regulatory rules of the Company's [REDACTED] venue, or these Articles of Association.

The provisions of the preceding paragraph above may be waived if the recipient is a controlled subsidiary included in the Company's consolidated financial statements and none of the other shareholders of such subsidiary is the Company's controlling shareholder, actual controller or any of their respective associates.

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Connected transactions with a transaction value (including debts and expenses assumed by the Company) exceeding RMB30 million and accounting for more than 5% of the absolute value of the Company’s latest audited net assets, as well as connected transactions that are required to be approved by the shareholders’ meeting prior to implementation under the Listing Rules of Hong Kong Stock Exchange, shall be reviewed and approved by the shareholders’ meeting. When the shareholders’ meeting considers connected transaction matters, connected shareholders shall abstain from voting and shall not act as a proxy to exercise voting rights on behalf of other shareholders. In these Articles of Association, the meaning of “connected transaction” shall cover the “connected transaction” as defined under the Listing Rules of Hong Kong Stock Exchange; “connected party” shall cover the “connected person” as defined under the Listing Rules of Hong Kong Stock Exchange; and “connected relationship” shall cover the “connected relationship” as defined under the Listing Rules of Hong Kong Stock Exchange.

Transactions entered into by the Company with non-connected parties, including without limitation, the purchase or sale of assets (excluding the purchase of raw materials, fuels and power in the ordinary course of business and the sale of products, goods and other assets incidental to ordinary business operations; provided that the purchase and sale of such assets involved in asset swap transactions shall be included), external investments (including entrusted wealth management and investments in subsidiaries), the leasing in or leasing out of assets, the conclusion of management contracts (including entrusted operation and entrusted management), the donation or acceptance of assets by way of gift, creditor’s right or debt restructuring, the transfer of research and development projects, the execution of licensing agreements, the waiver of rights (including pre-emptive rights and subscription rights for capital contributions), and other transactions as recognised by the stock exchange where the Company’s shares are [REDACTED]; save for the provision of guarantees and financial assistance, any transaction meeting any of the following criteria shall, after being considered by the Board of Directors, be further submitted to the Shareholders’ Meeting for consideration:

- (i) the total assets involved in the transaction account for more than 50% of the Company’s latest audited total assets. Where both carrying value and appraisal value are available for the total assets under the transaction, the higher value shall be adopted for calculation;
- (ii) the net assets involved in the transaction subject matter (such as equity interests) account for more than 50% of the Company’s latest audited net assets, and the absolute amount exceeds RMB 50 million. Where both carrying value and appraisal value are available for the net assets under the transaction, the higher value shall be adopted for calculation;
- (iii) the operating income attributable to the transaction subject matter (such as equity interests) in the most recent financial year accounts for more than 50% of the Company’s audited operating income for the same period, with an absolute amount exceeding RMB50 million;
- (iv) the net profit attributable to the transaction subject matter (such as equity interests) in the most recent financial year accounts for more than 50% of the Company’s audited net profit for the same period, with an absolute amount exceeding RMB5 million;
- (v) the transaction value (including debts and expenses assumed) accounts for more than 50% of the Company’s latest audited net assets, with an absolute amount exceeding RMB50 million;
- (vi) the profits generated from the transaction account for more than 50% of the Company’s audited net profit for the most recent financial year, with an absolute amount exceeding RMB5 million.

Where any negative figure is involved in the calculation of the aforesaid indicators, the absolute value thereof shall be used.

Transactions from which the Company unilaterally obtains benefits, such as the acceptance of cash assets by way of gift and debt relief granted to the Company, shall be exempted from the shareholders’ meeting consideration procedures set out in this Article.

Shareholders’ Meetings are divided into annual Shareholders’ Meetings and extraordinary Shareholders’ Meetings. The annual Shareholders’ Meeting is convened once a year and shall be held within six months after the end of the previous accounting year.

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The Company shall convene an extraordinary Shareholders' Meeting within two months from the date of the occurrence of any of the following circumstances:

- (i) where the number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the Articles of Association;
- (ii) where the Company's accumulated losses reach one-third of its total paid-in share capital;
- (iii) upon the request of shareholder(s) holding, individually or in aggregate, 10% or more of the Company's shares;
- (iv) the Board of Directors considers it necessary;
- (v) when the Audit Committee under the Board of Directors proposes to hold such a meeting;
- (vi) when more than half of all the Independent Non-executive Directors approve and has been approved in writing by the Board of Directors;
- (vii) other circumstances conferred by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are [REDACTED] and the Articles of Association.

The place for convening the Shareholders' Meeting shall be the Company's registered office or the place designated in the notice of the Shareholders' Meeting.

The Shareholders' Meeting will set up a venue and be held in the form of an on-site meeting. The Company shall, in compliance with the securities regulatory rules of the place where its shares are [REDACTED], provide its shareholders with the means to attend Shareholders' Meetings remotely and to exercise their rights to speak and vote electronically via the Internet or other electronic channels.

Convening of Shareholders' Meeting

The Board of Directors shall convene the Shareholders' Meeting on time within the specified period as stipulated in the Articles of Association. Subject to the consent of more than half of all the Independent Non-executive Directors, the Independent Non-executive Directors have the right to propose to the Board of Directors to convene an extraordinary Shareholders' Meeting. With regard to the proposal made by the Independent Non-executive Directors for convening an extraordinary Shareholders' Meeting, the Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, provide a written response indicating whether it agrees or disagrees to convene the extraordinary Shareholders' Meeting within 10 days upon receipt of the proposal. Where the Board of Directors agrees to convene the Shareholders' Meeting, a notice of convening such meeting shall be issued within five days after the resolution of the Board of Directors is made. Where the Board of Directors does not agree to convene the extraordinary Shareholders' Meeting, it shall provide reasons and make an announcement.

Shareholders who individually or jointly hold more than 10% of the Company's shares are entitled to request the Board of Directors to convene an extraordinary Shareholders' Meeting and such requisition shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene the extraordinary Shareholders' Meeting within 10 days upon receipt of the requisition.

Where the Board of Directors agrees to convene the Shareholders' Meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the Board of Directors is made. Any change to the original requisition in the notice shall be subject to the approval of relevant shareholders. Where the Board of Directors does not agree to convene the extraordinary Shareholders' Meeting or fails to reply within 10 days after receipt of the requisition, shareholders who individually or jointly hold more than 10% of the Company's shares shall have the right to propose the Audit Committee to convene the extraordinary Shareholders' Meeting and such requisition shall be made in writing to the Audit Committee.

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The Audit Committee is entitled to propose to the Board of Directors to convene an extraordinary Shareholders' Meeting and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, give a written reply on whether or not it agrees to convene the extraordinary Shareholders' Meeting within 10 days upon receipt of the proposal. Where the Board of Directors agrees to convene the Shareholders' Meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the Board of Directors is made. Any change to the original proposal in the notice shall be subject to the approval of the Audit Committee. Where the Board of Directors does not agree to convene the extraordinary Shareholders' Meeting or fails to reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the Shareholders' Meeting, and the Audit Committee may convene and preside over the meeting by itself.

Where the Board of Directors agrees to convene the Shareholders' Meeting, a notice of convening such meeting shall be issued within 5 days after the resolution of the Board of Directors is made. Any change to the original requisition in the notice shall be subject to the approval of relevant shareholders. Where the Board of Directors does not agree to convene the extraordinary Shareholders' Meeting or fails to reply within 10 days after receipt of the requisition, shareholders who individually or jointly hold more than 10% of the Company's shares shall have the right to propose the Audit Committee to convene the extraordinary Shareholders' Meeting and such requisition shall be made in writing to the Audit Committee.

Where the Audit Committee agrees to convene the Shareholders' Meeting, a notice of convening such meeting shall be issued within five days after receipt of the requisition. Any change to the original requisition in the notice shall be subject to the approval of relevant shareholders. If the Audit Committee fails to issue the notice of the meeting within the specified period, it shall be deemed that the Audit Committee does not convene and preside over the Shareholders' Meeting. Shareholders who individually or jointly hold more than 10% of the Company's shares for more than 90 consecutive days may convene and preside over the Shareholders' Meeting by themselves.

Proposals and Notice of Shareholders' Meeting

Proposals to be considered at the Shareholders' Meeting shall fall within the scope of authority of the Shareholders' Meeting as set forth in these Articles, contain a clear agenda item and specify the matters to be resolved, comply with applicable laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], and the relevant provisions of the Articles of Association, and be submitted to the convener in writing.

When the Company convenes a Shareholders' Meeting, the Board of Directors, the Audit Committee and shareholders who individually or jointly hold more than 1% of the Company's shares shall be entitled to put forward proposals to the Company.

Shareholders who individually or jointly hold more than 1% of the Company's shares (excluding treasury shares) may submit provisional proposals in writing to the convener ten days prior to the convening of the Shareholders' Meeting. The convener shall issue a supplementary notice of the Shareholders' Meeting within two days upon receipt of the proposals to announce the contents of the provisional proposal and submit the provisional proposals to the Shareholders' Meeting for consideration; however, except for the provisional proposals that violate the requirements of the laws, administrative regulations or the Articles of Association, or are not within the terms of reference of the Shareholders' Meeting. If the Shareholders' Meeting needs to be postponed due to the issuance of a supplementary notice of the Shareholders' Meeting according to the securities regulatory rules of the place where the Company's shares are [REDACTED], the convening of the Shareholders' Meeting shall be postponed according to the securities regulatory rules of the place where the Company's shares are [REDACTED].

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Except as provided in the preceding paragraph, the convener shall not change the proposals set out in the notice of the Shareholders' Meeting or add any new proposal after the said notice is served.

Proposals not set out in the notice of the Shareholders' Meeting or not complying with the Articles of Association shall not be voted on or resolved at the Shareholders' Meeting.

In the event of a hostile takeover bid for the Company, if the bidder submits a proposal to the Shareholders' Meeting concerning the sale of the Company's assets or the acquisition of other assets, such proposal shall include a comprehensive analysis and explanation of the basic particulars of the assets to be sold or acquired, the necessity of the proposed transaction, the pricing methodology and its rationale, the basic particulars of the counterparty to the transaction, any connected relationship between the counterparty and the offeror, the subsequent arrangements for the assets following their acquisition or sale, and the impact of the proposed transaction on the Company's sustainable profitability, accompanied by all relevant supporting documents. If the information disclosed in the proposal is incomplete or insufficient, or if the supporting documentation provided is inadequate to substantiate its content, the convener shall so notify the proposer. The proposer shall then have two days to amend and supplement the proposal prior to its resubmission.

The convener shall notify all shareholders by announcement at least 21 days prior to the convention of an annual Shareholders' Meeting, or at least 15 days prior to the convention of an extraordinary Shareholders' Meeting. The Company shall not include the date of convention of meeting in the calculation of starting and ending time.

Notice of the Shareholders' Meeting shall contain:

- (i) the date, venue and duration of the meeting;
- (ii) matters and proposals submitted for consideration at the meeting;
- (iii) a clear statement that: each shareholder is entitled to attend the Shareholders' Meeting in person, or appoint one or more proxies who need not be shareholders of the Company, to attend and vote on his/its behalf;
- (iv) the date of record for the determination of shareholders who are entitled to attend the Shareholders' Meeting;
- (v) name and telephone number of permanent contact person;
- (vi) time and procedures for voting online or by other means;
- (vii) any other requirements stipulated by laws, administrative regulations, departmental rules and regulations, securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association.

Where a Shareholders' Meeting is to be conducted via the internet or by other means, the notice convening such meeting shall clearly specify the voting period and the voting procedures applicable to such means.

The period between the record date for determining shareholders entitled to vote and the date of the meeting shall not exceed seven business days. Once confirmed, the record date may not be altered.

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HOLDING OF SHAREHOLDERS' MEETING

All shareholders whose names appear on the register of members on the record date or their proxies are entitled to attend the Shareholders' Meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association, unless individual shareholders are required to abstain voting from individual matter as stipulated by the securities regulatory rules of the place where the shares of the Company are [REDACTED].

A shareholder may attend and vote at the Shareholders' Meeting in person or by proxy. Every shareholder shall be entitled to appoint one or multiple representatives, the proxy is not required to be a shareholder of the Company.

Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or proof of shareholding. Proxies attending the meeting shall present their personal identity cards and the proxy statements from the shareholder.

Corporate shareholders shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written proxy statement legally issued by the legal representative of the legal person shareholder, except for the shareholder who is [REDACTED] or its proxy.

If the shareholder is [REDACTED], the [REDACTED] may authorize one or more persons it deems fit to act as its proxy at any Shareholders' Meeting or any meeting of creditors; however, if more than one person is authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. Any person so authorized by [REDACTED] (or its appointed agent) shall be entitled to attend, speak, and vote at Shareholders' Meeting of the Company as the duly constituted representative of [REDACTED]. Such person may exercise these rights without being required to produce the relevant share certificate, a notarized power of attorney, or any other evidence of authority, and for all purposes of the meeting shall be treated as if he/she were an individual shareholder of the Company.

Where a proxy voting authorization instrument is signed by a person authorized by the principal, the letter of authorization or other authorization documents for such signing shall be notarized. Both the notarized letter of authorization or other authorization documents and the proxy form for voting shall be deposited at the Company's domicile or such other place as specified in the notice convening the meeting, no later than twenty-four hours before the holding of the relevant meeting or the designated voting time.

Voting at the Shareholders' Meeting

Resolutions of the Shareholders' Meeting include ordinary resolutions and special resolutions. An ordinary resolution at a Shareholders' Meeting shall be passed by one half or above of the voting rights held by shareholders (including their proxies) attending and entitled to vote at the Shareholders' Meeting. A special resolution at a Shareholders' Meeting shall be passed by two-thirds or above of the voting rights held by shareholders (including their proxies) attending and entitled to vote at the Shareholders' Meeting.

The following matters shall be resolved by an ordinary resolution at a Shareholders' Meeting:

- (i) work reports of the Board;
- (ii) plans formulated by the Board for the distribution of profits and for making up losses;
- (iii) appointment and removal of the members of the Board, their remunerations and methods of payment;

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- (iv) Company's annual report;
- (v) approve the appointment, dismissal and remuneration of auditors;
- (vi) matters other than those required by the laws, administrative regulations, the securities regulatory rules of the place where the Company's share are [REDACTED], or the Articles of Association to be approved by a special resolution.

The following matters shall be resolved by a special resolution at a Shareholders' Meeting:

- (i) the increase or reduction of share capital of the Company (including selective capital reduction);
- (ii) the split, spin-off, merger, dissolution and liquidation of the Company;
- (iii) amendments to the Articles of Association;
- (iv) the purchase or disposal of major assets or guarantees within one year exceeds 30% of the Company's latest audited total assets;
- (v) equity incentive plan;
- (vi) any other matters as required by the laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are [REDACTED] or the Articles of Association, and any other matters considered by the Shareholders' Meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be approved by a special resolution.

All shares held by the Company's shareholders are ordinary shares, and the Company has no shares with weighted voting rights. A shareholder shall exercise voting rights by reference to the number of voting shares held by it, and one vote shall be attached to each share. Subject to the applicable securities regulatory rules of the stock place where the Company's shares are [REDACTED], a shareholder (including its proxy) holding two or more votes need not cast all such votes in favour, against or abstain from voting in any poll.

DIRECTORS AND THE BOARD OF DIRECTORS

General provisions in relation to directors

The directors of the Company may comprise executive directors, non-executive directors and independent non-executive directors. A non-executive director refers to a director who does not hold any operational or management position in the Company. An independent non-executive director means a person who maintains independence and has no relationship with the Company or its substantial shareholders that may impair his independent and objective judgement.

A director of the Company who is a natural person shall not act as the director of the Company under any of the following circumstances:

- (i) lacking or having limited capacity to engage in civil juristic acts;
- (ii) having been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property or disrupting the economic order of the socialist market; or having ever been deprived of political rights due to any crime, with less than five years having elapsed since the completion date of the execution of the penalty, or having been granted probation, with less than two years having elapsed since the completion date of the probation period;

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- (iii) acting as a director, factory director or general manager of a company or enterprise that has been bankrupt and liquidated, whereby the director is personally liable for the bankruptcy of such company or enterprise, with three years having not elapsed since the completion date of the bankruptcy and liquidation of the company or enterprise;
- (iv) acting as the legal representative of a company or enterprise, but the business license of this company or enterprise has been revoked and this company or enterprise has been ordered to close due to a violation of the law, whereby the director is personally liable for the revocation, with three years having not elapsed since the revocation date of the business license thereof;
- (v) classified as a dishonest person subject to enforcement due to significant outstanding debts that have become due but have not been paid;
- (vi) prohibited from entering the securities market by the CSRC with the penalty period not yet expired;
- (vii) recognized by stock exchanges as unsuitable for serving as a director, supervisor or senior management officer of a listed company, with the disciplinary action period not yet expired;
- (viii) other circumstances as stipulated by the laws, administrative regulations, departmental regulations, and securities regulatory rules of the places where the Company's shares are [REDACTED].

Any election, appointment, or designation of a director made in violation of the preceding Article shall be null and void. If a director, during his or her term of office, falls under any circumstance specified in the preceding Article, the Company shall remove such director from office and suspend his or her exercise of powers.

Employee representative directors shall be elected or replaced by the Shareholders' Meeting. Such directors shall be nominated and elected by the employees through an employees' assembly, employees' congress, or other democratic election procedures. A director may be removed from office before the expiry of his/her term by the body that elected or appointed him/her, provided that such removal shall not affect any claim for damages that the director may have under any contract.

The term of office for a director shall be three years. A director may be re-elected upon expiry of his/her term, subject to any specific provisions regarding re-election under the securities regulatory rules of the place where the Company's shares [REDACTED].

A director's term shall commence on the date he/she assumes office and shall expire upon the expiry of the term of the current Board of Directors. If a director's term expires and a successor has not been duly elected, the incumbent director shall continue to perform his/her duties in accordance with applicable laws, administrative regulations, departmental rules, the securities regulatory rules of the Company's [REDACTED] venue, and the Articles of Association, until a successor assumes office.

A director appointed by the Board of Directors to fill a casual vacancy or as an additional director shall hold office from the date of his/her appointment until the next annual Shareholders' Meeting of shareholders following such appointment, and shall be eligible for re-election at such meeting.

A director may concurrently serve as a member of senior management. However, the total number of directors who concurrently serve as senior management, together with employee representative directors, shall not exceed one-half of the total number of directors of the Company.

Directors shall comply with laws, administrative regulations, securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association, and owe fiduciary duties to the Company. They shall take measures to avoid conflicts of interest between themselves and the Company, and shall not exploit their positions to seek improper benefits.

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Directors owe the following fiduciary duties to the Company:

- (i) they shall not misappropriate Company property or embezzle Company funds;
- (ii) they shall not deposit Company funds into accounts opened in their personal names or in the names of other individuals;
- (iii) they shall not solicit or accept bribes or other illegal benefits through their authority;
- (iv) they shall not directly or indirectly enter into contracts or transactions with the Company unless they have reported to the Board of Directors or the Shareholders' Meeting and obtained approval through a resolution of the Shareholders' Meeting or the Board of Directors in accordance with the articles of association;
- (v) they shall not exploit their positions to seize business opportunities that rightfully belong to the Company for their own benefit or the benefit of others, except that such opportunities are reported to the Board of Directors or Shareholders' Meeting and approved by a resolution of the Shareholders' Meeting; or the Company is legally, administratively, or under its articles of association unable to pursue such opportunities;
- (vi) they shall not engage in any business competing with the Company, either on their own behalf or for others, unless they have reported to the Board of Directors or Shareholders' Meeting and obtained approval through a resolution of the Shareholders' Meeting;
- (vii) they shall not retain commissions derived from transactions between third parties and the Company;
- (viii) they shall not disclose any material non-public information, shall not utilize any inside information for unlawful gain, and shall, following the termination of his/her tenure, comply with any post-service non-compete obligations agreed upon with the Company;
- (ix) they shall not exploit any connected relationship to the detriment of the Company's interests;
- (x) they shall safeguard the interests of the Company and all its shareholders, and shall not act to the detriment of the Company's interests for the benefit of the de facto controller, any shareholder, any employee, themselves, or any other third party;
- (xi) they shall comply with other fiduciary duties stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association.

Any income obtained by Directors in violation of the preceding provision shall be returned to the Company. Directors who cause losses to the Company through such violations shall be liable for compensation.

The provision of the item (iv) above shall apply to any contract entered into or transaction conducted between the Company and (a) any close relative of a director or a member of senior management; (b) any enterprise directly or indirectly controlled by a director, a member of senior management, or any of their close relatives; or (c) any other person having a connected relationship with a director or a member of senior management.

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The Director shall not exploit his or her position to appropriate for himself or herself, or for any third party, any business opportunity that is rightfully that of the Company. This obligation shall not apply if:

- (i) the Director has fully disclosed the opportunity to the Board of Directors or the Shareholders' Meeting and its appropriation has been authorized by a duly passed resolution in accordance with the Articles of Association; or
- (ii) the Company is legally or contractually precluded from pursuing the opportunity under any applicable law, administrative regulation, or the Articles of Association.

Furthermore, and subject to any applicable laws, regulations and the securities regulatory rules of the place where the Company's share [REDACTED], no Director shall, unless he or she has obtained prior disclosure and authorization from the Board of Directors or the Shareholders' Meeting in accordance with the Articles of Association, engage in any business, whether on his or her own account or for others, that is in competition with the principal business of the Company.

The Directors shall abide by the provisions of laws, administrative regulations and the articles of association, and have a diligent obligation to the Company, and shall perform their duties in the best interests of the Company and with the reasonable care normally due by the management. The Directors have the following diligent obligations to the Company:

- (i) shall exercise prudently, conscientiously and diligently the rights conferred by the Company in order to ensure that the Company's business activities comply with the requirements of national laws, administrative regulations, securities regulatory rules of the place where the Company's shares are [REDACTED] and various economic policies, and that the business activities do not exceed the scope of business stipulated in the business license;
- (ii) shall fairly treat all Shareholders;
- (iii) to keep abreast of the business operation and management of the Company, promptly report relevant issues and risks to the Board of Directors and shall not assert unfamiliarity with the Company's business or lack of knowledge of the relevant matters as grounds for relief from liability;
- (iv) a written confirmation opinion shall be signed on the Company's periodic reports to ensure that the information disclosed by the Company is true, accurate and complete;
- (v) shall provide truthful information and materials to the Audit Committee and shall not obstruct the Audit Committee in the exercise of its authority;
- (vi) shall ensure sufficient time and capacity to participate in the Company's affairs, exercising prudent judgment regarding the risks and benefits of matters under consideration, in principle, attend meetings of the Board of Directors in person, where authorization is granted to another director to attend a meeting due to unavoidable circumstances, the trustee shall be selected with prudence, the scope of authorization and the decision-making intent must be specific and clear, a general power of attorney is not permitted;
- (vii) shall diligently oversee the Company's compliance with its information disclosure obligations, and promptly rectify and report any regulatory violations by the Company;
- (viii) shall perform such other duties of diligence prescribed by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the Company's shares are [REDACTED], and the Articles of Association.

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A director who is absent from two consecutive meetings of the Board of Directors, without attending in person or appointing another director as a proxy, shall be deemed unable to perform his/her duties, and the Board shall make a proposal for his replacement to the body that elected such director. Subject to the securities regulatory rules of the Company’s [REDACTED] place, a director attending a Board meeting by way of online communication, video conferencing, telephone or other means of equivalent effect shall be deemed to attend in person.

A director may resign before the expiry of his/her term, subject to compliance with the securities regulatory rules of the place where the Company’s shares are [REDACTED]. A director wishing to resign shall submit a written resignation to the Board of Directors. The Company shall disclose the relevant information within the timeframe stipulated by the securities regulatory rules of the place where the Company’s shares are [REDACTED].

Board of Directors

The Board of Directors consists of nine Directors, including three Independent Non-executive Directors. There shall be one Chairman of the Board, who shall be elected by more than half of all directors. The independent non-executive directors shall include at least one financial or accounting professional as defined under the Hong Kong Listing Rules.

The Board of Directors exercises the following powers:

- (i) to convene the Shareholders’ Meeting and report on work to the Shareholders’ Meeting;
- (ii) implement the resolutions of the Shareholders’ Meeting;
- (iii) determine the business and investment plans of our Company;
- (iv) devise the earnings distribution and loss offset plans of our Company;
- (v) formulate the plans for increasing or decreasing the Company’s registered capital, the issuance of corporate bonds or other securities, as well as the [REDACTED] of the stock of our Company;
- (vi) formulate plans for the Company’s major acquisitions, share repurchases, as well as plans for mergers, divisions, dissolution, and changes in the Company’s form;
- (vii) determine such matters as the Company’s external investment, purchase or sale of assets, asset pledge, external guarantee, entrusting wealth management, connected transaction and external donation within the scope authorized by the Shareholders’ Meeting;
- (viii) decide on the setup of our Company’s internal management organization;
- (ix) to decide on matters such as appointment or dismissal of the Company’s general manager and other senior officers and to determine their remuneration as well as incentives and disincentives; and, upon the nomination of the general manager, to appoint and dismiss senior management personnel such as deputy general managers and the financial officer, and to determine their remuneration as well as incentives and disincentives;
- (x) set the basic management systems of our Company;
- (xi) make the modification plan to the Articles of Association;
- (xii) manage the disclosure of company information;
- (xiii) to propose to the Shareholders’ Meeting the appointment or change of the accounting firm engaged as the Company’s auditor;

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- (xiv) attend to the work report of our Company’s general manager and review the work of the general manager;
- (xv) in the event of an acquisition of the Company that may result in a transfer of its actual control, to have the authority to adopt and implement any countermeasures not prohibited by applicable laws and regulations and not infringing upon the lawful rights and interests of the Company or its other shareholders;
- (xvi) other powers and duties authorized by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company’s shares are [REDACTED], the Articles of Association, or the Shareholders’ Meeting.

The Board of Directors shall delineate the scope of authority in respect of external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted wealth management, connected transactions, external donations and other matters, and establish stringent review and decision-making procedures. For major investment projects, the Board shall arrange for relevant experts and professional personnel to conduct review and assessment, and submit the same to the Shareholders’ Meeting for approval in accordance with laws, administrative regulations, the securities regulatory rules applicable at the Company’s [REDACTED] place and the provisions of these Articles of Association.

Transactions entered into by the Company with non-connected parties, including purchases or sales of assets (excluding the purchase of raw materials, fuel, and power for daily operations, and the sale of products, goods, and other assets related to daily operations, except where such purchases or sales are involved in an asset swap), external investments (including entrusted wealth management, investments in subsidiaries, etc.), leases of assets, execution of management contracts (including entrusted operations and trusteeship), donations or receipt of donations, debt or debt restructuring, transfer of research and development projects, execution of licensing agreements, and waiver of rights (including pre-emptive rights, capital contribution commitments, etc.), shall be subject to review by the Board of Directors if they meet any of the following criteria:

- (i) the total assets involved in the transaction (taking the higher of book value and assessed value, if both exist) exceed 10% of the Company’s most recently audited total assets;
- (ii) the net assets pertaining to the subject matter of the transaction (e.g., equity) (taking the higher of book value and assessed value, if both exist) exceed 10% of the Company’s most recently audited net assets, with an absolute amount exceeding RMB10 million;
- (iii) the revenue related to the subject matter of the transaction (e.g., equity) for the most recent fiscal year exceeds 10% of the Company’s operating revenue for the most recent fiscal year as audited, with an absolute amount exceeding RMB10 million;
- (iv) the net profit related to the subject matter of the transaction (e.g., equity) for the most recent fiscal year exceeds 10% of the Company’s net profit for the most recent fiscal year as audited, with an absolute amount exceeding RMB1 million;
- (v) the transaction value (including assumed liabilities and expenses) exceeds 10% of the Company’s most recently audited net assets, with an absolute amount exceeding RMB10 million;
- (vi) the profit generated from the transaction exceeds 10% of the Company’s net profit for the most recent fiscal year as audited, with an absolute amount exceeding RMB1 million;
- (vii) any other circumstances stipulated by laws, administrative regulations, or the securities regulatory rules of the place where the Company’s shares are [REDACTED] as requiring Board review.

For the purpose of calculating the above criteria, if any relevant data is negative, its absolute value shall be taken.

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If any transaction described above is required to be submitted to the Shareholders’ Meeting for approval under applicable laws, administrative regulations, the securities regulatory rules of the place where the Company’s shares are [REDACTED], or the Articles of Association, the Board of Directors shall, after its review, submit such transaction to the Shareholders’ Meeting for approval.

Any external guarantee entered into by the Company shall be subject to review and approval by the Board of Directors. Where an external guarantee is required to be submitted to the Shareholders’ Meeting for approval according to the applicable laws, administrative regulations, securities regulatory rules of the place where the Company’s shares are [REDACTED], and the Articles of Association, the Board of Directors shall, after its review, submit such matter to the Shareholders’ Meeting for approval. A resolution of the Board of Directors to approve an external guarantee shall require the affirmative vote of a majority of all directors and the affirmative vote of at least two-thirds of the directors present at the meeting.

Where a proposed connected transaction of the Company or any of its subsidiaries reaches the following threshold, it shall be submitted by the general manager to the Board of Directors for review and approval, following the general manager’s review (for the Company) or upon completion of the relevant decision-making process by the subsidiary (for any subsidiary). Upon completion of such procedures, it shall be reported to the Company’s Board Office for record-keeping. Such transaction shall be promptly disclosed by announcement following its approval by the Board: the highest percentage ratio calculated in accordance with the Hong Kong Listing Rules is: (i) less than 5%; or (ii) less than 25% and the total transaction amount is less than HK\$10 million.

Where a proposed connected transaction of the Company or any of its subsidiaries meets any of the following criteria, it shall be subject to review and approval by the general manager (for the Company) or by the relevant subsidiary in accordance with its decision-making process (for any subsidiary). Upon completion of such procedures, it shall be reported to the Company’s Securities Department for record-keeping:

- (i) the issue or repurchase of securities in compliance with the Hong Kong Listing Rules;
- (ii) a service contract entered into by the Company or any subsidiary with one of its directors;
- (iii) the provision of consumer goods or consumer services, or shared administrative services, in compliance with the Hong Kong Listing Rules;
- (iv) the highest percentage ratio (excluding the profit ratio) calculated in accordance with the Hong Kong Listing Rules is: (a) less than 0.1%; (b) less than 1%, provided that the transaction is a connected transaction only because the connected person involved is connected or related solely to a subsidiary of the Company; or (c) less than 5% and the total transaction price (or, in the case of financial assistance, the total amount of financial assistance plus any monetary benefit paid to the connected person or jointly-held entity) is less than HK\$3 million;
- (v) a transaction with a connected person at the subsidiary level conducted on normal commercial terms or better in compliance with the Hong Kong Listing Rules, provided that: (a) the transaction is approved by the Company’s Board; and (b) the Company’s independent non-executive directors confirm that the terms are fair and reasonable, on normal commercial terms or better, and in the interests of the Company and its shareholders as a whole;
- (vi) a transaction between the Company and a person who is a connected person solely due to their relationship with a non-significant subsidiary of the Company;
- (vii) a transaction with an associate of a passive investor (as defined in the Hong Kong Listing Rules) in compliance with the Hong Kong Listing Rules.

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A proposed connected transaction of the Company that does not fall within the categories specified in the two paragraphs above shall, following approval by the Board, be submitted to the Shareholders' Meeting for approval. A proposed connected transaction of any subsidiary that does not fall within the categories specified in the two paragraphs above shall, upon completion of the relevant decision-making process by the subsidiary, be submitted by the general manager to the Board for review and approval. Following such approval by the Board, it shall be submitted to the Shareholders' Meeting for approval. Upon completion of such procedures, it shall be reported to the Company's Securities Department for record-keeping. Such transaction shall be promptly disclosed by announcement and circular following its approval by the Board.

Where a director has a connected relationship with any enterprise or individual involved in a matter for resolution at a Board meeting, such director shall promptly submit a written report to the Board. A director with such a connected relationship shall neither vote on the relevant resolution nor appoint a proxy to vote on his/her behalf. The Board meeting may be held with the attendance of a majority of directors who have no such connected relationship, and any resolution of the Board meeting shall require the affirmative vote of a majority of such disinterested directors present. Where the number of disinterested directors present at the Board meeting is fewer than three, the matter shall be submitted to the Shareholders' Meeting for consideration. In the event that applicable laws, regulations, or the securities regulatory rules of the place where the Company's shares are [REDACTED] impose additional restrictions on a director's participation in Board meetings or voting, such provisions shall prevail. When the Board considers a connected transaction, a director (including his/her authorized proxy) who has a connected relationship with the matter in question may attend the Board meeting and present his/her opinion to the attending directors in accordance with the meeting procedures, but shall abstain from voting.

Independent Non-executive Directors

The Company establishes a mechanism for special meeting attended solely by Independent Non-executive Directors. Related party transactions should be pre-approved by the special meeting of Independent Non-executive Directors before being submitted to the Board of Directors for consideration.

The Independent Non-executive Director shall have the following special powers:

- (i) to independently engage intermediaries to conduct audits, provide consultations, or perform investigations on specific matters of the Company;
- (ii) to propose the convening of an extraordinary Shareholders' Meeting to the Board of Directors;
- (iii) to propose the convening of a meeting of the Board of Directors;
- (iv) to issue independent opinions on matters that may harm the interests of the Company or minority shareholders; and
- (v) other powers conferred by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are [REDACTED], and these Articles of Association.

The exercise of the powers listed in items (i) through (iii) of the preceding paragraph shall require the affirmative vote of a majority of all Independent Non-executive Directors. The exercise of any power set forth in the paragraph above shall be disclosed by the Company in a timely manner in accordance with the securities regulatory rules of the place where the Company's shares are [REDACTED]. If the normal exercise of any such power is impeded, the Company shall disclose the specific circumstances and reasons in accordance with the securities regulatory rules of the place where the Company's shares are [REDACTED].

The special meetings of Independent Non-executive Directors may study and discuss other matters of our Company as needed.

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The special meetings of Independent Non-executive Directors shall be convened and presided over by an independent director jointly elected by a majority of the Independent Non-executive Directors; in the event that the convener fails to or is unable to perform his/her duties, two or more Independent Non-executive Directors may convene and elect a representative to preside over the meeting on their own.

Minutes of the special meetings of Independent Non-executive Directors shall be prepared as required, with the inclusion of the opinions of the Independent Non-executive Directors, who shall sign to confirm the minutes of the meetings.

The Company shall facilitate and support the convening of special meetings of Independent Non-executive Directors.

SPECIALISED COMMITTEES OF THE BOARD

The Board shall establish specialised committees including the Audit Committee, Remuneration and Evaluation Committee, Nomination Committee and Strategy Committee. Each specialised committee shall be accountable to the Board and perform its functions in accordance with these Articles of Association and the authorisation granted by the Board. Proposals put forward by any specialised committee shall be submitted to the Board for consideration and determination. The working rules of the specialised committees shall be formulated by the Board.

All members of the specialised committees shall be directors. In the Audit Committee, Remuneration and Evaluation Committee and Nomination Committee, independent non-executive directors shall constitute a majority and act as the chairmen thereof. The Audit Committee shall have at least one independent non-executive director who is an accounting professional to serve as its chairman. The Nomination Committee shall include one director of a different gender. The composition of members of the specialised committees shall comply with the relevant requirements of laws, regulations, the regulatory authorities at the Company's [REDACTED] place and the Hong Kong Listing Rules.

The Audit Committee shall exercise the powers and functions of the board of supervisors as stipulated under the Companies Law, as well as the powers and functions of the audit committee required under other securities regulatory rules applicable at the Company's [REDACTED] place.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, and supervising and assessing internal and external audit works and internal controls. The following matters shall be submitted to the Board for consideration only upon approval by a majority of all members of the Audit Committee: (i) The disclosure of financial information contained in financial accounting reports and periodic reports, and internal control evaluation reports; (ii) The appointment or dismissal of the accounting firm undertaking the Company's audit services; (iii) The appointment or removal of the Company's chief financial officer; (iv) Changes in accounting policies or accounting estimates, or corrections of significant accounting errors, for reasons other than amendments to accounting standards; (v) Such other matters as prescribed by laws, administrative regulations, the securities regulatory authorities of the Company's [REDACTED] place and these Articles of Association.

The Remuneration and Evaluation Committee shall formulate evaluation criteria for directors and senior managements and conduct relevant evaluations; it shall also formulate and review remuneration policies and schemes, including the remuneration determination mechanism, decision-making procedures, payment arrangements and recovery provisions for suspended payments in respect of directors and senior managements. The Committee shall make recommendations to the Board on the following matters: (i) Remuneration of directors and senior managements; (ii) Formulation or amendment of equity incentive plans and employee shareholding plans, and the satisfaction of conditions for the grant and exercise of incentive interests; (iii) Shareholding arrangements proposed for directors and senior managements in connection with the proposed spin-off of subsidiaries; (iv) Such other matters as prescribed by laws, administrative regulations, the securities regulatory authorities of the Company's [REDACTED] place

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and these Articles of Association. Where the Board fails to adopt or fully adopt the recommendations of the Remuneration and Evaluation Committee, the Board shall record the opinions of the Committee and the specific reasons for non-adoption in the Board resolutions and make relevant disclosure.

The Nomination Committee shall formulate the selection criteria and procedures for directors and senior managements, screen and review candidates and their qualification for office, and put forward recommendations to the Board in respect of the following matters: (i) The nomination, appointment or removal of directors; (ii) The appointment or dismissal of senior management personnel; (iii) Such other matters as prescribed by laws, administrative regulations, the securities regulatory authorities of the Company's [REDACTED] place and these Articles of Association. Where the Board fails to adopt or fully adopt the recommendations of the Nomination Committee, the Board shall record the opinions of the Committee and the specific reasons for non-adoption in the Board resolutions and make relevant disclosure.

The Strategy Committee's duties and responsibilities shall be determined by the Board.

SENIOR MANagements

Senior Management as defined in the Articles of Association refers to the Company's general manager, deputy general manager(s), the chief financial officer, the company secretary, and any other personnel confirmed and appointed as such by the Board of Directors.

The Company shall have one general manager, who shall be appointed and dismissed by the Board of Directors and shall be accountable to the Board.

The general manager may nominate candidate(s) for the position of Deputy general manager. The deputy general manager(s) shall be appointed and dismissed by the Board of Directors.

The general manager is responsible to the Board and exercises the following authorities:

- (i) preside over the production, operation and management work of the Company, organize the implementation of the resolutions of the Board, and report the work to the Board;
- (ii) organize the implementation of the Company's annual business plan and investment plan;
- (iii) draft the Company's internal management organization setup plan;
- (iv) draft the Company's basic management system;
- (v) formulate the specific rules and regulations of the Company;
- (vi) propose to the Board the appointment or dismissal of the Company's deputy general managers and chief financial officer;
- (vii) decide on the appointment or dismissal of management personnel other than those whose appointment or dismissal shall be decided by the Board;
- (viii) other authorities granted by the Articles of Association or the Board.

The general manager shall attend the meetings of the Board as a non-voting participant.

The Company has a secretary of the Board, who is responsible for the preparation of the meetings of the Shareholders' Meeting and the Board of the Company, the custody of documents, the management of the Company's shareholder information, and handling matters related to information disclosure, etc.

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The secretary of the Board shall comply with the relevant provisions of laws, administrative regulations, departmental rules and regulations and the Articles.

FINANCIAL ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall, within four months after the end of each fiscal year, prepare, submit and disclose its annual report in accordance with the prescribed requirements. The Company shall, within two months after the end of the first half of each fiscal year, prepare, submit and disclose its interim report in accordance with the prescribed requirements.

Such annual reports and interim reports shall be prepared in accordance with the relevant laws, administrative regulations, and the securities regulatory rules of the place where the Company's shares are [REDACTED].

The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

When the Company distributes its after-tax profits for the current year, it shall allocate 10% of such profits to the Company's statutory surplus reserve. Where the accumulated amount of the Company's statutory surplus reserve exceeds 50% of the Company's registered capital, no further contribution thereto shall be required.

If the Company's statutory surplus reserve is insufficient to offset the losses incurred in previous years, the current year's profits shall first be applied to make up such losses before the statutory surplus reserve is appropriated in accordance with the preceding paragraph.

After appropriating the statutory surplus reserve from its after-tax profits, the Company may, by resolution of the shareholders, further appropriate discretionary surplus reserves from its after-tax profits.

After the Company has made good its losses and appropriated the relevant reserves, the remaining after-tax profits shall be distributed pro rata to the shareholdings of the respective shareholders, save as otherwise stipulated by laws and regulations, the regulatory rules of the place where the Company's securities are [REDACTED] or these Articles of Association.

Where the Company distributes profits to shareholders in breach of the Company Law, the relevant shareholders shall refund to the Company any profits distributed in contravention of the provisions. Where any loss is caused to the Company, the shareholders and the responsible directors and senior management personnel shall be liable for compensation.

The Company's reserves shall be used to offset the Company's losses, expand production and business operations or be capitalised to increase the Company's capital.

Where reserves are utilised to cover the Company's losses, the discretionary surplus reserve and statutory surplus reserve shall be applied first. If the losses cannot be fully offset thereby, the capital reserve may be used in accordance with applicable provisions.

When the statutory surplus reserve is capitalised for the purpose of increasing registered capital, the remaining balance of such reserve after capitalisation shall not be less than 25% of the Company's registered capital prior to the capitalisation.

The Company recognizes the importance of providing reasonable investment returns to its shareholders. Its profit distribution policy shall adhere to the principles of ensuring reasonable returns to shareholders and facilitating the Company's long-term development, while maintaining continuity and

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SUMMARY OF THE ARTICLES OF ASSOCIATION

stability and complying with all applicable laws and regulations. Dividends may be distributed in cash, shares, or a combination thereof. When distributable profits exist, the Board of Directors may propose cash and/or share dividend distribution plans based on the Company’s operational and financial conditions.

Cash dividends and other payments to holders of domestic shares shall be paid in Renminbi. Cash dividends and other payments to holders of non-listed foreign-invested shares shall be denominated and declared in Renminbi but paid in a foreign currency. Cash dividends and other payments to holders of overseas listed shares shall be denominated and declared in Renminbi but paid in Hong Kong dollars. The foreign currency required for payments to holders of overseas listed shares shall be obtained in accordance with the relevant foreign exchange regulations of the state.

The Company shall appoint one or more receiving agents in Hong Kong for its H Share holders. The receiving agent(s) shall receive and hold on behalf of the relevant H Share holders any dividends distributed and other sums payable by the Company in respect of the H Shares, pending payment to such holders.

Any receiving agent appointed by the Company must meet the requirements of the laws of the [REDACTED] venue or the relevant stock exchange. The receiving agent appointed in Hong Kong for the Company’s H Share holders [REDACTED] there shall be a trust company registered under the Hong Kong Trustee Ordinance.

Internal Audit

The Company shall implement an internal audit system and clarify the leadership system, duties and authorities, staffing, financial support, application of audit results, and accountability.

The internal audit institution of the Company shall conduct supervision and inspection on the Company’s business activities, risk management, internal control, financial information and other matters.

Appointment of Accounting Firm

The Company shall appoint an accounting firm in compliance with the Securities Law and the securities regulatory rules of the place where the Company’s shares are [REDACTED] to conduct accounting statements audit, net assets verification and other related consulting services for a term of one year, which may be renewed.

The appointment and selection of the Company’s accounting firm shall be decided by the Shareholders’ Meeting. The Board of Directors shall not appoint the accounting firm until it is decided by the Shareholders’ Meeting.

The Company shall undertake to provide its accounting firm with true and complete accounting vouchers, accounting books, financial reports and other accounting information, and shall not reject, conceal or misstate any information.

The audit fee payable to an accounting firm shall be decided by the Shareholders’ Meeting.

When the Company intends to dismiss or not to reappoint an accounting firm, it shall give thirty days prior notice to the accounting firm. When a Shareholders’ Meeting of the Company votes on the dismissal of the accounting firm, the firm shall be allowed to represent its opinions.

Where the accounting firm resigns, it shall state to the Shareholders’ Meeting whether the Company has improper circumstances.

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MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Merger, Division, Capital Increase and Capital Reduction

The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity. One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the parties to the merger shall be dissolved.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution on merger and shall make an announcement in the newspapers designated by the Company or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company's resolution on merger. Creditors may demand the Company to repay debts or provide corresponding security within 30 days upon receipt of such notice or 45 days from the date of announcement in case of receiving no such notice.

Upon the merger, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

When the Company is divided, its assets shall be split accordingly. In the event of a division of the Company, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days after the date of the Company's resolution on division and shall make an announcement in the newspapers designated by the Company or the National Enterprise Credit Information Publicity System within 30 days after the date of the Company's resolution on division.

The Company shall prepare a balance sheet and an inventory of assets when it intends to reduce its registered capital. The Company shall notify the creditors within 10 days upon resolution on reduction of registered capital by the Shareholders' Meeting and make announcement thereof in the newspapers designated by the Company or the National Enterprise Credit Information Publicity System within 30 days. Creditors may demand the Company to repay debts or provide corresponding security within 30 days upon receipt of such notice or 45 days from the date of announcement in case of receiving no such notice.

When reducing its registered capital, the Company shall prepare a balance sheet and an inventory of assets. Company shall notify its creditors within 10 days from the date the Shareholders' Meeting approves the resolution on capital reduction, and make an announcement in a newspaper or via the National Enterprise Credit Information Publicity System within 30 days from the date the Shareholders' Meeting approves the resolution on capital reduction. Creditors shall have the right to demand repayment of debts or provision of corresponding security from the Company within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if they have not received a notice.

Save as otherwise provided by law or these Articles of Association, where the Company reduces its registered capital, save for targeted capital reduction approved by a special resolution of the Shareholders' Meeting, the capital contribution or shares of each shareholder shall be reduced proportionately in accordance with their respective shareholding ratio.

When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the registration authority of the Company in accordance with the laws. When the Company is dissolved, the Company shall cancel its registration in accordance with the laws. When a new company is established, its establishment shall be registered in accordance with the laws.

In case of increase or reduction of registered capital of the Company, the Company shall legally complete the formalities for change registration with the registration authority of the Company.

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Dissolution And Liquidation

The Company shall be dissolved for the following reasons:

- (i) the term of its operations as is stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred;
- (ii) the Shareholders' Meeting resolves to dissolve the Company;
- (iii) dissolution is necessary due to merger or division of the Company;
- (iv) the Company's business license is revoked, the Company is ordered to close down or be revoked in accordance with the law;
- (v) where the operation and management of the Company falls into serious difficulties and its continued existence would cause material losses to shareholders, the shareholders holding above 10% of the total voting rights of the Company may apply to the people's court to dissolve the Company if there are no other solutions.

If the Company encounters the reasons for dissolution as stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Where the Company falls under the circumstances of items (i) and (ii) above and has not distributed any property to shareholders, it may continue to exist by amending the Articles of Association or by a resolution of the Shareholders' Meeting.

Amendments to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of the Shareholders' Meeting shall be approved by more than two-thirds of the voting rights held by the shareholders attending the Shareholders' Meeting.

If the Company is dissolved pursuant to item (i), (ii), (iv) or (v) above, it shall be liquidated. The Directors, being the liquidation obligors of the Company, shall form a liquidation committee for liquidation within 15 days from the date of occurrence of the cause for dissolution. The liquidation committee shall comprise the Directors, unless the Articles of Association provide otherwise or it is resolved at the Shareholders' Meeting to elect another person(s). If a liquidation committee is not established within the deadline for liquidation, creditors may apply to the people's court to designate relevant personnel to form a liquidation committee for liquidation.

The liquidation committee shall notify creditors within 10 days from the date of its establishment, and publish an announcement in the designated newspapers and periodicals or the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice, or within 45 days from the date of announcement in case they have not received the notice.

If, after sorting out the Company's assets and preparing a balance sheet and asset inventory, the liquidation committee identifies that the Company's assets are insufficient to settle its liabilities, it shall lawfully apply to the people's court for bankruptcy liquidation. Upon the people's court's acceptance of the bankruptcy application, the liquidation committee shall hand over all liquidation proceedings to the bankruptcy administrator appointed by the people's court.

In case the Company is declared to be insolvent according to the laws, liquidation shall be processed in accordance with the laws on corporate bankruptcy.

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AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

- (i) after amendments to the Company Law or other relevant laws, administrative regulations or securities regulatory rules of the place where the shares of the Company are [REDACTED], any provision of the Articles of Association are in conflict with the amended laws, administrative regulations or securities regulatory rules of the place where the shares of the Company are [REDACTED];
- (ii) changes in the Company’s circumstances result in inconsistencies with the matters recorded in the Articles of Association; and
- (iii) the Shareholders’ Meeting decides to amend the Articles of Association.

Any amendment to the Articles of Association approved by the Shareholders’ Meeting that requires approval from the competent authority shall be submitted to such authority. Where the amendment involves matters subject to company registration, the Company shall complete the registration formalities accordingly.

The Board of Directors shall revise the Articles of Association in accordance with the resolution of the Shareholders’ Meeting and the approval opinions of the relevant competent authority.

Amendments to the Articles of Association that constitute information required to be disclosed under laws, administrative regulations, or the securities regulatory rules of the place where the Company’s shares are [REDACTED], shall be announced in accordance with such provisions.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT OUR COMPANY

Incorporation

Our Company was established as a limited liability company in the PRC on September 16, 2004 and was converted into a joint stock limited company on March 10, 2026 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of our Company was RMB50,236,834.

Our Company has established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong and [has been] registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on [●]. Mr. Tse Yu Yeung (謝愉陽) has been appointed as our authorized representative in Hong Kong and agent for the acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business.

As we are established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix IV — Summary of Articles of Association.”

Changes in Share Capital of Our Company and Our Subsidiaries

Save as disclosed in “History, Development and Corporate Structure — Corporate Development and Major Shareholding Changes”, as of the Latest Practicable Date, there had been no alterations of the share capital of our Company within the two years preceding the date of this Document.

A summary of the corporate information and the particulars of our subsidiaries in Note 1 to the Accountant’s Report set out in Appendix I to this Document.

The following sets out the changes in the share capital of our subsidiaries during the two years immediately preceding the date of this Document:

- On November 25, 2024, AMOS FOOD (UK) LTD. was incorporated in the United Kingdom with a registered capital of GBP10,000;
- On January 17, 2025, the registered capital of Amos Food (Guangdong) Co., Ltd. (阿麥斯(廣東)食品科技有限公司) was increased from RMB10,000,000 to RMB250,000,000;
- On March 10, 2025, AMOS FOOD (AUS) PTY LTD was incorporated in Australia with a registered capital of AUD10,000;
- On April 30, 2025, Amos Food Netherlands B.V. was incorporated in the Netherlands with a registered capital of EUR3,000;
- On May 5, 2025, AMOS FOOD (CAN) INC. was incorporated in Canada with a registered capital of CAN10,000;
- On July 18, 2025, PT AMOS FOOD IDN was incorporated in Indonesia with a registered capital of IDR10,500,000,000;
- On August 1, 2025, Amos (Shenzhen) Food Investment Co., Ltd. (金多多(深圳)食品投資有限公司) was established as a limited liability company in the PRC with a registered capital of RMB10,000,000;
- On August 13, 2025, AMOS FOOD MX S. DE R. L. was incorporated in Mexico with a registered capital of MXN50,000;

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- On September 17, 2025, AMOS FOOD (VIETNAM) CO., LTD was incorporated in Vietnam with a registered capital of VND57,890,800,000;
- On December 4, 2025, Jinyijian (Jiangsu) Health Technology Co., Ltd. (金怡健(江蘇)健康科技有限公司) was established as a limited liability company in the PRC with a registered capital of RMB10,000,000;
- On December 17, 2025, AMOS FOOD ALQ — FZCO was incorporated in the United Arab Emirates with a registered capital of AED10,000; and
- On February 6, 2026, AMOS FOOD (MALAYSIA) SDN. BHD. was incorporated in Malaysia with a registered capital of MYR1,000.

Corporate Reorganization

Our Company has not gone through any corporate reorganization. For details of the history and development of our Company, see “History, Development and Corporate Structure.”

Resolutions of our Shareholders

Pursuant to a general meeting held on April 24, 2026, among other things, our Shareholders resolved that:

- (a) the issuance by our Company of the H Shares of nominal value of RMB1.00 each and such H Shares being [REDACTED] on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued shall not be more than [REDACTED]% of the total issued share capital of our Company as enlarged by the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than [REDACTED]% of the number of H Shares issued pursuant to the [REDACTED];
- (c) authorization of the Board to handle all matters relating to, among other things, the [REDACTED], the issue and [REDACTED] of the H Shares; and
- (d) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on the [REDACTED] and the authorization of the Board to amend the Articles of Association in accordance with relevant laws and regulations and upon the request from the Stock Exchange and relevant PRC regulatory authorities.

FURTHER INFORMATION ABOUT OUR BUSINESS

Summary of Material Contract

We have entered into the following contract (not being a contract entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that is or may be material:

- (a) [REDACTED].

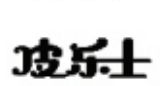
APPENDIX V

STATUTORY AND GENERAL INFORMATION

Intellectual Property Rights

Trademarks

As of the Latest Practicable Date, our Group has registered the following material trademarks which we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Registration Number	Places of Registration	Expiry Date
1. . .		Shenzhen Amos Food Marketing Co., Ltd.	45742090	PRC	May 6, 2032
2. . .		Shenzhen Amos Food Marketing Co., Ltd.	60654264	PRC	May 20, 2032
3. . .		Our Company	23093633	PRC	January 13, 2029
4. . .		Our Company	82639409	PRC	June 27, 2035
5. . .		Our Company	84907109	PRC	October 20, 2035
6. . .		Our Company	72382180	PRC	January 20, 2034
7. . .		Our Company	60269244	PRC	April 20, 2032
8. . .		Our Company	87361946	PRC	March 13, 2036
9. . .		Our Company	019264022	European Union	October 21, 2035
10. .		Our Company	6313871	United States	April 6, 2031
11. .		Our Company	2378699	Australia	August 9, 2033
12. .		Our Company	5603937	United States	January 18, 2028
13. .		Our Company	1925722	Australia	January 18, 2028
14. .		Shenzhen Amos Food Marketing Co., Ltd.	019033294	European Union	May 28, 2034
15. .		Shenzhen Amos Food Marketing Co., Ltd.	7857473	United States	July 8, 2035
16. .		Our Company	72394743	PRC	January 20, 2034

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No.	Trademark	Registered Owner	Registration Number	Places of Registration	Expiry Date
17. .		Our Company	7460834	United States	July 30, 2034
18. .		Our Company	2421330	Australia	October 30, 2033
19. .		Our Company	1771727	European Union	October 30, 2033
20. .	TastySounds	Our Company	7166440	United States	September 19, 2033

As of the Latest Practicable Date, our Group has applied for registration for the following material trademark which we consider to be or may be material to our business:

No.	Trademark	Applicant	Application Number	Places of Application	Application Date
1. . .		Our Company	71438842	PRC	May 9, 2023
2. . .		Our Company	307245009	Hong Kong	April 13, 2026

Domain Name

As of the Latest Practicable Date, the Company had registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	amos-sweets.com	Our Company	September 23, 2029
2.	amossweets.com	Our Company	March 27, 2030
3.	bioborhealth.com	Biobor Health (Guangdong) Co., Ltd. (貝歐寶(廣東)健康科技有限公司)	November 14, 2033
4.	amos-food.com	Our Company	March 18, 2036

Save as aforesaid, as of the Latest Practicable Date, there were no other intellectual property rights which were material to our business.

APPENDIX V

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FURTHER INFORMATION ABOUT OUR DIRECTORS, SENIOR MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

Save as disclosed in “Substantial Shareholders” and below, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Interests in our Company

Name of Shareholder	Position	Nature of Interest	Description of Shares	As of the Latest Practicable Date		Following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)		
				Number of Shares	Approximate percentage of shareholding in our total share capital	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in Unlisted Shares/H Shares ⁽²⁾	Approximate percentage of shareholding in our total share capital ⁽²⁾
Mr. Ye	Executive Director	Beneficial owner	Unlisted Shares	1,573,041	3.13%	[REDACTED]	[REDACTED]%	[REDACTED]%
			H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Cong Yonggang ⁽¹⁾	Non-executive Director	Interests held in controlled corporations	Unlisted Shares	52,459	0.09%	[REDACTED]	[REDACTED]	[REDACTED]
			H Shares	–	–	[REDACTED]	[REDACTED]%	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) The calculation is based on the assumptions that (i) [REDACTED] Unlisted Shares will be converted into H Shares, and (ii) the total number of the Shares in issue will be [REDACTED] Shares immediately after completion of the [REDACTED]; and (iii) the [REDACTED] is not exercised.
- (3) As a limited partner of Xingtian Investment, Mr. Cong Yonggang holds approximately 76.91% partnership interest. Therefore, by virtue of the SFO, Mr. Cong Yonggang is deemed to be interested in the Shares held by Xingtian Investment.

Interests in associated corporations

Our Directors are not interested in the Shares of any associated corporation of our Company.

2. Substantial Shareholders

Interests of the substantial shareholders in our Company

For the information on the persons who will, immediately following the completion of the [REDACTED], have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see “Substantial Shareholders.”

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Interests of the substantial shareholders in other members of our Group

Name of the subsidiary	Name of the shareholder	Percentage of interest in the subsidiary
Jinyijian (Jiangsu) Health Technology Co., Ltd. (金怡健(江蘇)健康科技有限公司) . . .	Jiangsu Jicui Special Medical Food Technology Co., Ltd. (江蘇集萃特醫食品科技有限公司) ⁽¹⁾	40%

Note:

- (1) A company established in the PRC and ultimately controlled by an Independent Third Party. On April 27, 2026, the Company submitted the deregistration announcement of Jinyijian (Jiangsu) Health Technology Co., Ltd. to the National Enterprise Credit Information Publicity System.

So far as set out above, our Directors are not aware of any persons (other than our Directors or chief executive) will, immediately following the completion of the [REDACTED], directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

3. Service Contracts

Our Directors [have entered] into service contracts with our Company, each with a term of three years, and may be renewed pursuant to our Articles of Association and the applicable rules.

Save as disclosed above, we have not entered, and do not propose to enter, into any service contracts with any of our Directors in their respective capacities as Directors (other than contracts expiring or determinable by the employer within one year without any payment of compensation (other than statutory compensation)).

4. Director’s Remuneration

Save as disclosed in “Directors and Senior Management” and Note 40 of the Accountant’s Report in Appendix I to this Document, for the three financial years ended December 31, 2023 and 2024, and 2025, none of our Directors received other remunerations of benefits in kind from us.

OTHER INFORMATION

Disclaimers

Saved as disclosed in this Document:

- (a) none of our Directors or any of the parties listed in “Qualification of Experts” of this Appendix is:
 - (i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this Document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;
 - (ii) materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to our business;
- (b) save in connection with the [REDACTED] and the [REDACTED], none of the parties listed in “Qualification of Experts” of this Appendix:
 - (i) is interested legally or beneficially in any shares in any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

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- (c) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and
- (d) none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are [REDACTED] on the Hong Kong Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to impose on our Company or our subsidiary.

Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and, so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

Joint Sponsors

The Joint Sponsors have made an [REDACTED] on our behalf to the Listing Committee for the [REDACTED] of, and permission to [REDACTED], our H Shares. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

Merrill Lynch (Asia Pacific) Limited, China Merchants Securities (HK) Co., Limited and J.P. Morgan Securities (Far East) Limited satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors will be paid by the Company a total fee of US\$1,500,000 to act as the sponsors in connection with the [REDACTED].

Preliminary Expenses

Our Company did not incur any material preliminary expenses.

Qualification of Experts

The qualifications of the experts who have given opinions or advice in this Document are as follows:

Name	Qualification
Merrill Lynch (Asia Pacific) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
China Merchants Securities (HK) Co., Limited .	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
J.P. Morgan Securities (Far East) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

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Name	Qualification
Ernst & Young	Certified Public Accountants (Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance)
Sundial Law Firm	Legal adviser as to PRC law, including as to cybersecurity and data privacy law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Ernst & Young (China) Advisory Limited	Independent tax consultant with respect to transfer pricing arrangements of the Group
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property valuer

Consents of Experts

Each of the experts referred to in “Qualification of Experts” in this Appendix has given and has not withdrawn its respective written consent to the issue of this Document with the inclusion of certificates, letters, opinions or reports and the references to its name included herein in the form and context in which it is respectively included.

None of the experts named above has any of our shareholding interests or rights (whether legally enforceable or not) or any of our members to subscribe for or to nominate persons to subscribe for our securities or any of our member.

Compliance Adviser

We have appointed Somerley Capital Limited as our Compliance Adviser upon the [REDACTED] in compliance with Rule 3A.19 of the Hong Kong Listing Rules.

Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares registered with our Hong Kong branch register of members will be subject to Hong Kong stamp duty. The current rate charged on each of the purchaser and seller is 0.1% of the consideration of or, if higher, of the fair value of our Shares being sold or transferred.

No Material Adverse Change

Our Directors have confirmed that, up to the date of the Document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of the periods reported on in the Accountants’ Report set out in Appendix I to this Document, and there had been no event since December 31, 2025, that would materially affect the information shown in the Accountants’ Report set out in Appendix I to this Document.

Binding Effect

This Document shall have the effect, if any application is made pursuant hereto, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Miscellaneous

Save as disclosed in this Document:

- (a) within the two years preceding the date of this Document: (i) we have not issued or agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash; and (ii) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any shares of our Company;

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STATUTORY AND GENERAL INFORMATION

- (b) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (c) we have not issued or agreed to issue any founder shares, management shares or deferred shares;
- (d) there are no arrangements under which future dividends are waived or agreed to be waived;
- (e) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (f) there are no contracts for hire or hire purchase of plant to or by us for a period of over one year which are substantial in relation to our business;
- (g) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;
- (h) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (i) no part of the equity or debt securities of our Company, if any, is currently [REDACTED] on or dealt in on any stock exchange or trading system, and no such [REDACTED] or permission to [REDACTED] on any stock exchange other than the Hong Kong Stock Exchange is currently being or agreed to be sought;
- (j) our Company has no outstanding convertible debt securities or debentures;
- (k) our Company is a joint stock limited company and is subject to the PRC Company Law; and
- (l) our Company has adopted a code of conduct regarding Directors’ securities transactions on terms as required under the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Hong Kong Listing Rules.

Restrictions on Share Repurchases

For details, see “Appendix IV — Summary of Articles of Association.”

Bilingual Document

The English language and Chinese language versions of this Document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Promoters

The promoters of our Company are all of the then Shareholders of our Company as at March 10, 2026 before our conversion into a joint stock limited liability company. Save as disclosed in this Document, within the two years immediately preceding the date of this Document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] or the related transactions described in this Document.

APPENDIX VI DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this Document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Appendix V — Statutory and General Information — Other Information — Consents of Experts”; and
- (b) a copy of each of the material contracts referred to in “Appendix V — Statutory and General Information — Further Information about our Business — Summary of Material Contracts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.amos-sweets.com during a period of 14 days from the date of this Document:

- (1) the Articles of Association;
- (2) the Accountant’s Report prepared by Ernst & Young on the historical financial information of our Group for each of the years ended December 31, 2023, 2024 and 2025, the text of which is set forth in Appendix I to this Document;
- (3) the audited consolidated financial statements of our Company for the three financial years ended December 31, 2023, 2024 and 2025;
- (4) the report prepared by Ernst & Young on the unaudited [REDACTED] financial information of our Group as at December 31, 2025, the text of which is set forth in Appendix II to this Document;
- (5) the property valuation report prepared by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the text of which is set out in Appendix III to this Document;
- (6) the material contracts referred to in “Appendix V — Statutory and General Information — Further Information about our Business — Summary of Material Contracts”;
- (7) the written consents referred to in “Appendix V — Statutory and General Information — Other Information — Consents of Experts”;
- (8) the service contracts referred to in “Appendix V — Statutory and General Information — Further Information about our Directors, Senior Management and Substantial Shareholders — 3. Service Contracts”;
- (9) the legal opinions issued by Sundial Law Firm, our PRC Legal Advisor, in respect of certain general corporate matters of our Group under PRC law;
- (10) the legal opinion issued by Sundial Law Firm, our Company’s legal adviser as to PRC cybersecurity and data privacy law, in relation to compliance with cybersecurity, data security and personal data protection requirements under PRC law;
- (11) the industry report issued by Frost & Sullivan;
- (12) the transfer pricing analysis report issued by Ernst & Young (China) Advisory Limited, our tax consultant with respect to transfer pricing arrangements of our Group; and
- (13) the PRC Company Law, the PRC Securities Law, the Guidelines for Articles of Association of Listed Companies, and the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies, together with unofficial English translations thereof.