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Application Proof of

COLIPU TECHNOLOGIES GROUP CO., LTD.

科力普科技集團股份有限公司

(the “**Company**”)

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

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COLIPU TECHNOLOGIES GROUP CO., LTD.

科力普科技集團股份有限公司

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

Sole Sponsor, [REDACTED]



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The [REDACTED], on behalf of the [REDACTED], may, where considered appropriate and with the consent of our Company, reduce the number of [REDACTED] and/or the indicative [REDACTED] range below that is stated in this document (being HK\$[REDACTED] per [REDACTED] to HK\$[REDACTED] per [REDACTED]) at any time prior to the morning of the last day for lodging [REDACTED] under the [REDACTED]. In such case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] range will be published on the website of our Company at www.colipu.com and on the website of the Hong Kong Stock Exchange at www.hkexnews.hk as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging [REDACTED] under the [REDACTED]. For further details, see “[REDACTED]” and “How to Apply for [REDACTED]” in this document.

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[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. As it is a summary, it does not contain all the information that may be important to you. You should read the whole Document before you decide to [REDACTED] in the [REDACTED]. There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors” in this Document. You should read that section carefully in full before you decide to [REDACTED] in the [REDACTED]. Various expressions used in this section are defined in the sections headed “Definitions” and “Glossary of Technical Terms” in this Document.

OVERVIEW

Who We Are

We are a leading multi-scenario general materials digital procurement solution provider in China. Built on years of operational experience and supported by a digitally-enabled operating framework, we help customers navigate complex procurement environments and achieve improved cost efficiency, enhanced compliance and greater transparency.

We primarily serve large and influential enterprise customers in China, including state-owned enterprises, financial institutions, Fortune Global 500 companies, China’s Top 500 private enterprises and government agencies. These customers typically operate with multi-layered organizational structures, complex procurement scenarios, demanding fulfillment standards and stringent compliance requirements. Such complexity places high demands on procurement solution providers in terms of system integration, supply chain coordination, execution reliability and compliance management capability.

We believe the key entry barrier in enterprise procurement solutions lies in the ability to manage complexity in a systematic and scalable manner. Multiple organizational layers, rules, workflows and systems together create significant execution challenges that are difficult to standardize and scale. Through long-term engagement with enterprise customers, we have developed a comprehensive set of capabilities to manage such complexity, and have embedded these capabilities into Puyuan (普元), our digitally-enabled operating framework. Puyuan underpins our high-quality execution and supports scalable expansion across procurement scenarios.

Leveraging these capabilities, we have established a nationwide supply chain and fulfillment network spanning office supplies, MRO products and marketing gifts and employee welfare products. Meanwhile, we continue to enhance supply stability, delivery efficiency and service responsiveness, while advancing the digitalization of procurement processes through online execution, traceability of key operational steps and standardized lifecycle management.

Our business has achieved coordinated growth in both scale and operating quality. According to Frost & Sullivan, in terms of GMV in 2025, we are the second-largest general materials specialized digital procurement solution provider in China. We are a market leader across key scenarios, ranking first in office supplies, and marketing gifts and employee welfare products, and third in MRO products on the same basis, according to Frost & Sullivan. These positions reflect our established customer base, broad scenario coverage and integrated service capabilities, as well as our ability to deliver scalable and reliable solutions in complex procurement environments.

Our End-to-End Supply Chain Model

Enterprise procurement is structurally complex. It typically involves multi-layered approval processes, supplier qualification requirements, stringent inbound standards and fragmented delivery scenarios, as well as rigorous financial compliance, reconciliation and audit trail obligations. At the same time, traditional distribution channels for office supplies and MRO products are often characterized by long circulation chains and multiple intermediaries, which result in higher end-user pricing, lower procurement efficiency, delayed fulfillment and limited process visibility. Such inefficiencies make it difficult for enterprise customers to meet their diverse and complex procurement needs.

SUMMARY

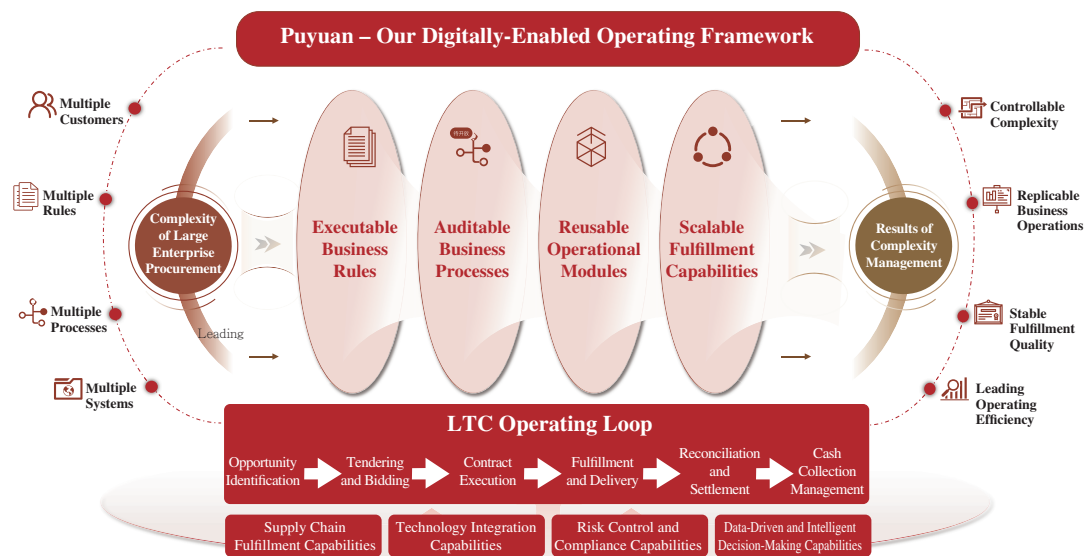
To address these challenges, we have developed a flat, end-to-end supply chain model centered on enterprise customers’ procurement needs. Through direct system connections with brand manufacturers and first-tier authorized distributors, and supported by our digitally-enabled operating framework, we provide integrated, one-stop procurement solutions. This efficient supply chain model shortens traditional distribution chains, reduces intermediary layers and lowers conventional channel mark-ups by up to 50%, according to Frost & Sullivan, thereby materially improving supply chain efficiency and responsiveness.

Puyuan — Our Digitally-Enabled Operating Framework

To ensure the continuous operation of the end-to-end supply chain model under complex enterprise procurement scenarios, we have developed Puyuan — our digitally-enabled operating framework. Puyuan enables us to translate operational complexity into system-executable capabilities that are executable, auditable, reusable and scalable, supporting stable and efficient operations across customers’ multiple organizational layers, rules, workflows and systems.

On the supply side, Puyuan integrates product governance, supplier coordination, procurement execution, fulfillment and delivery, and operational control into a unified governance framework, and improves supply stability, fulfillment certainty and execution consistency through standardized rules and configurable processes.

On the demand side, Puyuan accommodates differences in customers’ organizational structures, procurement scenarios, fulfillment standards and compliance requirements. Through API connection, customer-specific procurement platform and Punch-out connection, we integrate with customers’ procurement systems and improve data coordination efficiency across product selection, orders, logistics, settlement, reconciliation, invoicing and financial management. See “Business — Puyuan Digitally-Enabled Operating Framework.”



Our Strong Operational and Financial Performance

During the Track Record Period, our revenue increased from RMB13,307.0 million in 2023 to RMB13,831.4 million in 2024, and further to RMB15,048.2 million in 2025. The steady growth in our revenue was primarily driven by the continued expansion of our key account base and consistently high customer retention. During the Track Record Period, the number of our key accounts increased from 44.8 thousand to 50.9 thousand and further to 58.3 thousand. In 2025, the transaction value retention rate of our key accounts was 101.3%, reflecting our ability not only to expand our customer base but also to deepen engagement and increase share of wallet among existing customers.

SUMMARY

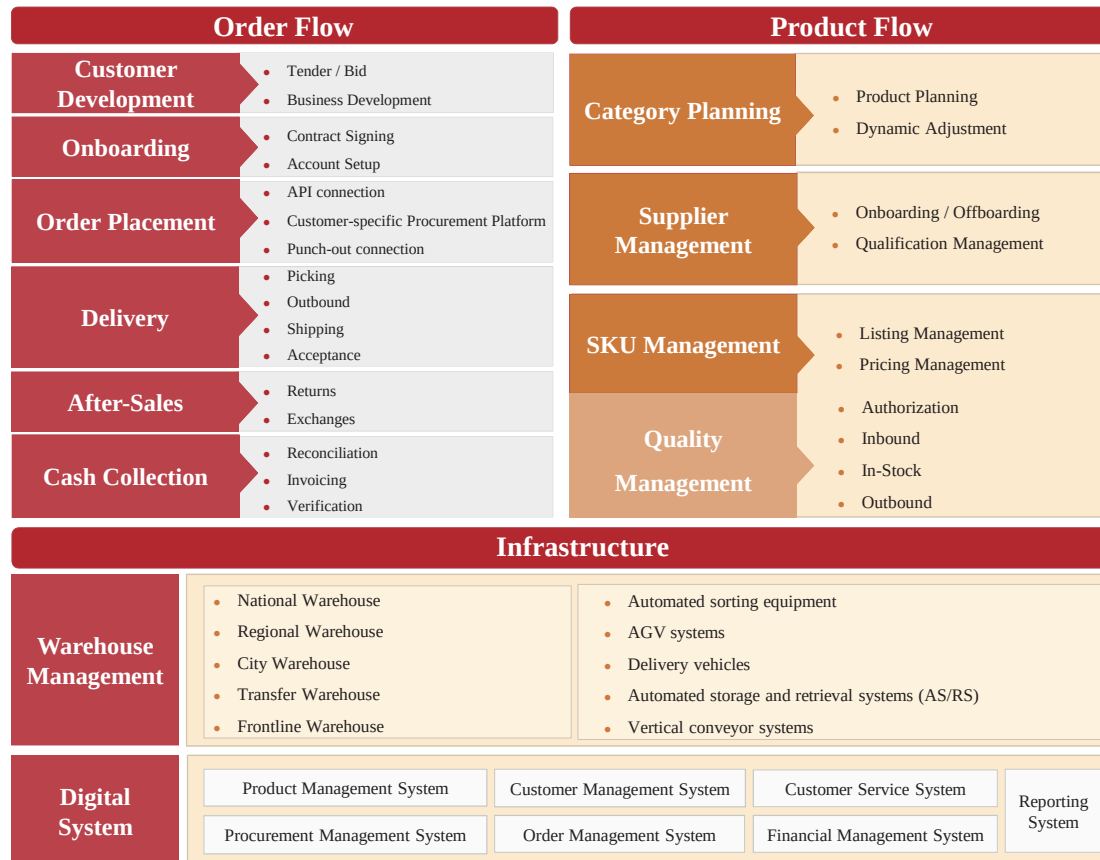
We have continued to scale our business without compromising operating quality. Supported by our flat and efficient operating structure and continuously improving productivity, we maintained a track record of stable profitability while generating high-quality operating cash flows. In 2025, revenue per sales and marketing employee exceeded RMB28.0 million, demonstrating strong sales effectiveness. Throughout the Track Record Period, we consistently recorded net cash inflows from operating activities, reflecting solid earnings quality and strong cash generation capability.

Meanwhile, we have maintained sound capital structure and ample liquidity as we expanded. As of December 31, 2025, our current ratio and quick ratio were 1.5 and 1.5, respectively, indicating a sound liquidity position. During the Track Record Period, our cash collection rate was 94.7%, 97.4% and 94.4%, and our cash conversion cycle was (23.4) days, (25.3) days and (25.7) days, respectively. These operating metrics demonstrate our ability to sustain efficient operations and effective risk control alongside business growth, supporting the overall quality and resilience of our performance.

OUR BUSINESS MODEL

Enterprise procurement presents a level of complexity that differs fundamentally from consumer goods business. Large enterprises typically operate with multi-layered organizational structures, complex procurement scenarios, demanding fulfillment standards and stringent compliance requirements, each subject to different internal approval, budget and compliance requirements. In this context, effective fulfillment requires incorporating each customer’s internal procurement rules, approval workflows, budget and product catalog requirements into an operational system that can be consistently executed.

To ensure efficient, dependable, and compliance-driven order fulfillment, we have developed an integrated, three-layer business model underpinned by Puyuan. The following chart illustrates our business model:



SUMMARY

Order Flow — From Customer Engagement to Cash Collection. Our business is driven by an order flow that covers the full lifecycle from customer development, onboarding and order placement to delivery, after-sales services and cash collection. Customer acquisition is conducted through tendering and bidding processes or direct business development, followed by contract signing and account setup. Order placement is enabled through multiple access models, including API connection, customer-specific procurement platform and Punch-out connection, allowing customers to place orders in accordance with their internal approval, budgeting and compliance requirements. Following order placement, our system manages order fulfillment, followed by periodic reconciliations and settlement. This end-to-end order flow ensures that all transactions are executed in an executable, auditable, reusable and scalable manner. See “Business — Our Order Flow.”

Product Flow — From Category Planning to Supplier and SKU Management. We manage products through a governance framework covering product category planning, supplier management and SKU management. Products are admitted, priced, listed based on predefined governance rules, ensuring alignment with customer requirements, fulfillment feasibility and compliance standards. Quality control is embedded throughout the product lifecycle, covering authorization, inbound inspection, in-storage management and outbound execution. Pricing management, inventory controls and supplier performance monitoring are system-driven, allowing us to support over ten million SKUs while maintaining consistency, transparency and operational discipline. The above enables us to convert fragmented and non-standardized procurement demand into standardized, system-processable instructions. See “Business — Our Product Flow.”

Infrastructure — Fulfillment and System Enablement. At the foundation of our business model is a scalable infrastructure that supports nationwide fulfillment and systemized execution. Our nationwide five-tier warehousing system, complemented by automated sorting equipment, AGV systems and delivery vehicles, supports fulfillment execution across different regions and delivery time requirements, and enables us to balance delivery speed, coverage and cost efficiency across different customer scenarios. Our digital systems comprise product management, procurement management, customer management, order management, customer service, financial management and reporting systems. These systems operate as a unified platform that embeds business rules, workflow controls and audit trails directly into daily operations. Our warehousing system, together with our digital systems, allows us to deliver consistent, high-certainty fulfillment while maintaining an asset-light and scalable operating model. See “Business — Our Warehousing and Logistics System.”

Our revenue experienced steady growth during the Track Record Period. The table below sets forth a breakdown of our revenue by product category in absolute amounts and as percentages of total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)						
Office supplies	5,879,856	44.2	5,753,498	41.6	5,609,396	37.3
MRO products	2,698,276	20.3	3,574,533	25.8	4,269,009	28.4
Marketing gifts and employee welfare products	4,728,862	35.5	4,503,405	32.6	5,169,801	34.3
Total	13,306,994	100.0	13,831,436	100.0	15,048,206	100.0

SUMMARY

We experienced steady growth in GMV, number of orders and number of key accounts, while maintaining a high transaction value retention rate of key accounts during the Track Record Period. The following table sets forth our key operating metrics for the years indicated:

	Year ended December 31,		
	2023	2024	2025
GMV (<i>RMB'000</i>)	15,014,543	15,568,405	16,998,351
Number of orders	3,781,306	4,507,289	5,280,328
Number of key accounts ⁽¹⁾	44,804	50,857	58,340
Transaction value retention rate of key accounts ⁽²⁾ (%)	117.0	96.6	101.3

Notes:

- (1) Number of key accounts is identified on an individual basis.
- (2) Refers to the percentage of GMV generated from key accounts in the previous year that is retained from the same key accounts in the current year. GMV is calculated at the group level on a consolidated basis.

See “Business — Our Business Model.”

OUR STRENGTHS

We believe that our business success and market position are underpinned by the following key strengths: (i) large and high-quality customer base; (ii) self-reinforcing flywheel supported by digitally-enabled operating framework; (iii) proven and replicable expansion across categories and procurement scenarios; (iv) efficient, scalable supply chain and end-to-end fulfillment capabilities; and (v) flat organizational structure with efficient execution capabilities. See “Business — Our Strengths.”

OUR STRATEGIES

We plan to implement the following strategies to enhance our competitive strengths: (i) focusing on core product categories and developing proprietary brand; (ii) strengthening competitive edge through technology advancement; (iii) strengthening our service network and fulfillment capabilities; (iv) building global sourcing and direct procurement capabilities; and (v) accelerating business growth through strategic acquisitions. See “Business — Our Strategies.”

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily included state-owned enterprises, financial institutions, Fortune Global 500 companies, China’s Top 500 private enterprises, and government agencies located in China. Revenue from our five largest customers in each year during the Track Record Period amounted to RMB6,005.7 million, RMB5,799.6 million and RMB6,107.4 million, respectively, accounting for 45.2%, 42.0% and 40.6% of our total revenue for the respective year. Revenue from our largest customer in each year during the Track Record Period amounted to RMB1,992.2 million, RMB2,437.9 million and RMB2,980.6 million, respectively, accounting for 15.0%, 17.6% and 19.8% of our total revenue for the respective year. See “Business — Our Customers.”

Our suppliers primarily consist of manufacturers, brand owners, authorized channel partners and qualified regional suppliers located in China. Purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB864.8 million, RMB713.9 million and RMB570.9 million, respectively, accounting for 7.0%, 5.5% and 4.1% of our total purchases for the respective year. Purchases from our largest supplier in each year during the Track Record Period amounted to RMB432.4 million, RMB224.5 million and RMB162.6 million, respectively, accounting for 3.5%, 1.7% and 1.2% of our total purchases for the respective year. See “Business — Our Suppliers.”

Customer B, one of our five largest customers in 2023, 2024 and 2025, was also our supplier in 2023, 2024 and 2025. M&G Corporation, one of our five largest suppliers in 2023 and 2024, was also our customer in 2023, 2024 and 2025. See “Business — Overlapping Customers and Suppliers.”

SUMMARY

COMPETITION

We operate in China’s general materials digital procurement solution industry, which is characterized by a fragmented competitive landscape and a large number of market participants. According to Frost & Sullivan, China’s general materials digital procurement solution market reached RMB1,682.5 billion by GMV in 2025 and is expected to grow to RMB2,682.1 billion by GMV in 2030, representing a CAGR of 9.8%. Market participants primarily include general materials specialized digital procurement solution providers and internet e-commerce enterprises. In 2025, the top five players accounted for approximately 8.3% of total market GMV.

Competition in the industry is primarily based on factors including transaction scale and SKU coverage, breadth of product offerings, digital platform and system integration capabilities, supply chain and fulfillment performance, service quality and compliance management, as well as pricing competitiveness. We believe that we are well positioned to compete effectively in the industry based on our integrated business model, which combines standardized order management, centralized product and supply chain governance, and a scalable nationwide fulfillment and digital infrastructure, enabling us to support complex, compliance-driven procurement requirements of large enterprise and institutional customers across multiple scenarios and regions.

See “Industry Overview.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables summarize our consolidated financial information during the Track Record Period and should be read in conjunction with “Financial Information” of this Document and the Accountants’ Report in Appendix I to this Document, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

Description of Major Components of Our Results of Operations

The following table sets forth a summary of our results of operations in absolute amounts and as percentages of our revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except for percentages)</i>						
Revenue	13,306,994	100.0	13,831,436	100.0	15,048,206	100.0
Cost of sales	(12,231,985)	(91.9)	(12,764,367)	(92.3)	(13,932,829)	(92.6)
Gross profit	1,075,009	8.1	1,067,069	7.7	1,115,377	7.4
Other income and gains	95,825	0.7	136,212	1.0	96,684	0.6
Fulfillment expenses	(155,061)	(1.2)	(139,781)	(1.0)	(168,678)	(1.1)
Selling and distribution expenses	(362,739)	(2.7)	(374,330)	(2.7)	(380,591)	(2.5)
Administrative expenses	(108,081)	(0.8)	(201,950)	(1.5)	(161,894)	(1.1)
Research and development expenses	(24,889)	(0.2)	(27,251)	(0.2)	(29,676)	(0.2)
Other expenses	(3,602)	(0.0)	(4,071)	(0.0)	(6,185)	(0.0)
Impairment losses on financial assets, net	(22,121)	(0.2)	(21,969)	(0.2)	(12,024)	(0.1)

SUMMARY

	Year ended December 31,					
	2023		2024		2025	
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Operating Profit	494,341	3.7	433,929	3.1	453,013	3.0
Finance costs	(1,073)	(0.0)	(2,264)	(0.0)	(1,752)	(0.0)
Profit before tax	493,268	3.7	431,665	3.1	451,261	3.0
Income tax expense	(92,061)	(0.7)	(109,882)	(0.8)	(116,614)	(0.8)
Profit for the year	401,207	3.0	321,783	2.3	334,647	2.2

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) as the additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe that the non-IFRS measure provides useful information to [REDACTED] and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit (non-IFRS measure) as net profit for the years adjusted by adding back share-based payment expenses. The following table reconciles our adjusted net profit (non-IFRS measure) for the years presented in accordance with IFRS Accounting Standards, which is net profit for the years:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Reconciliation of net profit to adjusted net profit (non-IFRS measure)			
Net profit for the year	401,207	321,783	334,647
Add:			
– Share-based payment expenses ⁽¹⁾	(6,066)	75,566	27,363
Adjusted net profit (non-IFRS measure)	395,141	397,349	362,010

Note:

- (1) Share-based payment expenses were non-cash in nature and represented the arrangement under which we receive services from employees as consideration for our equity instruments. Share-based payment expenses are not expected to result in future cash payments.

SUMMARY

Gross Profit and Gross Profit Margin

Gross profit margins vary across product categories due to differences in market dynamics, cost structures, and competitive positioning. The table below sets forth a breakdown of our gross profit and gross profit margin by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>						
Office supplies	524,429	8.9	485,306	8.4	464,966	8.3
MRO products	227,408	8.4	269,478	7.5	302,040	7.1
Marketing gifts and employee welfare products	323,172	6.8	312,285	6.9	348,371	6.7
Total	1,075,009	8.1	1,067,069	7.7	1,115,377	7.4

See “Financial Information — Description of Major Components of Our Results of Operations.”

Selected Items from the Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Total non-current assets	172,963	158,968	128,257
Total current assets	5,734,606	6,726,671	8,136,223
Total assets	5,907,569	6,885,639	8,264,480
Total non-current liabilities	63,553	52,659	41,899
Total current liabilities	4,257,115	4,479,181	5,506,772
Total liabilities	4,320,668	4,531,840	5,548,671
Net current assets	1,477,491	2,247,490	2,629,451
Net assets	1,586,901	2,353,799	2,715,809

SUMMARY

Net Current Assets

Our net current assets increased from RMB2,629.5 million as of December 31, 2025 to RMB2,710.2 million as of March 31, 2026, primarily due to a decrease in trade payables, partially offset by a decrease in cash and cash equivalents, mainly because we settled more payments with suppliers in the first quarter of the year. Our net current assets increased from RMB2,247.5 million as of December 31, 2024 to RMB2,629.5 million as of December 31, 2025, primarily due to (i) an increase in trade and bills receivables in line with our growing product sales, and (ii) an increase in financial assets at fair value through profit or loss as we acquired more conservative wealth management products in light of our adequate cash position. Our net current assets increased from RMB1,477.5 million as of December 31, 2023 to RMB2,247.5 million as of December 31, 2024, primarily due to (i) an increase in cash and cash equivalents, (ii) an increase in trade and bills receivables in line with our growing product sales, and (iii) an increase in financial assets at fair value through profit or loss as we acquired more conservative wealth management products.

Net Assets

Our net assets increased from RMB2,353.8 million as of December 31, 2024 to RMB2,715.8 million as of December 31, 2025, primarily due to profit for the year of RMB334.6 million and share-based payments of RMB27.4 million. Our net assets increased from RMB1,586.9 million as of December 31, 2023 to RMB2,353.8 million as of December 31, 2024, primarily due to profit for the year of RMB321.8 million and net capital contribution from shareholders of RMB675.6 million and share-based payments of RMB75.6 million, partially offset by dividends paid to shareholders of RMB306.1 million. For further details of our consolidated statements of changes in equity, see Accountants’ Report in Appendix I to this Document.

See “Financial Information — Liquidity and Financial Resources — Current Assets and Liabilities.”

Summary of the Consolidated Statements of Cash Flows

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

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash generated from operating activities	638,358	527,092	524,767
Net cash generated from/(used in) investing activities	2,766	(107,944)	(608,464)
Net cash generated from/(used in) financing activities	(27,640)	337,710	(29,884)
Net increase/(decrease) in cash and cash equivalents	613,484	756,858	(113,581)
Cash and cash equivalents at the beginning of the year	1,299,933	1,913,417	2,670,275
Cash and cash equivalents at the end of the year	1,913,417	2,670,275	2,556,694

See “Financial Information — Liquidity and Capital Resources — Cash Flow.”

SUMMARY

KEY FINANCIAL RATIOS

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

	Year ended/as of December 31,		
	2023	2024	2025
Gross profit margin(%) ⁽¹⁾	8.1	7.7	7.4
Net profit margin(%) ⁽²⁾	3.0	2.3	2.2
Return on equity(%) ⁽³⁾	28.9	16.3	13.2
Current ratio ⁽⁴⁾	1.3	1.5	1.5
Quick ratio ⁽⁵⁾	1.3	1.5	1.5
Cash conversion cycle ⁽⁶⁾	(23.4)	(25.3)	(25.7)

Notes:

- (1) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.
- (2) Net profit margin equals profit for the year divided by revenue and multiplied by 100%.
- (3) Return on equity equals profit for the year divided by the average of the beginning and ending total equity multiplied by 100%.
- (4) Current ratio is calculated by dividing current assets by current liabilities.
- (5) Quick ratio is calculated by dividing current assets less inventories by current liabilities.
- (6) The cash conversion cycle is calculated by adding inventory turnover days and trade and bills receivables turnover days, then subtracting trade payables turnover days.

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set forth in the section headed “Risk Factors” in this Document. You should read that section in its entirety carefully before you decide to [REDACTED] in our [REDACTED]. Some of the major risks we face include: (i) if we are unable to retain existing customers, attract new customers, maintain satisfactory customer experience, and increase revenue from our customer base, our business, financial condition and results of operations may be materially and adversely affected; (ii) if we fail to continuously meet the stringent supplier admission and compliance requirements by our customers, we may experience difficulties in maintaining sound, stable and sustainable customer relationships; (iii) the size of our addressable markets and the demand for our products may not increase as rapidly as we expect due to various factors, which could materially and adversely affect our business, financial condition and results of operations; (iv) intense industry competition may adversely affect our pricing and margins, which could in turn materially and adversely affect our business, financial condition and results of operations; (v) if we are unable to maintain our competitiveness on pricing or effectively manage our product supply chain, our fulfillment capabilities, trading volume and price of products may be materially and adversely affected. See “Risk Factors.”

SUMMARY

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Dr. Chen Huwen, Mr. Chen Huxiong, Ms. Chen Xueling, M&G Group, Keying Investment, Jiekui Investment and M&G Corporation constitute a group of controlling shareholders of our Company (the “**Controlling Shareholders’ Group**”). In particular:

- (i) Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling held 38%, 38% and 24% of the equity interest in M&G Group respectively;
- (ii) M&G Group, Dr. Chen Huwen, Mr. Chen Huxiong, Ms. Chen Xueling, Keying Investment and Jiekui Investment directly held approximately 58.20%, 1.48%, 1.48%, 0.66%, 1.23% and 1.22% of the shares of M&G Corporation respectively. Dr. Chen Huwen was the general partner of and held approximately 79.33% of the partnership interests in Keying Investment. Mr. Chen Huxiong was the general partner of and held approximately 73.34% of the partnership interests in Jiekui Investment; and
- (iii) M&G Corporation, Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling directly held approximately 77.78%, 4.00%, 3.30% and 1.50% of our Shares respectively.

As of the Latest Practicable Date, the Controlling Shareholders’ Group held an aggregate of approximately 86.58% of our Shares. And immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders’ Group will hold an aggregate of approximately [REDACTED]% of our Shares.

CONNECTED TRANSACTIONS

We have entered into a number of partially exempt continuing connected transactions with M&G Corporation and its subsidiaries (excluding our Group), and M&G Group (for itself and on behalf of its subsidiaries (excluding M&G Corporation and its subsidiaries), including (i) the supply of products to M&G Corporation and its subsidiaries (excluding our Group), and M&G Group (for itself and on behalf of its subsidiaries (excluding M&G Corporation and its subsidiaries), (ii) the procurement of products from M&G Corporation and its subsidiaries (excluding our Group) and (iii) the leasing of warehouse premises from M&G Corporation and its subsidiaries (excluding our Group). In relation to these transactions, we are of the view that we do not and will not significantly rely on M&G Corporation and its subsidiaries (excluding our Group), and M&G Group (for itself and on behalf of its subsidiaries (excluding M&G Corporation and its subsidiaries). Please refer to the sections headed “Relationship with Controlling Shareholders” and “Connected Transactions” in this Document for further details.

[REDACTED]

CSRC promulgated the Spin-off Rules for Listed Companies (For Trial Implementation) (《上市公司分拆規則(試行)》), the “**Spin-off Rules**”) on January 5, 2022 and the Trial Measures for the Administration on 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**”) on February 17, 2023. Pursuant to the Spin-off Rules and the Overseas Listing Trial Measures, the offshore listing of the subsidiaries controlled by domestic listed companies shall comply with the conditions set out in the Spin-off Rules and fulfill the filing procedure with CSRC. M&G Corporation is a company established in PRC whose shares are listed on the Shanghai Stock Exchange under the stock code of 603899.SH and was interested in approximately 77.78% of the total issued share capital of our Company as of the Latest Practicable Date. The [REDACTED] of our Company constitutes a [REDACTED] from M&G Corporation and is subject to fulfilling the filing procedure with CSRC. The [REDACTED] of our Company was approved by the shareholders of M&G Corporation at its general meeting on April 23, 2026, and was approved by the Company’s shareholders at a general meeting on April 24, 2026.

SUMMARY

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the [REDACTED] Range stated in this Document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used to strengthen our global supply chain and digitalized operational capabilities. This is intended to better support the complex and multi-scenario procurement needs of enterprise customers, and to enhance the stability, responsiveness and execution certainty of our end-to-end service delivery;
- Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used for strategic investments and acquisitions to support our business expansion and supplement our existing operations;
- Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used to expand our sales and service network, strengthen our industry-specific solution capabilities, increase market outreach and brand development efforts, upgrade our customer service system and refine sales incentive mechanisms; and
- Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used for working capital and general corporate purposes.

See “Future Plans and [REDACTED].”

[REDACTED]

DIVIDEND

On May 28, 2024, we declared dividends of RMB306.1 million to our Shareholders, which were paid in May 2024. No other dividend was paid or declared by our Group or other entities comprising our Group during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have a formal dividend policy or any fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

SUMMARY

[REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] range stated in this Document), the aggregate [REDACTED] and fees, together with the Stock Exchange [REDACTED], AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the [REDACTED], which are payable by us, are estimated to amount in aggregate to be approximately RMB[REDACTED], accounting for [REDACTED]% of the [REDACTED] from the [REDACTED]. By nature, our [REDACTED] are composed of (i) [REDACTED] of approximately RMB[REDACTED], and (ii) non-[REDACTED] related expenses of approximately RMB[REDACTED], which consist of fees and expenses of legal advisors and Reporting Accountants of approximately RMB[REDACTED] and other fees and expenses of approximately RMB[REDACTED]. We did not incur any [REDACTED] during the Track Record Period. Approximately RMB[REDACTED] of the total [REDACTED] is expected to be charged to profit and loss after the Track Record Period, and approximately RMB[REDACTED] is directly attributable to the [REDACTED] and [REDACTED] and will be deducted from equity upon the [REDACTED].

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025 (being the end of the Track Record Period) and there has been no event since December 31, 2025 which would materially affect the information shown in the Accountants’ Report in Appendix I to this Document.

DEFINITIONS

In this Document, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed “Glossary of Technical Terms” in this Document.

“Accountants’ Report”	the Accountants’ Report for the years ended December 31, 2023, 2024 and 2025, the text of which is set forth in Appendix I to this Document
“affiliate”	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”	the Accounting and Financial Reporting Council of Hong Kong (香港會計和財務匯報局)
“Articles” or “Articles of Association”	the articles of association of our Company, conditionally adopted on April 24, 2026 with effect from the [REDACTED], and as amended from time to time, a summary of which is set forth in the section headed “Summary of the Articles of Association” in Appendix III to this Document
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
Audit Committee	the audit committee of our Company
Authorized Representative(s)	the authorized representative(s) of our Company
“Board” or “Board of Directors”	the board of directors of our Company
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
[REDACTED]	
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“China,” “Chinese mainland” or “PRC”	the People’s Republic of China and for the purposes of this Document only, except where the context requires otherwise, excluding the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan
“Colipu No. 2”	Shanghai Colipu No. 2 Enterprise Management Center (Limited Partnership)* (上海科力普貳號企業管理中心(有限合伙)), a limited partnership established under the laws of the PRC on January 31, 2024, a limited partner of Colipu Venture Capital and an Employees’ Shareholding Platform

DEFINITIONS

“Colipu No. 3”	Shanghai Colipu No. 3 Enterprise Management Center (Limited Partnership)* (上海科力普叁號企業管理中心 (有限合夥)), a limited partnership established under the laws of the PRC on January 31, 2024, a limited partner of Colipu Venture Capital and an Employees’ Shareholding Platform
“Colipu No. 4”	Shanghai Colipu No. 4 Enterprise Management Center (Limited Partnership)* (上海科力普肆號企業管理中心 (有限合夥)), a limited partnership established under the laws of the PRC on January 31, 2024, a limited partner of Colipu Venture Capital and an Employees’ Shareholding Platform
“Colipu No. 5”	Shanghai Colipu No. 5 Enterprise Management Center (Limited Partnership)* (上海科力普伍號企業管理中心 (有限合夥)), a limited partnership established under the laws of the PRC on January 31, 2024, a limited partner of Colipu Venture Capital and an Employees’ Shareholding Platform
“Colipu No. 6”	Shanghai Colipu No. 6 Enterprise Management Center (Limited Partnership)* (上海科力普陸號企業管理中心 (有限合夥)), a limited partnership established under the laws of the PRC on May 23, 2024, a Shareholder and an Employees’ Shareholding Platform
“Colipu No. 7”	Shanghai Colipu No. 7 Enterprise Management Center (Limited Partnership)* (上海科力普柒號企業管理中心 (有限合夥)), a limited partnership established under the laws of the PRC on May 23, 2024, a Shareholder and an Employees’ Shareholding Platform
“Colipu No. 8”	Shanghai Colipu No. 8 Enterprise Management Center (Limited Partnership)* (上海科力普捌號企業管理中心 (有限合夥)), a limited partnership established under the laws of the PRC on May 23, 2024, a Shareholder and an Employees’ Shareholding Platform
“Colipu No. 9”	Shanghai Colipu No. 9 Enterprise Management Center (Limited Partnership)* (上海科力普玖號企業管理中心 (有限合夥)), a limited partnership established under the laws of the PRC on May 22, 2024, a Shareholder and an Employees’ Shareholding Platform
“Colipu Venture Capital”	Shanghai Colipu Venture Capital Center (Limited Partnership)* (上海科力普創業投資中心 (有限合夥)), a limited partnership established under the laws of the PRC on February 21, 2014, a Shareholder and an Employees’ Shareholding Platform
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“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,” or “our Company”	Colipu Technologies Group Co., Ltd. (科力普科技集團股份有限公司) (formerly known as Shanghai M&G Colipu Office Supplies Co., Ltd. (上海晨光科力普辦公用品有限公司)), established as a limited liability company on December 5, 2012 and converted into a joint stock company with limited liability under the laws of PRC on March 28, 2025
“Company Law” or “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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)” or “Controlling Shareholders’ Group”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Dr. Chen Huwen, Mr. Chen Huxiong, Ms. Chen Xueling, M&G Group, Keying Investment, Jiekui Investment and M&G Corporation. For further details, see “Relationship with Controlling Shareholders”
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of our Company
“EIT”	the PRC enterprise income tax (企業所得稅)
“EIT Law”	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Employees’ Incentive Plan”	our employee incentive plans adopted and/or amended by resolutions of our Board on May 8, 2024, a summary of the principal terms of which is set forth in “Appendix IV — Statutory and General Information — B. Further Information about our Directors and Substantial Shareholders — 4. Employees’ Incentive Plan” to this Document
“Employees’ Shareholding Platform(s)”	Colipu Venture Capital, Colipu No. 2, Colipu No. 3, Colipu No. 4, Colipu No. 5, Colipu No. 6, Colipu No. 7, Colipu No. 8 and Colipu No. 9

DEFINITIONS

[REDACTED]

“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
“Filing Rules”	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》)

[REDACTED]

“Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., our industry consultant, which is an Independent Third Party
“General Rules of HKSCC”	the General Rules of HKSCC as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures

[REDACTED]

“Group,” “our Group,” “we,” or “us”	our Company, subsidiaries and consolidated affiliated entities from time to time
“Guide”	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange as amended, supplemented or otherwise modified from time to time
“H Share(s)”	shares in the share capital of our Company with a nominal value of RMB1.00 each, to be [REDACTED] and [REDACTED] on the Hong Kong Stock Exchange

[REDACTED]

“HKSCC”	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited (香港中央結算有限公司)

DEFINITIONS

[REDACTED]

“Hong Kong,” “Hong Kong SAR” or “HK”

the Hong Kong Special Administrative Region of the PRC

“Hong Kong dollars” or “HK dollars” or “HK\$”

Hong Kong dollars, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”

The Stock Exchange of Hong Kong Limited

[REDACTED]

DEFINITIONS

[REDACTED]

“IFRS Accounting Standards”	IFRS accounting standards approved by the International Accounting Standards Board

[REDACTED]

“Independent Third Party(ies)”	any entity(ies) or person(s) who is not a connected person of our Company within the meaning ascribed thereto under the Listing Rules

“Jiekui Investment”	Shanghai Jiekui Investment Management Firm (Limited Partnership)* (上海傑葵投資管理事務所(有限合夥)), a limited liability partnership established under the laws of the PRC on February 18, 2011, and one of our Controlling Shareholders

“Keying Investment”	Shanghai Keying Investment Management Firm (Limited Partnership)* (上海科迎投資管理事務所(有限合夥)), a limited liability partnership established under the laws of the PRC on February 18, 2011, and one of our Controlling Shareholders

“Latest Practicable Date”	April 22, 2026, being the latest practicable date for ascertaining certain information in this Document before its publication

[REDACTED]

DEFINITIONS

“Listing Committee” the Listing Committee of the Stock Exchange

[REDACTED]

“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

“M&G Group” M&G Holdings (Group) Co., Ltd. (晨光控股(集團)有限公司), an investment holding company established in the PRC on May 10, 2007, and the controlling shareholder of M&G Corporation and one of our Controlling Shareholders

“M&G Corporation” Shanghai M&G Stationery Inc. (上海晨光文具股份有限公司), a company established in PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 603899.SH), and one of our Controlling Shareholders

“Main Board” the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange

[REDACTED]

“MOFCOM” or “Ministry of Commerce” the Ministry of Commerce of the PRC (中華人民共和國商務部)

[REDACTED]

DEFINITIONS

“PBOC” People’s Bank of China (中國人民銀行), the central bank of the PRC

“PRC Legal Advisor” JunHe LLP, our legal advisor as to PRC laws

[REDACTED]

“Document” this document being issued in connection with the [REDACTED]

“Regulation S” Regulation S under the U.S. Securities Act

“Renminbi” or “RMB” Renminbi, the lawful currency of the PRC

“Reporting Accountants” Ernst & Young

“SAFE” State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)

“SAMR” State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)

“SAT” State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)

“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 (香港證券期貨監察委員會)

“Share(s)” ordinary share(s) of our Company with a nominal value of RMB1.00 each

“Shareholder(s)” holder(s) of our Share(s)

[REDACTED]

“Sole Sponsor” The Sole Sponsor as named in the section headed “Directors and Parties Involved in the [REDACTED]”

DEFINITIONS

[REDACTED]

“State Council”	State Council of the PRC (中華人民共和國國務院)
“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“substantial shareholders”	has the meaning ascribed to it in the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the three financial years ended December 31, 2023, 2024 and 2025

[REDACTED]

“Unlisted Share(s)”	unlisted ordinary Share(s) issued by our Company, with a nominal value of RMB1.00 each, which is/are not listed on any stock exchange
“United States” or the “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars” or “US\$”	United States dollars, the lawful currency of the United States

[REDACTED]

“%”	percent

DEFINITIONS

Unless otherwise specified or the context otherwise requires, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “controlling shareholder” and “substantial shareholder” in this Document shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Unless otherwise specified, certain amounts and percentage figures included in this Document have been subject to rounding. 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 [REDACTED] are due to rounding.

In this Document, “” denotes translation of certain natural persons, legal persons, enterprises, governmental authorities, institutions, entities, organizations, departments, facilities, laws and regulations into Chinese or English (as the case maybe), etc., or another language included in this Document for identification purposes only. In the event of any inconsistency, the Chinese names or the names in their original languages prevail.*

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this Document in connection with our Company and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

“AGV”	automated guided vehicle
“AI”	artificial intelligence
“AMR”	autonomous mobile robot
“API”	application programming interface
“ASN”	advance shipment notice
“big data”	refers to extremely large and complex datasets that exceed the processing capabilities of traditional data management tools
“CAGR”	compound annual growth rate
“cash collection rate”	calculated by cash received from sale of products divided by GMV
“cash conversion cycle”	calculated by adding inventory turnover days and trade and bills receivables turnover days, then subtracting trade payables turnover days
“cloud computing”	a delivery model under which computing power, storage capacity, software applications and business systems are provided through internet networks on an on-demand basis, with resources centrally deployed on cloud server clusters that support elastic scaling, on-demand allocation and centralized operation and maintenance, without requiring enterprises to build or maintain on-premises data centers or hardware infrastructure
“drop ship”	a fulfillment method where a company sells products without holding inventory, relying on its suppliers to ship directly to customers
“ERP”	enterprise resource planning
“ESG”	environmental, social and governance
“GFA”	gross floor area
“GHG”	greenhouse gas
“GMV”	gross merchandise value, referring to the total value of merchandise sold by us in a given period, excluding the value of returned goods in the same period
“ISO”	the International Organization for Standardization, an independent, non-governmental organization that develops and publishes international standards

GLOSSARY OF TECHNICAL TERMS

“IT”	information technology
“key accounts”	customers that are primarily integrated into our system through API connection and generated transaction value in the relevant year, selected based on operational scale, business characteristics and procurement volume
“LTC”	lead-to-cash
“MRO”	maintenance, repair and operations
“ODM”	original design manufacturer, a company that designs and manufactures products that will eventually be sold under third-party brands
“OEM”	original equipment manufacturer, a company that manufactures products that are eventually sold under third-party brands
“PMP”	procurement management platform
“Punch-out”	a standardized B2B procurement integration solution that connects enterprise internal procurement platforms with suppliers’ live e-catalogs
“Puyuan”	our digitally-enabled operating framework
“PWS”	picking workstation system
“RPA”	robotic process automation, a form of business process automation that is based on software robots or artificial intelligence agents
“R&D”	research and development
“SaaS”	software as a service, a cloud computing service model in which a provider delivers application software to clients while managing the required physical and software resources
“SCS”	supplier collaboration system
“SKU(s)”	stock keeping unit(s), a unique identifier for each distinct product
“SRM”	supplier relationship management
“TMS”	transportation management system
“transaction value retention rate of key accounts”	the percentage of GMV generated from key accounts in the previous year that is retained from the same key accounts in the current year. GMV is calculated at the group level on a consolidated basis
“WCS”	warehouse control system
“WMS”	warehouse management system

FORWARD-LOOKING STATEMENTS

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

This Document contains certain forward-looking statements relating to our Company, our subsidiaries and consolidated affiliated entities 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" and the negative of these words and other similar expressions, as they relate to our Group 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 other risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks, uncertainties and other factors facing our Group which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- changes in the macro environment, regional and global economy, as well as industry trends related to our operations;
- our ability to successfully implement our business plans, strategies, objectives and goals;
- our ability to obtain adequate capital resources to fund future development plans;
- our ability to control costs, as well as to achieve and maintain operating efficiency;
- our business operations and prospects;
- our capital expenditure plans;
- our dividend policy;
- changes in our customers' demands and expectations;
- changes in the competitive landscape of the industries where we operate;
- our ability to protect our reputation and brand image, as well as trademarks, technologies, knowhow, patents and other intellectual property rights;
- changes in economic and political conditions and changes in compliance with laws and regulations in jurisdictions where we operate; and
- various business opportunities that we may pursue.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed in "Risk Factors" and elsewhere in this Document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management's view only as of the date of this Document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Document might not occur. All forward-looking statements contained in this Document are qualified by reference to the cautionary statements set forth in this section.

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You should carefully consider all of the information in this Document, including the risks and uncertainties described below, before making an [REDACTED] in our H Shares. The following is a description of what we consider to be our material risks. Any of the following risks could have a material 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 the section headed “Forward-Looking Statements” in this Document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

If we are unable to retain existing customers, attract new customers, maintain satisfactory customer experience, and increase revenue from our customer base, our business, financial condition and results of operations may be materially and adversely affected.

Our business depends on our ability to establish, maintain and deepen long-term relationships with our customers such as state-owned enterprises, financial institutions, Fortune Global 500 companies, China’s Top 500 private enterprises and government agencies, and to support their procurement needs across multiple organizational layers, rules, workflows and systems. We typically enter into framework agreements with these customers that do not guarantee minimum purchase volumes. Our customers may reduce their procurement volume with us, fail to renew framework agreements upon expiry, or choose alternative procurement solution providers due to changes in internal procurement strategies, budget controls, service expectations, pricing considerations, regulatory requirements, the performance of our competitors, or broader economic conditions. The final decision often lies in the hands of the customer, which may base its decision on a multitude of factors, some of which may be beyond our control or prediction. In the event that we fail to maintain our relationship and cooperation with existing customers or attract new customers, our business, financial condition and results of operations may be materially and adversely affected.

To support large-scale, compliance-driven enterprise procurement and fulfillment across multiple organizational layers, rules, workflows and systems, we designed an integrated three-layer business model — order flow, product flow and infrastructure. Any deficiency in service quality, system stability, delivery timeliness, product governance or customer support may adversely affect customer satisfaction and trust. Given that our customers typically impose stringent requirements on service, compliance and performance, any material service failure, reputational damage or inability to adapt to evolving customer needs may result in reduced procurement volumes, suspension of cooperation or termination of contractual relationships. If we are unable to consistently provide satisfactory customer experience to our customers, our business, financial condition, results of operations and long-term development prospects may be materially and adversely affected.

If we fail to continuously meet the stringent supplier admission and compliance requirements by our customers, we may experience difficulties in maintaining sound, stable and sustainable customer relationships.

Our customers typically impose stringent requirements on supplier admission and compliance as part of their procurement and supplier management frameworks. Such requirements generally relate to corporate governance, internal controls, compliance management, information security, data protection, business conduct, and the integrity of procurement and fulfillment processes. Supplier admission and compliance requirements imposed by our customers are subject to ongoing review and supervision and may evolve over time due to changes in regulatory developments, internal compliance policies or risk management standards. In certain cases, customers may conduct periodic assessments and audits of qualified suppliers, and continued eligibility for procurement opportunities and framework agreements may depend on the outcome of such reviews. If we fail to continuously

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satisfy applicable supplier admission standards and compliance requirements, or are perceived to have breached relevant compliance obligations or business conduct standards, we may be subject to increased scrutiny, loss of supplier qualifications, exclusion from tendering processes, suspension of cooperation or restrictions on future business opportunities. Any such developments could adversely affect our ability to maintain existing customer relationships, secure new contracts or sustain long-term cooperation with customers, and may materially and adversely affect our business, financial condition and results of operations.

The size of our addressable markets and the demand for our products may not increase as rapidly as we expect due to various factors, which could materially and adversely affect our business, financial condition and results of operations.

Our business growth depends on the continued development of China’s general materials digital procurement solution market in China, in particular, the pace at which major customers adopt digitalized and standardized procurement and fulfillment solutions. Market demand for general materials procurement is influenced by macroeconomic conditions, industrial and commercial activity levels, and fiscal and budgetary policies. In particular, procurement decisions of our customers may be affected by internal procurement strategies, budget controls, service expectations, pricing considerations, regulatory requirements, the performance of our competitors, or broader economic conditions, which may result in delays, reductions or fluctuations in procurement demand, and may cause procurement activities to become more periodic, customer-specific or concentrated in certain time windows rather than stable throughout the year.

Market growth and demand may also be uneven across our different product categories and usage scenarios. Procurement demand for our office supplies, MRO products and marketing gifts and employee welfare products is generally linked to customers’ operating activities and procurement planning, and may therefore be affected by fluctuations in industrial operations, enterprise operating conditions and customer project budgets. If growth in these expansion categories does not materialize as expected, our ability to increase customer wallet share and achieve the cross-scenario penetration that underpins our growth strategy may be adversely affected, which could directly slow our overall growth even if demand for routine office supplies remains relatively stable.

Our business planning, investment decisions and growth strategies are based on certain assumptions regarding market size, demand trends and industry development. However, actual market conditions and customer behavior may differ from these assumptions. If our addressable markets do not expand as expected, or if demand for our products and services grows more slowly than anticipated, becomes more volatile or shifts away from the procurement scenarios on which our offerings are premised, we may not be able to achieve our expected growth, and our business, financial condition and results of operations may be materially and adversely affected.

Intense industry competition may adversely affect our pricing and margins, which could in turn materially and adversely affect our business, financial condition and results of operations.

The general materials digital procurement solution market in which we operate is competitive and continues to evolve. We face competition from a range of market participants, including integrated e-commerce platforms, specialized enterprise procurement solution providers, traditional distributors, and industry-focused suppliers. Some of these competitors may have greater financial resources, stronger brand recognition, broader supplier relationships, more aggressive pricing strategies or more experience in specific product categories or industries. As competition intensifies, we may experience increased pressure to lower prices, offer more favorable commercial terms or invest additional resources to retain and expand customer relationships.

Our customers typically procure products and services through competitive tendering processes and long-term framework agreements. Pricing is often a significant factor in tendering evaluations and ongoing procurement decisions, and customers may regularly benchmark prices across suppliers or require periodic price adjustments. As a result,

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heightened competition may limit our ability to increase prices or pass on cost increases, or require us to accept lower margins in order to secure or maintain customer relationships.

Different product categories may be subject to different competitive dynamics, pricing sensitivities and margin profiles. Increased competition in certain product categories, or slower-than-expected customer penetration, could further intensify price competition and adversely affect our overall margin performance. If competitive pressures result in sustained pricing pressure, reduced customer order volumes, or a shift in product mix toward lower-margin offerings, our gross profit margin, operating leverage, profitability and results of operations may be materially and adversely affected.

If we are unable to maintain our competitiveness on pricing or effectively manage our product supply chain, our fulfillment capabilities, trading volume and price of products may be materially and adversely affected.

Our business involves the procurement and distribution of a broad range of general materials across multiple product categories, and we sourced products from an extensive network of third-party suppliers during the Track Record Period. The success of our business depends in part on our suppliers' ability to provide products in a timely manner, with consistent quality and at commercially acceptable prices, which may be affected by fluctuations in suppliers' pricing policies, and changes in logistics, transportation and regional sourcing conditions. See "Business — Our Product Flow — Our Supplier Management System." In addition, the breadth of our product categories, the large number of SKUs we manage, together with our procurement and fulfillment arrangements (including centralized procurement and scenario-based fulfillment models such as drop ship model in certain cases), may result in differences in procurement costs and supply availability across regions and fulfillment scenarios, which increases the complexity of cost control and supply coordination across our operations. Such volatility may be exacerbated by seasonal demand patterns, capacity constraints at suppliers or fulfillment partners, and broader macroeconomic or regulatory developments. As a result, our procurement costs, supply stability and delivery performance may fluctuate in ways that are not fully predictable, which could affect pricing consistency, fulfillment efficiency and cost control.

Although we seek to manage such risks through measures including scale aggregation, supplier diversification, centralized procurement, localized sourcing and, in certain cases, index-based pricing arrangements with customers, there can be no assurance that these measures will be sufficient to fully mitigate price volatility or supply disruptions in a timely manner. Our ability to pass on increases in procurement costs may be constrained by contractual pricing mechanisms, tendering arrangements, competitive pressures and customer budget considerations, particularly for enterprise customers. If procurement costs increase significantly or supply becomes unstable, we may experience higher fulfillment costs, reduced gross profit margins, delays in order execution or reduced product availability, which could materially and adversely affect our trading volume, financial condition and results of operations.

If we fail to effectively manage and expand our relationships with suppliers, or if such suppliers fail to provide reliable, timely and compliant products and services, our fulfillment performance, customer experience and results of operations could be materially and adversely affected.

Our business depends on a broad network of third-party suppliers to source and deliver a wide range of general materials across office supplies, MRO products, marketing gifts and employee welfare products. As we do not engage in manufacturing activities, we sourced products from an extensive network of third-party suppliers during the Track Record Period, including manufacturers, brand owners and authorized distributors. We rely on our suppliers to meet requirements relating to product quality, delivery timeliness, after-sales responsiveness and, in certain cases, customer-specific compliance and catalog rules embedded into procurement workflows. Any deficiency in these areas may disrupt our ability to deliver consistent service levels across regions and procurement scenarios.

Our ability to maintain comprehensive product coverage and service quality also depends on our continued ability to onboard, evaluate and optimize suppliers on an ongoing

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basis. Suppliers may fail to meet our requirements due to operational limitations, quality issues, capacity constraints, geographic coverage gaps, or changes in their business strategies. In addition, replacing an underperforming supplier may require time and resources for catalog governance, system and process alignment, and performance stabilization, and we may not be able to secure alternative suppliers with comparable service capability or commercial terms in a timely manner. Any deficiency in the performance, reliability or compliance of our suppliers could lead to fulfillment delays, service disruptions, product quality issues or customer complaints, and may adversely affect our customer satisfaction and trust. Such developments could, in turn, impair our ability to maintain long-term framework cooperation, support tendering competitiveness, or expand customer penetration across additional procurement scenarios. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We are subject to risks relating to the fulfillment of products on our customer-specific procurement platform, and any material disruption or degradation in our fulfillment performance could materially and adversely affect our business, financial condition and results of operations.

We are committed to executing reliable, timely and compliant fulfillment across multiple organizational layers, rules, workflows and systems. Any fulfillment failures or service disruptions may have a broad impact on customer experience and our ability to maintain long-term cooperation with customers. In particular, digitalized systems play a critical role in supporting our fulfillment operations. Any deficiency in system stability, availability, data accuracy, process design, access controls or operational execution — whether arising from system defects, configuration errors, cyber incidents, network disruptions or other causes — could adversely affect order processing, inventory allocation, logistics coordination, delivery timeliness, documentation and acceptance procedures or after-sales responsiveness. In addition, as our product categories expand and order volumes increase, we may face heightened demands on system scalability and cross-module coordination, and there can be no assurance that our systems and processes will perform as expected in all circumstances.

Furthermore, as our business expands and order volumes increase, continued operation of our fulfillment model is expected to require ongoing investment in, and effective management of, fulfillment infrastructure, systems and operational resources. The expansion of fulfillment capacity is likely to increase operational complexity and place additional demands on our managerial, technical and operational capabilities. In addition, our fulfillment model may have inherent limitations in certain remote, less-developed or logistically challenging regions, where infrastructure constraints, higher delivery costs or limited availability of third-party logistics services may restrict our ability to provide timely or cost-effective fulfillment, or to serve such locations at all.

Our fulfillment operations may also be exposed to risks arising from unexpected events, including system failures, power outages, network disruptions, natural disasters, accidents, human error or other force majeure events, which could impair the operation of warehouses, logistics networks or related systems. Any prolonged or material fulfillment disruption, whether due to infrastructure limitations, third-party service failures or unforeseen events, could result in delayed or failed deliveries, inventory losses, contractual liabilities, customer dissatisfaction or reputational harm, and may materially and adversely affect our business, financial condition and results of operations.

We may incur liability or become subject to administrative penalties, or suffer reputation harm, in connection with counterfeit, substandard, unauthorized or infringing products or related information.

We source, manage and deliver a broad range of general materials across multiple product categories and procurement scenarios. Given the scale and complexity of our operations, risks relating to product authenticity, authorization, quality and intellectual property compliance may arise at various stages of our supply chain, fulfillment processes or related information management.

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In addition, in the course of sourcing and supplying products, we present and disseminate product-related information and content, which may be based in part on information provided by suppliers or other third parties. Our internal control and compliance review mechanisms may not always be able to independently verify the completeness, accuracy or compliance of such information, and we may not be successful in preventing all instances of counterfeit, substandard, unauthorized or infringing products or allegedly infringing content. If any such incidents occur, or if we are subject to complaints, claims, regulatory inquiries or enforcement actions, regardless of their merits, we may be required to devote significant management attention and incur substantial costs in investigations, dispute resolution, remediation or litigation.

Under applicable PRC laws and regulations, we could be subject to civil liability, administrative measures or penalties, including orders to rectify, confiscation of illegal gains and fines, and, in severe cases, other legal consequences. Moreover, any such incidents or allegations could undermine customer confidence, impair our relationships with suppliers or enterprise customers, negatively affect our ability to participate in tender processes or renew framework agreements, and damage our reputation in the general materials procurement market. Any of the foregoing could materially and adversely affect our business, financial condition and results of operations.

Any failure to continuously enhance and effectively utilize our digital platforms and technology systems could materially and adversely affect our business, financial condition and results of operations.

Our business operations and growth prospects are highly dependent on the stable, reliable and effective operation and continuous enhancement of our digital platforms, systems and related technological capabilities. These technologies are critical to supporting large transaction volumes, complex enterprise procurement requirements, multisystem integrations and stringent service and compliance standards. We may not be able to continue to maintain, upgrade or effectively utilize our technology infrastructure or to develop and implement new digital capabilities in a timely and cost-effective manner to meet evolving customer needs and market conditions.

As our business expands and customer requirements become more sophisticated, we are required to make ongoing investments in system development, automation, data processing, infrastructure and integration capabilities. Such initiatives involve technical complexity, execution risks and significant management and resource commitments, and there can be no assurance that they will achieve the intended operational or commercial outcomes, or generate adequate returns on investment. If our technology enhancements fail to deliver expected benefits, are delayed, encounter design or implementation limitations, or do not gain sufficient customer adoption, our operating efficiency, service reliability, competitiveness and growth may be adversely affected.

In addition, our technology systems may experience defects, errors or disruptions arising from system limitations, cyber incidents, third-party service failures, human error or other unforeseen events. Any material or prolonged system failure or performance degradation could result in order processing errors, service interruptions, data issues, customer dissatisfaction or reputational harm, which could materially and adversely affect our business, financial condition and results of operations.

If we fail to effectively manage customer-specific procurement rules and support complex procurement scenarios through our systems and processes, our business and results of operations could be materially and adversely affected.

Our business involves complex enterprise procurement scenarios that require the consistent governance of customer-specific procurement rules, effective coordination across multiple operational processes and reliable system support throughout the order lifecycle. Large enterprises typically operate with multi-layered organizational structures, complex procurement scenarios, demanding fulfillment standards and stringent compliance requirements, each subject to distinct approval workflows, internal compliance requirements,

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budget parameters and delivery conditions. The diversity and complexity of these procurement scenarios increase the difficulty of ensuring uniform execution and heighten the risk of governance deficiencies.

The effective execution of such complex procurement scenarios requires accurate configuration, ongoing maintenance and consistent application of customer-specific rules, approval logic and catalog requirements across our end-to-end processes, supported by stable systems. Our operations rely on the coordination of multiple systems and modules that support customer connectivity, order integration and standardization, product governance, fulfillment coordination, settlement workflows and after-sales support. Any deficiency in rule design, system functionality, data accuracy, process configuration or cross-system integration, or any failure to timely update or correctly apply customer-specific rules as requirements evolve, may result in order-processing disruptions, processing errors and other operational discrepancies.

The execution of complex procurement scenarios requires effective coordination among multiple internal functions, including procurement, product governance, warehousing, logistics and customer service and settlement. Breakdowns in cross-functional coordination, inconsistent operating standards, inadequate operational capacity or delays in handling exceptions may adversely affect service reliability and customer experience. Given the stringent service, compliance and performance requirements typically imposed by our customers, any material failure in rule governance, process coordination or system support may result in reduced procurement volumes, suspension or termination of cooperation, loss of supplier qualification, exclusion from tendering processes or other adverse commercial consequences, which could materially and adversely affect our business, financial condition and results of operations.

Our customer base is relatively concentrated, and any material decline in order volumes from our major customers could materially and adversely affect our business, financial condition and results of operations.

Revenue from our top five customers in each year during the Track Record Period accounted for 45.2%, 42.0% and 40.6% of our total revenue for the respective year, and revenue from our largest customer in each year during the Track Record Period accounted for 15.0%, 17.6% and 19.8% of our total revenue for the respective year. As such, we may be affected by risks arising from customer concentration.

Our customer concentration is partly attributable to the procurement practices of large enterprise groups, which typically centralize supplier selection through group-level tendering processes and framework agreements, while the actual placement of orders may be conducted by multiple subsidiaries or affiliated entities within the same corporate group. As a result, although revenue may be recognized from different ordering entities, a significant portion of our revenue is economically derived from a limited number of major customer groups. Accordingly, our business performance, gross profit margin and working capital position are materially influenced by the aggregate order volumes, pricing arrangements and payment terms agreed with such customer groups. Any significant reduction in overall procurement demand, adverse changes in commercial terms or deterioration in payment practices of these major customers could have a material adverse effect on our revenue, cash flow, liquidity and results of operations. In addition, revenue attributable to any single major customer group, as well as our overall customer concentration, may fluctuate from period to period, which may cause volatility in our operating results and adversely affect our business, financial condition and results of operations.

Our business generates and processes a large amount of data, including business and personal data, and any improper collection, hosting, use, transmission or disclosure of data could harm our reputation and have a material adverse effect on our business and prospects.

We collect a substantial volume of data for order fulfillment and delivery, including but not limited to contact, delivery and invoicing information across multiple systems and workflows, and the confidentiality, integrity and availability of such data are critical to the

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continuity and efficiency of our operations. Our systems and data may be exposed to cybersecurity incidents and privacy risks arising from internal and external threats, including unauthorized access, account compromise, data leakage, malware, ransomware, improper use or mishandling by employees or third-party service providers, as well as errors or misconfigurations in access controls, system settings or integration interfaces. In addition, system upgrades, replacements or the integration of third-party services may create vulnerabilities, cause instability or result in temporary outages, and increases in transaction volumes or system usage may place additional strain on system performance and security controls. Any such incident may lead to disruption of order processing and fulfillment execution, loss or corruption of data, errors in settlement outputs, operational inefficiencies, contractual disputes or customer complaints.

As data privacy and cybersecurity regulatory framework in China has evolved significantly in recent years and remains subject to further change, we may become subject to additional laws and regulations governing data security and personal information protection. Compliance with such requirements, including responding to data subject requests and meeting regulatory obligations, may be complex and resource-intensive. Any failure to comply with applicable requirements, or any misuse of or failure to safeguard personal or customer information, could result in regulatory enforcement actions, governmental or other proceedings, reputational and credibility damage, and adverse impacts on our revenue and profitability. In addition, protecting against information security breaches, addressing the consequences of such breaches, or complying with privacy-related legal obligations may require significant and increasing capital and other resources as cyber threats become more sophisticated. Any actual or perceived failure to prevent security breaches, comply with privacy obligations, or protect customer data could undermine customer trust, expose us to legal claims and negatively affect demand for our services and the volume of orders we receive, which will further impose adverse impact on our business, financial condition and results of operations.

Security breaches, cyber-attacks or failures to protect data could harm our reputation and adversely affect our business, financial condition and results of operations.

We are dependent on the stable and secure operation of our technology systems and networks to deliver our offerings. Our technology operations may be vulnerable to disruptions arising from system failures, human error, power outages, natural disasters, unauthorized access, cyber-attacks or other events, whether originating internally or from third-party systems on which we rely. Any disruption to, or instability of, our systems or supporting external technology could impair service delivery, compromise data integrity and damage our reputation.

Our investments in security measures may not be sufficient to prevent, detect or mitigate all cybersecurity incidents. Cyber-attacks and security threats continue to evolve in sophistication and frequency, and may not be identified until they are launched against us. A successful breach or security failure could result in unauthorized access to our systems, loss, misuse or alteration of data, service interruptions or other operational disruptions, and could expose us to regulatory scrutiny, contractual claims, remediation costs and reputation harm.

In addition, responding to actual or perceived cybersecurity threats may require us to incur substantial additional costs to enhance security infrastructure, engage third-party experts, deploy additional personnel or implement remedial measures. Any of the foregoing could adversely affect our business, financial condition and results of operations.

If we fail to successfully expand across additional procurement scenarios, or to effectively implement our business strategies, our business, results of operations and prospects could be adversely affected.

Our growth strategy involves deepening customer penetration across additional procurement scenarios, including expanding the scope, frequency and depth of procurement solutions procured by enterprise customers from us. Such expansion typically requires sustained investment in supplier coordination, product governance, system configuration,

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fulfillment capabilities, sales execution and operational resources, and may take time to achieve the expected level of customer penetration, transaction volume and commercial returns.

The expansion of procurement scenarios is subject to various uncertainties and execution risks. Different procurement scenarios may have distinct demand patterns, pricing dynamics, margin characteristics, operational requirements and compliance considerations. We may face challenges in accurately assessing customer needs, configuring scenario-specific procurement rules and catalogs, coordinating fulfillment across multiple scenarios, or integrating expanded procurement activities into our existing systems and workflows. In addition, customers may adopt new procurement scenarios more slowly than expected or limit their procurement activities to a narrower scope than we anticipate, which could reduce the effectiveness of our expansion efforts.

If our expansion across additional procurement scenarios does not progress as planned or fails to generate the expected level of revenue growth, operating leverage or profitability, we may experience delayed returns on investment, increased operating costs, margin pressure or reduced growth momentum. Any failure to successfully implement our business strategies could adversely affect our business, financial condition and results of operations.

If we are unable to secure or retain major contracts due to the inherent uncertainty of tenders, our financial condition and results of operations may be adversely affected.

Our major customers typically select suppliers and award contracts through formal tendering and bidding processes. Whether we can continue to obtain and retain major contracts with those customers mainly depends on a number of factors, such as our ability to satisfy customers’ requirements for supplier qualification and compliance, maintain competitive pricing and service proposals, demonstrate financial stability and perform consistently under customers’ certain evaluation criteria.

In addition, certain of our customer engagements are subject to evolving tendering and bidding laws, regulations and policy requirements in the PRC. See “Regulatory Overview — Regulations Related to Tendering and Bidding.” As the PRC tendering and bidding regime continues to evolve, the requirements applicable to our participation in tendering processes may be adjusted from time to time, which may require us to make corresponding changes to our tendering and compliance processes. Changes in the legal requirements of tendering and bidding, such as mandatory tendering scope and thresholds, tendering procedures, qualification and documentation standards, and fair competition review may affect our ability to participate in tenders or satisfy tendering requirements on a timely basis, delay contract awards or renewals, or otherwise reduce our ability to secure or retain contracts.

There is no assurance that we will continue to achieve stable and higher tender success rate or timely adapt to evolving tendering and bidding laws, regulations and policy requirements in the future, or that our existing major customers will continue to award contracts to us on the same scale or at all. If we fail to secure new tenders, renew existing framework agreements, or maintain our competitiveness in tender-driven procurement environments, the number of orders we receive and the business volume generated from major customers may decline, which could in turn adversely affect our business, financial condition and results of operations.

Our business highly relies on operating efficiency and execution capabilities, and any deterioration in such efficiency could adversely affect our business, financial condition and results of operations.

Our operations span procurement compliance, system integration, product governance, fulfillment delivery, reconciliation and settlement, and after-sales services, which require efficient coordination among multiple internal functions and external parties. During the Track Record Period, our operating expenses (being the aggregate of fulfillment expenses, selling and distribution expenses, administrative expenses and research and development expenses) represented 4.9%, 5.4% and 4.9% of our revenue in 2023, 2024 and 2025, respectively.

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As our business grows, our operating efficiency may be adversely affected by short-term surges in order volumes, expanded procurement scenarios, higher fulfillment complexity, reliance on third-party logistics providers and suppliers in certain scenarios, and the need to coordinate operations across different regions. If we are unable to sustain or enhance our operating efficiency, we may experience higher operating costs, margin pressure, reduced operating leverage or diminished returns on investment. Any material deterioration in our operating efficiency could therefore adversely affect our business, results of operations, financial condition and long-term development prospects.

Our future strategic acquisitions or investments, if any, may not be successful, or we may not realize anticipated strategic benefits and financial returns from such transactions.

As part of our growth strategy, we plan to pursue acquisitions and investments to expand our product offering, improve our ability to serve scenario-based customer needs and increase the diverse value of the products and services we provide, thereby enhancing customer stickiness. See “Future Plans and [REDACTED].” However, there can be no assurance that our efforts, or any future acquisitions or investments, will be successful or that we will achieve the anticipated strategic benefits and financial returns from such transactions.

There are various risks associated with our acquisitions and investments, which include the following: (i) challenges related to integration of acquired company’s or [REDACTED] operations into our business; (ii) substantial delays or reduction in anticipated synergies; (iii) events beyond our control, including changes in regulations, technology and economic conditions, which could adversely affect our ability to realize benefits and returns from such transaction; (iv) potential increase in indebtedness that could constrain our operations; (v) exposure to unknown or contingent liabilities that could require significant expenditures and capital injections; (vi) failure to train, motivate, integrate and retain employees of acquired company or [REDACTED]; (vii) diversion of management time and attention from our existing operations to address the transactions and related challenges or those associated with integration processes; and (viii) unanticipated write-offs or charges and impairment of goodwill. If we fail to address any of the foregoing risks, our business, financial condition and results of operations may be adversely affected.

Any conflicts of interest, changes in our relationship with M&G Corporation or negative publicity concerning M&G Corporation may adversely affect our business and brand.

We have certain business interactions with M&G Corporation and its subsidiaries in the ordinary course of business. See “Connected Transactions” and “Financial Information — Related Party Transactions.” The interests of M&G Corporation may not always be fully aligned with ours, and decisions made by M&G Corporation with respect to its own business strategies, internal arrangements or resource allocation may affect the terms, scope, pricing basis or continuity of our transactions with it. Any material change to, or termination of, our transactions with M&G Corporation, or any deterioration in our relationship, could disrupt certain aspects of our operations and adversely affect our business.

Furthermore, M&G Corporation is a listed company with extensive business operations and a high public profile. Any actual or perceived negative publicity, regulatory investigations, litigation, operational issues or reputational events involving M&G Corporation, its management or its other affiliates may adversely affect market perception of our independence, corporate governance and brand. Such developments could undermine the confidence of our customers, suppliers and business partners, damage our reputation and brand image, and adversely affect our business, financial condition and results of operations.

Our success depends on the continuing efforts of our key employees and senior management performing vital functions.

Our success depends, in part, on the continued contributions of our senior management and other key employees, whose industry experience, operational expertise and leadership are important to the execution of our business strategies and daily operations. As our business grows in scale and complexity, our ability to recruit, retain and motivate qualified personnel,

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as well as to maintain an effective corporate culture, will be critical. Competition for experienced management, technical and operational talent remains intense, and we may not be able to retain our key employees or attract suitable replacements on acceptable terms. If we lose the services of senior management or other key employees, or if we are unable to maintain effective teamwork, innovation and execution as we expand, our business operations, growth prospects and results of operations may be adversely affected.

Our business and prospects depend on our ability to build our brands and reputation. Negative publicity regarding our Company, Directors, employees, branding or products and solutions, whether warranted or not, could adversely affect our business.

Our brand image and reputation are critical considerations for our customers, such as state-owned enterprises, when selecting procurement solution providers. Customer assessments typically focus on factors such as reputation, credibility, compliance history and service performance, which directly influence trust, tendering participation, tender success rates and the sustainability of customer relationships. Negative publicity or adverse perceptions relating to our Company, Directors, employees, brand, products or services, whether or not factually accurate, may harm our reputation and customer confidence. Such publicity may arise from various sources, including service quality issues, fulfillment failures, product quality concerns, customer complaints, regulatory scrutiny, litigation, data security incidents, employee misconduct or media reports and market speculation. Given the public profile and heightened compliance sensitivity of many of our customers, negative news or allegations may be amplified and could lead to increased scrutiny, reduced willingness of customers to engage with us, or exclusion from procurement processes.

If we are unable to effectively manage our brand image or respond appropriately to negative publicity, we may experience reduced customer demand, loss of existing or potential business opportunities, deterioration of customer relationships or reputational damage that is difficult to reverse. Any such developments could adversely affect our market position, business expansion and results of operations, and may adversely affect our business, financial condition and prospects.

Third-party claims of intellectual property infringement or our inability to adequately protect our intellectual property rights could adversely affect our business and competitive position.

We may be subject to intellectual property infringement, unfair competition or other related claims if third parties allege that we infringe their intellectual property rights. We cannot assure that our operations or technologies do not, or will not in the future, infringe intellectual property rights held by third parties, nor can we guarantee that relevant right holders will not seek to enforce their rights against us in the PRC or other jurisdictions. As intellectual property laws and their application in the jurisdictions where we operate continue to evolve, there can be no assurance that courts or regulatory authorities would agree with our assessment. If we are found to have infringed third-party intellectual property rights, we may be required to pay damages, penalties or licensing fees, be subject to injunctive relief, or redesign, modify or discontinue the affected products or solutions, which could adversely affect our business and results of operations.

We also rely on our ability to protect our intellectual property and proprietary technologies to maintain our competitive position. However, our intellectual property protection measures may not be sufficient to prevent unauthorized use or misappropriation by third parties, and monitoring and enforcement can be costly and time-consuming. If our intellectual property rights are infringed, challenged, invalidated or inadequately protected, or if third parties are able to exploit our technologies without authorization, our business operations, competitive position and market prospects may be adversely affected.

We are subject to risks relating to third-party online payment platforms

In the course of our operations, we accept payments through multiple settlement methods, including bank transfers and online payments processed by third-party payment service providers. We do not control the security measures, system stability or service

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continuity of such third-party payment platforms, and any security breach, system failure, service interruption, billing error or other operational issue affecting these platforms could undermine customer confidence in the payment methods available on our platform, disrupt transaction completion or expose us to disputes, claims or reputational harm. In addition, the number of widely adopted third-party payment platforms is relatively limited, and any suspension or termination of services, adverse changes in terms, increased service fees or regulatory actions affecting such providers could impair payment efficiency or increase our operating costs, which could adversely affect our business, financial condition and results of operations.

If we fail to obtain and maintain the requisite licenses and approvals required in any jurisdiction where we operate our business, financial condition and results of operation may be adversely affected.

Our business operations are subject to supervision and regulation by relevant governmental authorities, and we are required to obtain, maintain and renew various licenses, permits, approvals or filings in connection with the conduct of our business in the jurisdictions where we operate. The scope, interpretation and enforcement of applicable laws and regulatory requirements may change from time to time, and the licenses, permits or approvals we currently hold may be deemed insufficient for our existing or future business activities. We may also be required to obtain additional licenses, approvals or complete further filings as a result of changes in laws, regulations or regulatory practices, or in connection with business expansion, cross-regional operations or new business initiatives. If we fail to obtain, renew or maintain the requisite licenses, permits or approvals in a timely manner, or at all, or if we are found to be non-compliant with applicable regulatory requirements, our business operations may be restricted, suspended or required to be rectified, and we may be subject to administrative penalties or other regulatory actions, which could adversely affect our business, financial condition and results of operations.

Failure to comply with property-related laws and regulations regarding certain of our leased properties and to renew our leases could adversely affect our business.

We lease properties in the PRC primarily for office premises and operational fulfillment purposes. As of the Latest Practicable Date, certain properties leased by us had not been provided with property ownership certificates or sublease authorizations by the relevant lessors; one of our leased properties was situated on collectively-owned land, and the lessor had not provided evidence of completing the procedural requirements for leasing such land; the actual use of certain leased properties is inconsistent with the use registered on the relevant property ownership certificates; and certain of our lease agreements had not been registered or filed with the relevant authorities. See “Business — Properties — Leased Properties.”

Under PRC laws and regulations, if a lessor lacks valid ownership of, or the necessary rights to lease, the relevant properties, third parties may dispute the ownership of such properties or the enforceability of the related lease agreements. In such circumstances, the lease agreements may be terminated or deemed invalid, and we could be required to vacate and relocate from the affected premises, which may cause operational disruption, incur additional relocation costs and divert management attention. Although the failure to complete the registration and filing of lease agreements does not affect the validity of such leases or require us to vacate the leased properties, the relevant authorities may require us to complete the registration and filing procedures within a prescribed timeframe and may impose administrative fines ranging from RMB1,000 to RMB10,000 for each unregistered lease agreement. In addition, certain compliance deficiencies relating to our leased properties, including the leasing of premises on collectively-owned land without obtaining the requisite approvals or consents and discrepancies between the actual use of certain leased properties and the use purposes registered in the relevant property ownership certificates, may subject the relevant lessors to rectification requirements or administrative actions by the competent authorities, which could affect our ability to continue leasing such properties or require us to relocate. Any such penalties or compliance obligations could increase our costs and adversely affect our operations.

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We may be involved in legal proceedings and commercial or contractual disputes, which could adversely affect our reputation, business, financial condition and results of operations.

In the ordinary course of our business, we may from time to time be involved in legal proceedings, claims, arbitration or other disputes, including those arising from commercial arrangements, contractual relationships, product quality, delivery, payment terms, intellectual property, employment matters or other aspects of our operations. Such disputes may be initiated by customers, suppliers, business partners, employees or other third parties, and may arise even where we believe that we have complied with applicable laws, regulations or contractual obligations.

Legal proceedings and disputes are inherently uncertain, time-consuming and costly, and may require significant management attention and financial resources to resolve. An adverse outcome, or the mere existence of material disputes or claims, could result in monetary damages, penalties, settlement payments, injunctive relief, disruption to our operations, damage to our reputation and loss of business opportunities. In addition, negative publicity arising from legal proceedings or disputes, regardless of their merits, may adversely affect market perception of our business. Any of the foregoing could adversely affect our business, financial condition and results of operations.

Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, financial condition and results of operations.

Our business involves sale of a broad range of products and the provision of related services, which may expose us to various risks, including product-related claims, customer complaints, operational incidents and other potential liabilities arising in the ordinary course of business. We maintain certain insurance policies in line with general market practice in China to cover specific risks. However, the nature and scope of risks associated with our business may evolve over time, and the insurance coverage we maintain may not be adequate or sufficient to fully cover all potential losses, liabilities or claims that may arise.

We may be subject to claims from customers or other third parties relating to product quality, safety, performance, delivery or other aspects of our business. Certain risks may not be fully insurable, may be excluded from coverage, or may exceed applicable coverage limits, while other losses may arise from circumstances where insurance coverage is unavailable or disputed. In addition, the process of responding to claims, whether insured or uninsured, may be time-consuming, costly and disruptive to our operations, and may result in financial losses, reputational harm or management distraction.

If we incur losses, damages or liabilities that are not adequately covered by insurance, or if our insurance coverage proves insufficient to address the scale or nature of claims or incidents, we may be required to bear significant costs directly. Any material uninsured or underinsured losses, significant claims or adverse developments relating to our insurance arrangements could adversely affect our business, financial condition and results of operations.

Our business may be adversely affected by force majeure events, natural disasters or other issues beyond our control.

Our business operations may be adversely affected by events beyond our control, including natural disasters, extreme weather conditions, public health events, fires, floods, earthquakes, power outages, transportation disruptions, geopolitical events, social unrest or other force majeure circumstances. Such events may disrupt our operations, supply chain, logistics arrangements, information systems, workforce availability or customer activities, and may result in delays, increased costs, reduced service levels or temporary suspension of certain business activities. In addition, force majeure events may adversely affect our customers, suppliers or other business partners, which could in turn reduce demand for our products and services or impair their ability to perform their obligations to us. Any of the foregoing could adversely affect our business, financial condition and results of operations.

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RISKS RELATING TO OUR FINANCIAL CONDITION AND NEED FOR ADDITIONAL CAPITAL

We are subject to credit risk related to delay in payment and defaults of customers or related parties, which would adversely affect our liquidity and financial condition.

We recorded trade and bills receivables during the Track Record Period, primarily arising from contracts with customers. We usually grant credit terms to our customers depending on the type of product, varying from 30 to 180 days. As of December 31, 2023, 2024 and 2025, we had trade and bills receivables of RMB3,135.6 million, RMB3,350.5 million and RMB4,119.4 million, respectively. We may not be able to collect all such trade and bills receivables within the expected timeframe for factors that are beyond our control, including relatively longer payment and bills cycles, adverse operating conditions or the financial condition of customers. Our trade and bills receivable turnover days might be slowed and our working capital resources might be limited or restricted. Our trade and bills receivables turnover days were 77.1 days, 85.6 days and 90.7 days in 2023, 2024 and 2025, respectively. See “Financial Information — Discussion of Certain Key Items of Consolidated Statements of Financial Position — Trade and Bills Receivables.” We cannot assure you that we are, or will be, able to accurately evaluate the creditworthiness of each of our customers prior to entering into agreements or extending credit terms, nor can we guarantee that our customers will comply with the payment schedules stipulated in such agreements. Failure to receive such payments from our customers on a timely basis could adversely affect our cash flow and financial position. Furthermore, we may also be subject to time-consuming and costly dispute or proceedings arising out of such payment receivables by customers in the event that we decide to claim such payments. We may not be successful in such disputes, which may impose adverse impacts on our liquidity, financial condition and results of operations.

We are subject to the risk of exposure to fair value change for our financial assets at fair value through profit or loss (“FVPL”) and financial assets at fair value through other comprehensive income (“FVOCI”) and valuation uncertainty due to the use of unobservable inputs.

We recorded FVPL of RMB303.8 million, RMB412.4 million and RMB1,023.7 million as of December 31, 2023, 2024 and 2025, respectively. Our FVOCI amounted to RMB39.5 million, RMB28.5 million and RMB31.2 million as of December 31, 2023, 2024 and 2025, respectively. Our financial assets mainly consisted of conservative wealth management products, which are designed to preserve capital and provide relatively stable returns. However, the fair value of these financial assets is subject to changes in market prices, interest rate movements, liquidity conditions and broader macroeconomic factors. In periods of economic uncertainty or declining market yields, the income generated from such financial assets may decrease, and fair value changes recognized in profit or loss or other comprehensive income may fluctuate from period to period.

In addition, the valuation of certain financial assets may involve the use of assumptions or unobservable inputs, which introduces inherent estimation uncertainty. Differences between estimated fair values and realized values, as well as changes in valuation methodologies or market assumptions, may result in volatility in reported gains or losses. Fluctuations in the fair value or investment income of our financial assets, whether due to changes in market interest rates, credit conditions or valuation assumptions, could adversely affect our financial condition and results of operations.

If we fail to manage inventory effectively, our business, financial condition and results of operations may be adversely affected.

Our business requires us to maintain inventories to support customer procurement needs and delivery requirements across multiple product categories. As of December 31, 2023, 2024 and 2025, our inventories amounted to RMB92.2 million, RMB117.4 million and RMB109.9 million, respectively. We recorded inventory impairment provisions of RMB0.2 million, RMB0.4 million and RMB1.1 million as of December 31, 2023, 2024 and 2025, respectively.

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Given the breadth of product categories and specifications involved in our business, inventory management involves significant complexity in terms of product assortment planning, categorization, shelf-life monitoring and coordination with suppliers. Certain product categories may have lower demand visibility, longer usage cycles or more fragmented procurement patterns, which may increase the difficulty of accurately matching inventory levels with actual customer’s demand. In addition, managing the aging profile of inventory across a large and diversified product portfolio may be challenging, and inventories may remain unsold for extended periods due to changes in customer procurement preferences, pricing dynamics, product obsolescence or shifts in market and industry conditions.

If we are unable to effectively manage inventory composition and aging, we may face an increased risk of inventory accumulation, declines in inventory value and further inventory write-downs or write-offs. Elevated inventory levels may also require us to commit additional working capital for extended periods, thereby reducing financial flexibility and limiting our ability to deploy capital for other operational or strategic purposes. Conversely, if inventory management does not adequately align with actual customers’ demand in certain categories, we may also experience shortages in specific products, which could result in missed sales opportunities, reduced customer satisfaction and reputation damage. Any failure to manage inventory effectively could adversely affect our business, financial condition and results of operations.

Failure to obtain or maintain any of the government grants or preferential tax treatments could adversely affect our business, financial condition, results of operations and prospects.

During the Track Record Period, we benefited from preferential tax treatments and government grants, some of which are non-recurring in nature or are subject to periodic assessments and policy adjustments. The government grants were received in connection with our investments in intelligent warehouses and incentives or rewards for our contribution to the local economy. In 2023, 2024 and 2025, we had government grants of RMB72.0 million, RMB87.0 million and RMB69.1 million, respectively.

Preferential tax treatments and government grants to which we are entitled are subject to ongoing review by PRC governmental authorities and may be adjusted, revoked or not renewed as a result of changes in applicable laws, regulations, policies, interpretations or enforcement practices, or if we fail to continue to satisfy the relevant qualification requirements. In addition, tax authorities may, in certain circumstances, adopt different interpretations or positions with retrospective effect. There can be no assurance that we will continue to qualify for such preferential tax treatments or that government grants currently available to us will be renewed on the same terms, or at all.

Any reduction, discontinuation or delay in preferential tax treatments or government grants, or the imposition of additional taxes, surcharges or levies, could increase our tax burden, reduce our net income and adversely affect our cash flows. If we are required to pay corporate income tax at the standard statutory rate or are unable to continue benefiting from government grants, our business, financial condition and results of operations could be adversely affected.

We have granted, and may continue to grant, certain awards under our employee incentive plans, which may result in increased share-based payment expenses and dilute the shareholding of existing shareholders.

We adopted Employees’ Incentive Plan for the purpose of granting share-based compensation for the benefit of our Directors and employees to incentivize and reward the eligible persons for their contributions and motivate them to further contribute to our development. See “History and Corporate Structure — Employees’ Incentive Plan.” We recognized share-based payment expenses of RMB75.6 million and RMB27.4 million in 2024 and 2025, respectively. We believe that the granting of share-based compensation awards is of significant importance to our ability to attract and retain core personnel and employees. Nonetheless, share-based compensation awards would potentially dilute the shareholding of our existing Shareholders. We may continue to grant share-based compensation awards to

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employees in the future. As a result, our expenses associated with share-based compensation awards may increase, which may affect our financial condition and results of operations.

Our results of operations are subject to seasonal fluctuations.

Our business experiences seasonal fluctuations primarily due to changes in customer procurement patterns. As a general industry practice, customer demand for our products tends to be stronger in the fourth quarter of each calendar year, driven by year-end procurement and budget cycles, while demand is typically weaker in the first quarter. As a result, our revenue and results of operations may vary from quarter to quarter, and we expect such seasonality to continue in the future. In addition, the seasonal patterns observed in prior periods may not be indicative of future performance. Seasonal fluctuations may reduce the predictability of our results of operations and could adversely affect our business, financial condition and results of operations.

We may not be able to obtain additional capital when desired, on favorable terms or at all.

We may require additional capital in the future to support our ongoing operations and business growth. However, we may not be able to obtain financing, whether through equity or debt, on favorable terms or at all when such funding is needed. If we raise additional capital through public or private equity offerings, the ownership interests of our existing shareholders, including [REDACTED] in this [REDACTED], could be diluted. Moreover, the newly issued securities may carry liquidation preferences or other rights that could adversely affect the interests of existing shareholders. Alternatively, if we obtain financing through debt instruments, we may be subject to restrictive covenants that limit our ability to incur additional debt, make capital expenditures, or distribute dividends. A failure to secure the necessary funding when required could adversely affect our financial condition, limit our operational flexibility, and hinder the execution of our business strategies and growth plans.

RISKS RELATING TO CONDUCTING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Changes in the economic, political, social or legal conditions or government policies in the jurisdictions where we operate could affect our business, financial condition and prospects.

Our business, financial condition and prospects may be influenced by the general political, economic, social and legal conditions in the country where we operate. Governments worldwide have implemented, and may continue to introduce, among others, various policies and measures to encourage the economic growth and guide the allocation of resources. The industry in which we operate in general is affected by macro-economic factors, including international, national, regional and local economic conditions, consumer demand and discretionary spending. To the extent that we expand into overseas markets or are otherwise subject to relevant sanctions and export control regimes, we may be required to comply with applicable laws and regulations in those jurisdictions, which are consistently evolving and subject to changes. Any changes in these factors may have material and adverse effect on our business, financial condition and prospects.

You should assess the legal protections you are entitled to under the legal system in the jurisdictions where we operate.

We are subject to the different applicable laws and regulations of the countries and regions where we operate. Our business and operations in China are subject to primarily written statutes, and prior court decisions offer limited precedential value. Furthermore, we cannot assure you that we can predict the effect of future legal developments in countries and regions where we operate, including the promulgation of new laws and changes in existing laws. In addition, legal proceedings may incur significant costs, divert our resources, and negatively affect our management’s focus on strategic planning and execution, which may adversely impact our operating efficiency and overall business performance.

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You may experience difficulties in effecting service of the legal process and enforcing judgments against us and our management.

Substantially all of our executive Directors and executive officers reside within the PRC, and substantially all of our assets are located within the PRC. The PRC does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts of most other jurisdictions. As a result, recognition and enforcement in the PRC of judgments of a court in any of these jurisdictions outside the PRC may be difficult, and it may be difficult and time-consuming to effect service of process upon our Directors and senior management outside the PRC. In addition, [REDACTED] may also experience difficulties in seeking recognition and enforcing foreign judgments in the PRC if there is a lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

Our foreign exchange transactions, our ability to pay dividends and other obligations are subject to regulatory requirements over foreign currency conversion.

Currently, the conversion of RMB into foreign currency needs to comply with the relevant laws and regulations, and exchange and remittance of foreign currencies are subject to relevant foreign exchange regulations. It cannot be guaranteed that, under a certain exchange rate, we will have sufficient foreign currency to meet our demand for foreign currency. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at financial institutions within the PRC that have the license to carry out foreign exchange business. Foreign exchange transactions under the capital account conducted by us, however, must be approved in advance by the SAFE or its local branch except for foreign exchange capital, foreign debts and repatriated funds raised through overseas listing. If we fail to obtain approval from the SAFE to exchange the RMB into any foreign currencies for any purposes, our capital expenditure plans, businesses, results of operations and financial condition may be adversely affected. The PRC government may also at its discretion restrict access to foreign currencies for current account transactions under certain circumstances in the future. If there are changes in the policies regarding the payment of dividends in foreign currencies or other changes in foreign exchange policies resulting in insufficient foreign exchange, we may not be able to pay dividends in foreign currencies to the holders of the H Shares and even our business may be adversely affected.

Holders of our H Shares may be subject to PRC income tax obligations.

As is customary with all major economies, China has tax treaties or similar arrangements with jurisdictions across the world. Under the EIT Law and its implementation rules, and subject to any applicable tax treaty or similar arrangement between China and your jurisdiction of residence that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to [REDACTED] that are resident enterprises outside of the PRC, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such [REDACTED] is subject to 10% (or a lower rate) PRC income tax if such gain is regarded as income derived from sources within the PRC unless a treaty or similar arrangement otherwise provides. Under the Individual Income Tax Law of the People’s Republic of China (《中華人民共和國個人所得稅法》) and its implementation rules, dividends from sources within the PRC paid to foreign individual [REDACTED] who are not residents in the PRC are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such [REDACTED] on the transfer of shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and PRC laws. Although our business operations are in China, it is unclear whether dividends we pay with respect to our [REDACTED], or the gain realized from the transfer of our H Shares, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax. If PRC income tax is imposed on gains realized through the transfer of our H Shares or on

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dividends paid to our non-resident [REDACTED], the value of your [REDACTED] in our Shares may be adversely affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Payment of dividends is subject to restrictions under PRC laws.

Under PRC law, dividends may be paid only out of distributable profits. Distributable profits are defined as our profits after taxes as determined under PRC GAAP less any recovery of accumulated losses and appropriations to statutory and other reserves that we are required to make. As a result, we may not have sufficient, if any, distributable profits to enable us to make dividend distributions to our Shareholders in the future, including periods for which our financial statements indicate that our operations have been profitable. Any distributable profits not distributed in a given year are retained and available for distribution in subsequent years. Moreover, because the calculation of distributable profits under PRC GAAP is different from the calculation under IFRS Accounting Standards in certain respects, our subsidiaries may not have distributable profits as determined under PRC GAAP, even if they have profits for that year as determined under IFRS Accounting Standards, or vice versa. Accordingly, we may not receive sufficient distributions from our subsidiaries. Failure by our subsidiaries to pay dividends to us could have a negative impact on our cash flow and our ability to make dividend distributions to our Shareholders in the future, including those periods in which our financial statements indicate that our operations have been profitable.

RISKS RELATING TO THE [REDACTED]

There has been no prior public trading market for our H shares, and their liquidity and [REDACTED] may be volatile.

Prior to the [REDACTED], there was no public market for our H Shares. We cannot assure you that a public market for our H Shares with adequate liquidity will develop and be sustained following the completion of the [REDACTED]. The [REDACTED] was determined through negotiations between us and the [REDACTED] on behalf of the [REDACTED] and may not be indicative of the [REDACTED] that will prevail following commencement of trading. If an active trading market does not develop or is not maintained, the [REDACTED] and liquidity of our H Shares may be adversely affected, and [REDACTED] may not be able to resell their Shares at or above the [REDACTED] paid in the [REDACTED], or at all.

Substantial future sales or the expectation of substantial sales of our H Shares in the public market could cause the [REDACTED] of our H Shares to decline.

The [REDACTED] of our H Shares may decline as a result of future sales, or the perceived likelihood of future sales, of substantial amounts of our H Shares or other equity securities. The issuance of additional H Shares or other securities, or the expectation that such issuances may occur, could also adversely affect the [REDACTED] of our H Shares and our ability to raise capital on favorable terms. Although H Shares held by our Controlling Shareholders are subject to certain lock-up arrangements under the [REDACTED], there can be no assurance as to whether, when or to what extent such Shareholders will dispose of their H Shares following the expiry of the relevant lock-up periods. We cannot predict the timing or [REDACTED] of any future sales of our H Shares, or the impact that such sales, or the perception thereof, may have on the [REDACTED] of our H Shares.

We may need additional capital, and the sale or issue of additional H Shares or other equity securities could result in additional dilution to our Shareholders.

We may require additional capital in the future to support our business development, operations, capital expenditures or other strategic initiatives. If additional financing is needed, we may seek to raise capital through the issuance of H Shares or other equity or equity-linked securities. Any such issuance could result in dilution of the shareholding interests of our existing Shareholders. In addition, the issuance or potential issuance of additional equity securities, or the perception that such issuance may occur, could adversely

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affect the [REDACTED] of our H Shares and our ability to raise capital on favorable terms. There can be no assurance that additional financing will be available to us when required, or that it will be available on terms acceptable to us. Any dilution or adverse market reaction arising from future [REDACTED] could adversely affect the value of our Shareholders’ [REDACTED].

If the [REDACTED] of our H Shares is higher than our consolidated net tangible book value per Share, [REDACTED] of our H Shares in the [REDACTED] may experience immediate dilution upon such [REDACTED].

If the [REDACTED] of our H Shares is higher than our consolidated net tangible book value per Share immediately prior to the [REDACTED], [REDACTED] of our H Shares in the [REDACTED] will experience immediate dilution. In addition, we may issue additional securities in the future to support business expansion, and [REDACTED] of our Shares may experience further dilution if such securities are issued at a [REDACTED] lower than the net tangible book value per Share prior to their issuance. There is no assurance that our Controlling Shareholders will not dispose of their Shares following the expiration of their respective lock-up periods after the [REDACTED], and we cannot predict the effect, if any, of such sales or the availability of such Shares for [REDACTED] on the [REDACTED] of our Shares. Any sale, or perceived likelihood of sale, of a substantial number of Shares by our Controlling Shareholders could adversely affect the prevailing [REDACTED] of our H Shares.

We cannot assure you that we will declare and distribute any dividend in the future.

There can be no assurance that we will declare and pay dividends because the declaration, payment and amount of dividends are subject to the discretion of our Directors, depending on, among other considerations, our operations, earnings, cash flows and financial position, operating and capital expenditure requirements, our strategic plans and prospects for business development, our constitutional documents and applicable law. See “Financial Information — Dividend.”

Information and statistics from official government sources in this Document have not been independently verified.

This Document includes industry data and forecasts extracted from various official governmental publications. We have no reason to believe that the information and statistics from official government sources is false or misleading or that any fact has been omitted that would render the information and statistics from official government sources false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], and [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 or completeness. You should therefore not place undue reliance on the information and statistics from official government sources as a basis for making your [REDACTED] in our H Shares.

Forward-looking statements contained in this Document are subject to risks and uncertainties.

Certain statements and information contained in this Document constitute forward-looking statements or contain forward-looking terminology, including words such as “believe,” “expect,” “estimate,” “predict,” “aim,” “intend,” “will,” “may,” “plan,” “consider,” “anticipate,” “seek,” “should,” “could,” “would,” “continue,” and other similar expressions. You are cautioned that reliance on any forward-looking statements involves both known and unknown risks and uncertainties, and that the assumptions on which such statements are based may prove to be inaccurate, as a result of which actual outcomes may differ materially from those expressed or implied. Accordingly, such forward-looking statements should not be regarded as representations or warranties by us that our plans or objectives will be achieved and should be evaluated in light of various important factors, including those described in this section. Subject to the requirements of the Listing Rules, we do not intend to publicly

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update or otherwise revise any forward-looking statements contained in this Document, whether as a result of new information, future events or otherwise. You should therefore not place undue reliance on any forward-looking information, all of which is expressly qualified by this cautionary statement.

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

You should rely solely upon the information contained in this Document, the [REDACTED] and any formal announcements made by us in Hong Kong when making your [REDACTED] decision regarding our H Shares. Subsequent to the date of this Document but prior to the completion of the [REDACTED], there may be press and media coverage regarding us and the [REDACTED], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for the accuracy or completeness of any such press articles or other media coverage, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our H Shares, the [REDACTED] or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us in any such press articles or media coverage. Accordingly, prospective [REDACTED] are cautioned to make their [REDACTED] decisions on the basis of the information contained in this document only and should not rely on any other information. By applying to [REDACTED] our H Shares in the [REDACTED], you will be deemed to have agreed that you will not rely on any information other than that contained in this Document.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

MANAGEMENT PRESENCE IN HONG KONG

According to Rules 8.12 and 19A.15 of the Listing Rules, our Company must have sufficient management presence in Hong Kong SAR. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong SAR.

Since all our business operations are not principally located, managed or conducted in Hong Kong SAR, and our Directors consider that the relocation of our executive Directors to Hong Kong SAR or the appointment of additional executive Directors who will be ordinarily resident in Hong Kong SAR would not be beneficial to, or appropriate for, our Company and therefore would not be in the best interests of our Company and our Shareholders as a whole, our Company does not, and, for the foreseeable future, will not, have two executive Directors who are ordinarily resident in Hong Kong SAR for the purpose of satisfying the requirements under Rules 8.12 and 19A.15 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules. We will ensure that there is a regular and effective communication between the Stock Exchange and us by way of the following arrangements:

- (i) **Authorized Representatives:** both of our Company’s authorized representatives, Ms. Chen Yile (“**Ms. Chen**”) and Ms. Mak Nga Wun (“**Ms. Mak**”), will act as our Company’s principal channels of communication with the Stock Exchange. Accordingly, the authorized representatives of our Company will be able to meet with the relevant members of the Stock Exchange on reasonable notice and will be readily contactable by telephone, facsimile and/or email.

Each of the authorized representatives of our Company has means of contacting all Directors (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange proposes to contact a Director with respect to any matter;

- (ii) **Directors:** each Director has provided their mobile phone number, office phone number, fax number (if any) and e-mail address to the authorized representatives of our Company and the Stock Exchange, and in the event that any Director expects to travel or otherwise be out of the office, they will provide the phone number of the place of their accommodation to the authorized representatives.

Each of our Directors not ordinarily residing in Hong Kong SAR possesses or can apply for valid travel documents to visit Hong Kong SAR and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time;

- (iii) **Compliance Advisor:** we have appointed Red Solar Capital Limited as our Compliance Advisor, in compliance with Rule 3A.19 of the Listing Rules, who will, among other things and in addition to the authorized representatives and our Directors, also act as an additional channel of communication with the Stock Exchange from the [REDACTED] to the date when our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately following the [REDACTED]. Pursuant to the Note of Rule 3A.23, the Compliance Advisor will have access at all times to our authorized representatives, our Directors and other officers. We shall also ensure that our authorized representatives, Directors and other officers will promptly provide such information and assistance as the Compliance Advisor may need or may reasonably require in connection with the performance of the Compliance Advisor’s duties as set forth in Chapter 3A of the Listing Rules. We shall ensure that there are adequate and efficient means of communication among our Company, our authorized representatives, our Directors, and other officers and the Compliance Advisor, and will keep the Compliance Advisor fully informed of all communications and [REDACTED] between the Stock Exchange and us.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Any meeting between the Stock Exchange and our Directors will be arranged through the authorized representatives or the Compliance Advisor or directly with our Directors within a reasonable time frame. We will inform the Stock Exchange promptly in respect of any changes in our authorized representatives and/or our Compliance Advisor; and

- (iv) **Legal advisors:** we will also retain legal advisors to advise on on-going compliance requirements as well as other issues arising under the Listing Rules and other applicable laws and regulations of Hong Kong SAR after the [REDACTED].

JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of their academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. The Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience,” the Stock Exchange will consider the individual’s:

- (i) length of employment with the issuer and other issuers and the roles he/she played;
- (ii) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement of taking not less than 15 hours of relevant professional training in each financial year under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

Our Company considers that while it is important for the company secretary to be familiar with the relevant securities regulation in Hong Kong SAR, they also need to have experience relevant to our Company’s operations, nexus to the Board and close working relationship with the management of our Company in order to perform the function of a company secretary and to take the necessary actions in the most effective and efficient manner. It is for the benefit of our Company to appoint a person who is familiar with our Company’s business and affairs as company secretary.

We have appointed Ms. Chen and Ms. Mak as our joint company secretaries. Since Ms. Chen does not possess a qualification stipulated in Rule 3.28 of the Listing Rules, she is not able to solely fulfill the requirements as a company secretary of a listed issuer stipulated under Rules 3.28 and 8.17 of the Listing Rules. To support Ms. Chen, we have appointed Ms. Mak, an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who meets the requirements under Rules 3.28 and 8.17 of the Listing Rules, as a joint company secretary to provide assistance, for a three-year period from the [REDACTED], so as to enable Ms. Chen to acquire the relevant experience (as required under Rule 3.28(2) of the Listing Rules) to duly discharge her duties.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Ms. Chen as our joint company secretary. Pursuant to Chapter 3.10 of the Guide for New Listing Applicants, such waiver has been granted on the conditions that:

- (i) Ms. Mak is appointed as a joint company secretary to assist Ms. Chen in discharging her functions as a company secretary and in gaining the relevant experience under Rule 3.28 of the Listing Rules;
- (ii) our Company will further ensure that Ms. Chen has access to the relevant training and support to enable her to familiarize herself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange. Our Hong Kong legal advisors have provided training to Ms. Chen on the principal requirements of the Listing Rules and the Hong Kong SAR laws and regulations applicable to our Company after the [REDACTED]. In addition, Ms. Chen will endeavor to familiarize herself with the Listing Rules, including any updates thereto, during the three-year period from the [REDACTED];
- (iii) Ms. Chen has confirmed that she will attend no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, [REDACTED] relations as well as the functions and duties of a company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules;
- (iv) before the expiry of Ms. Chen’s initial term of appointment as the company secretary of our Company, our Company will evaluate her experience in order to determine if she has acquired the qualifications required under Rule 3.28 of the Listing Rules; and
- (v) this waiver will be revoked immediately if and when Ms. Mak ceases to provide such assistance during the three-year period, and we undertake to re-apply to the Stock Exchange for a waiver in the event that Ms. Mak ceases to meet the requirements under Rule 3.28 of the Listing Rules or otherwise ceases to serve as a joint company secretary of our Company. In addition, this waiver is subject to revocation in the event of any material breaches of the Listing Rules by our Company.

For biographical information of Ms. Chen and Ms. Mak, see “Directors and Senior Management” in this Document.

CONTINUING CONNECTED TRANSACTIONS

We have entered into, and expect to continue, certain transactions that will constitute partially-exempt continuing connected transactions of our Company under the Listing Rules upon [REDACTED] as described in the section headed “Connected Transactions” in this Document. Our Directors consider that strict compliance with the applicable requirements under the Listing Rules would be impracticable and unduly burdensome and would impose unnecessary administrative costs on our Company. Accordingly, we have applied for, [and the Stock Exchange has granted], a waiver from strict compliance with the applicable requirements under Chapter 14A of the Listing Rules once the Shares are [REDACTED] on the Stock Exchange in respect of such partially-exempt continuing connected transactions. For further details, see “Connected Transactions” in this Document.

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
<i>Executive Directors</i>		
Dr. Chen Huwen (陳湖文)	Branch Lane 55 Hongmei Road 3001, Lane 88 Minhang District Shanghai PRC	Chinese
Ms. Li Jingyi (李靜宜)	No.20, Xizhuan Hutong Xicheng District Beijing PRC	Chinese
Mr. Liao Xiang (廖翔)	Room 801, No. 11 Lane 433, Luoxiu Road Xuhui District, Shanghai PRC	Chinese
Ms. Chen Yile (陳一樂)	Branch Lane 55 Hongmei Road 3001, Lane 88 Minhang District Shanghai PRC	Chinese
<i>Independent Non-Executive Directors</i>		
Mr. Li Peng (李鵬)	Room 401, No. 19, Lane 88 Songlin Road Pudong District, Shanghai PRC	Chinese
Mr. Sze Tin Yeung Randoll (施天揚)	Flat B, 5/F 3 Repulse Bay Road Hong Kong	Chinese (Hong Kong)
Mr. Huang Jia (黃佳)	Room 802, Building 2 260 Lane, Jinan Road Huangpu District Shanghai PRC	Chinese

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

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

China International Capital Corporation
Hong Kong Securities Limited
29th Floor
One International Finance Centre
No.1 Harbour View Street
Central
Hong Kong

[REDACTED]

Legal Advisors to the Company

As to Hong Kong laws:

Jun He Law Offices
7/F, AIA Central
1 Connaught Road Central
Central
Hong Kong

As to PRC laws:

JunHe LLP
26/F, HKRI Centre One
HKRI Taikoo Hui 288 Shimen Road (No.1)
Shanghai
PRC

As to PRC cybersecurity and data privacy laws:

JunHe LLP
20/F
China Resources Building
8 Jianguomenbei Avenue
Beijing
PRC

**Legal Advisors to the Sole
Sponsor and the [REDACTED]**

As to Hong Kong laws:

Clifford Chance
27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC laws:

Commerce & Finance Law Offices
12-15th Floor
China World Office 2
No. 1 Jianguomenwai Avenue
Beijing
PRC

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditor and Reporting Accountant	Ernst & Young <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor under the</i> <i>Accounting and Financial Reporting Council Ordinance</i> 27/F, One Taikoo Place 979 King's Road, Quarry Bay Hong Kong

Industry Consultant	Frost & Sullivan 2504 Room, Wheelock Square 1717 Nanjing West Road Shanghai PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office, Headquarters and Principal Place of Business in the PRC	11th and 16th Floors, Building 2 No. 1528 Gumei Road Xuhui District Shanghai PRC
Principal Place of Business in Hong Kong Registered under Part 16 of the Companies Ordinance	16/F, Wing On Centre 111 Connaught Road Central Hong Kong
Company’s Website	<u>www.colipu.com</u> <i>(The information on the website does not form part of this Document)</i>
Joint Company Secretaries	Ms. Chen Yile (陳一樂) Branch Lane 55 Hongmei Road 3001, Lane 88 Minhang District Shanghai PRC Ms. Mak Nga Wun (麥雅媛) <i>(Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)</i> 16/F, Wing On Centre 111 Connaught Road Central Hong Kong
Authorized Representatives	Ms. Chen Yile (陳一樂) Branch Lane 55 Hongmei Road 3001, Lane 88 Minhang District Shanghai PRC Ms. Mak Nga Wun (麥雅媛) 16/F, Wing On Centre 111 Connaught Road Central Hong Kong
Audit Committee	Mr. Sze Tin Yeung, Randoll (施天揚) (<i>Chairperson</i>) Mr. Li Peng (李鵬) Mr. Huang Jia (黃佳)
Nomination Committee	Dr. Chen Huwen (陳湖文) (<i>Chairperson</i>) Ms. Li Jingyi (李靜宜) Mr. Sze Tin Yeung, Randoll (施天揚) Mr. Li Peng (李鵬) Mr. Huang Jia (黃佳)
Remuneration and Appraisal Committee	Mr. Li Peng (李鵬) (<i>Chairperson</i>) Mr. Liao Xiang (廖翔) Mr. Sze Tin Yeung, Randoll (施天揚)

CORPORATE INFORMATION

Compliance Advisor

Red Solar Capital Limited
402B, 4/F China Insurance Group Building
141 Des Voeux Road Central
Central
Hong Kong

[REDACTED]

Principal Bank

**Industrial and Commercial Bank of China Gumei Road
Sub-branch**
Unit A, Ground Floor
1108 Caobao Road
Minhang District
Shanghai
PRC

INDUSTRY OVERVIEW

This and other sections of this Document contain information relating to the industry in which we operate. Certain information and statistics set forth in this section and other sections of this document have been extracted from the Frost & Sullivan Report issued by Frost & Sullivan, an independent market research agency, which we commissioned, and from various official government publications. The information from official government has not been independently verified by us, the Sole Sponsor, [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED] (excluding Frost & Sullivan), and no representation is given as to its accuracy or completeness of such information and statistics.

OVERVIEW OF CHINA’S GENERAL MATERIALS PROCUREMENT INDUSTRY

Introduction and Definition of General Materials

General materials refer to materials and consumables used in the ordinary course of daily business operations, including for office, maintenance, support and other ancillary purposes, and do not comprise products manufactured by the enterprise or raw materials and components used in its production processes. By product category, general materials mainly include office supplies, MRO products, and marketing gifts and employee welfare products.

Office supplies are the physical resources used in daily office work, including office products, equipment, furniture, appliances and others. MRO products are the non-production materials used in support of a company’s manufacturing and operational activities, covering the facilities and equipment for maintenance, repair and operation. Marketing gifts and employee welfare products primarily include promotional gifts for customer relationship management, as well as festival benefits and daily necessities for employee welfare.

Market Size of China’s General Materials Procurement Industry

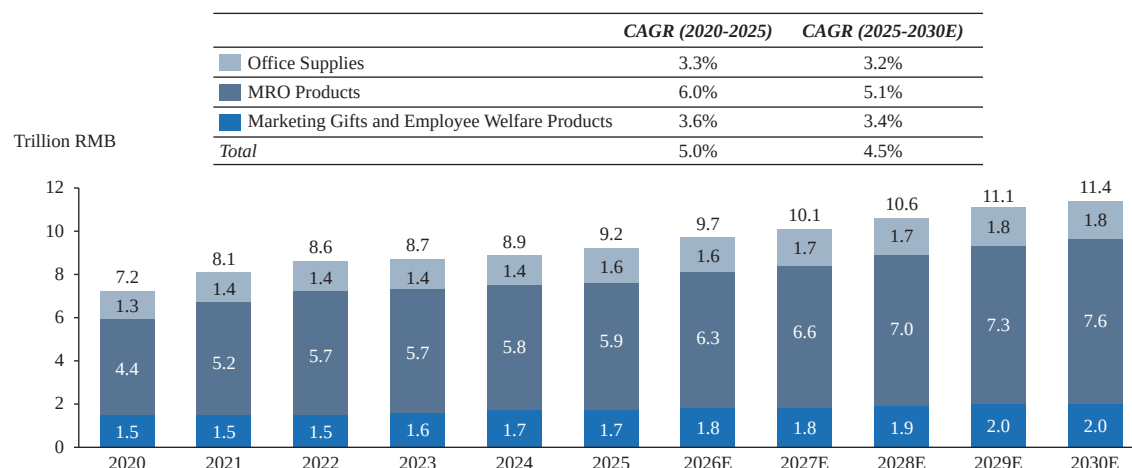
From 2020 to 2025, China’s general materials procurement market experienced steady growth, expanding from RMB7.2 trillion to RMB9.2 trillion by GMV, representing a CAGR of 5.0%. Looking forward, the market is expected to reach RMB11.4 trillion by GMV in 2030, with a CAGR of 4.5% from 2025. The continuous growth of the market is driven by the robust development of industrial and commercial activities, and the expansion of corporate operation scale.

In 2025, the market sizes of procurement for office supplies, MRO products and marketing gifts and employee welfare products reached RMB1.6 trillion, RMB5.9 trillion and RMB1.7 trillion by GMV, respectively, with CAGRs of 3.3%, 6.0% and 3.6% from 2020 to 2025. The growth of the MRO products procurement market was relatively faster, driven by the continued growth of China’s manufacturing industry, which sustains strong demand for MRO products. By 2030, the market sizes of procurement for office supplies, MRO products and marketing gifts and employee welfare products are expected to reach RMB1.8 trillion, RMB7.6 trillion and RMB2.0 trillion by GMV, respectively, representing CAGRs of 3.2%, 5.1% and 3.4% from 2025 respectively.

INDUSTRY OVERVIEW

The following chart sets forth: the market of China’s general materials procurement industry.

**Market Size of China’s General Materials Procurement Industry,
Breakdown by Product Category, 2020-2030E**



Source: Frost & Sullivan

Challenges of China’s General Materials Procurement Industry

Low digital procurement penetration rate. In China, most procurement activities still remain offline, manual or scattered across internal systems. Traditional practices, including manual quotation comparison, paper-based approval process and fragmented order placement, have impaired data transparency and process standardization. Such traditional practices limit the capabilities to conduct real-time spend analysis, supplier performance monitoring and centralized procurement control, while also undermining demand forecasting and automated replenishment abilities. As a result, procurement efficiency is constrained, leading to higher implicit costs and weaker internal controls over general materials procurement.

Highly fragmented supplier landscape. China’s general materials procurement market has a fragmented supplier landscape, with many small and medium-sized suppliers operating across product categories and geographic regions. Supplier capabilities, pricing standards and service quality vary among opaque and non-standardized market. Such fragmentation and opacity complicate supplier management and cost control. The needs for enterprises to manage extensive supplier relationships result in higher coordination costs and compliance risks. Inconsistent product specifications and descriptions further increase the probability of purchasing errors, duplicate procurement and loss of control over procurement spending.

Lack of one-stop solution providers. The market currently lacks providers that can deliver one-stop procurement solutions. Most market participants focus on selected product categories rather than offering comprehensive, one-stop services across the entire procurement value chain. Meanwhile, enterprise customers increasingly prefer unified platforms that integrate supplier resources, standardize product catalogs, connect with internal enterprise resource planning (ERP) systems, and provide consolidated delivery and settlement service. The shortage of one-stop solution providers results in multi-platform procurement, system fragmentation and duplicated management efforts, thereby reducing overall procurement efficiency and increasing total operating costs.

INDUSTRY OVERVIEW

Large volume of SKUs. The general materials procurement industry features a large number of SKUs to satisfy enterprises’ operation requirements. Similar product categories often involve different specifications, brand preferences, and technical parameters that vary across enterprises, which greatly elevates the complexity of product classification and catalog management. A lack of standardized classification may lead to item mismatches, repetitive purchases, and inconsistent pricing. The absence of standardized product data and unified catalogs lowers procurement efficiency, weakens cross-supplier price comparability, and intensifies price opacity in procurement practices.

Unstable fulfillment and delivery performance. Fulfillment and delivery performance in the industry is often unstable. Enterprise customers commonly face challenges, including volatile delivery lead times, inconsistent product quality, and inadequate after-sales support. Service capabilities vary significantly across suppliers and regions, particularly for urgent orders and specialized products. Unreliable fulfillment performance creates operational uncertainty for enterprises and may disrupt production schedules or daily business operations. Inadequate after-sales protection and unclear service accountability may increase the costs associated with dispute resolution and the risks of product replacement.

OVERVIEW OF CHINA’S GENERAL MATERIALS DIGITAL PROCUREMENT SOLUTION INDUSTRY

General materials digital procurement solution utilizes a digital platform to integrate the complete procurement cycle. Such services encompass demand management, sourcing and pricing comparison, online transaction, as well as fulfillment and delivery, providing client companies with procurement and supply chain management solutions.

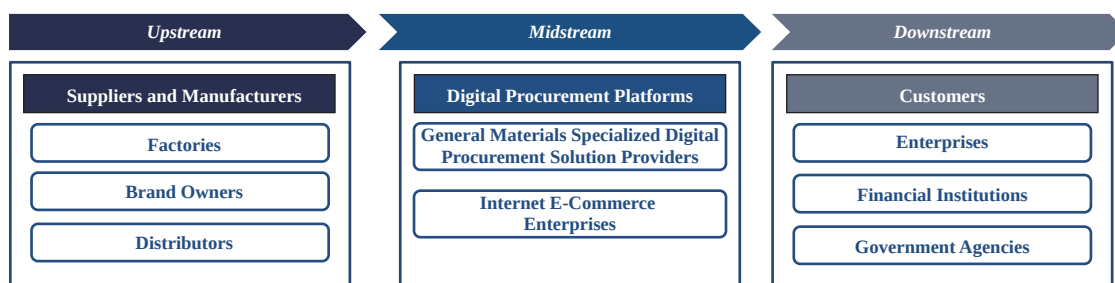
Value Chain Analysis of China’s General Materials Digital Procurement Solution Industry

The upstream of China’s general materials digital procurement solution industry constitutes the suppliers and manufacturers, such as factories, brand owners and distributors, who are mainly responsible for product R&D, production, branding, and primary distribution. The product portfolio comprises of non-production materials, mainly including office supplies, MRO products, marketing gifts and employee welfare products.

The midstream of the industry consists of general materials specialized digital procurement solution providers and internet e-commerce enterprises. General materials specialized digital procurement solution providers refer to companies that are primarily engaged in the Business-to-Business (B2B) procurement solution with focus on serving enterprise customers. The internet e-commerce enterprises, by contrast, refer to companies originating from consumer retail businesses that have subsequently expanded their operation into the enterprise customer segment.

The downstream of the industry mainly comprises customers, including enterprises, financial institutions and government agencies.

Value Chain of China’s General Materials Digital Procurement Solution Industry



Source: Frost & Sullivan

INDUSTRY OVERVIEW

Market Size of China’s General Materials Digital Procurement Solution Industry

From 2020 to 2025, China’s general materials digital procurement solution industry experienced rapid growth, with the market size reaching RMB1,682.5 billion by GMV in 2025 with a CAGR of 10.7%, driven by the advancement in digital procurement technology and enterprise demand for standardized management and cost control. Looking forward, the market is expected to maintain steady growth and reach RMB2,682.1 billion by GMV in 2030, with a CAGR of 9.8% from 2025 to 2030, driven by the continuous development of digital procurement platforms and enterprise demand.

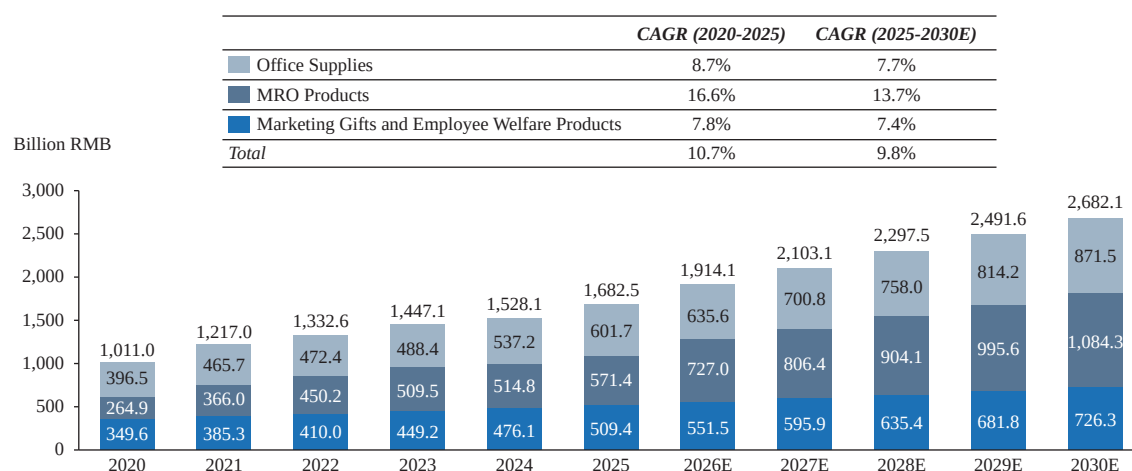
By product category, the market sizes of digital procurement solution for office supplies, MRO products and marketing gifts and employee welfare products reached RMB601.7 billion, RMB571.4 billion and RMB509.4 billion by GMV in 2025, respectively, with CAGRs of 8.7%, 16.6% and 7.8% from 2020 to 2025, driven by the convenience, transparency and cost-control advantages of digital procurement. The market sizes of digital procurement solution for office supplies, MRO products and marketing gifts and employee welfare products are expected to reach RMB871.5 billion, RMB1,084.3 billion and RMB726.3 billion in terms of GMV by 2030, representing CAGRs of 7.7%, 13.7% and 7.4% since 2025 respectively.

In 2025, the digital procurement penetration rates of MRO products markets of China and the United States were 9.7% and 15.9%, respectively. China’s digital procurement penetration rate remains lower than that of the United States, indicating substantial potential for future growth.

In 2025, leading companies in the United States’ general materials digital procurement solution industry reported average gross and net margins of over 30% and 6%, respectively. Due to the intense competition, China’s general materials digital procurement solution market has lower average profitability. As digitalization deepens and the competitive landscape consolidates, leading companies in China are expected to further expand their profitability.

The following chart sets forth: the market of China’s general materials digital procurement solution industry.

**Market Size of General Materials Digital Procurement Solution Industry,
Breakdown by Product Category, 2020-2030E**



Source: Frost & Sullivan

INDUSTRY OVERVIEW

Market Drivers of China’s General Materials Digital Procurement Solution Industry

Digital procurement efficiency drives growing demand. Digital procurement integrates online trading platforms, intelligent price comparison systems and supply chain collaboration tools, enabling a full-process, efficient, transparent and cost-controllable procurement solution system. Digital procurement solution can reduce communication costs, minimize manual intervention, and enhance overall procurement efficiency. Such advantages underpin sustained market demand and support the long-term development of the digital procurement sector.

AI empowers the industry chain. AI facilitates real-time data sharing and intelligent execution across industrial chain participants, thereby enhancing procurement precision, reducing supply chain risks and elevating overall operating efficiency. Evolution of the cloud computing and big data provides a solid technical foundation for digital transformation. AI-driven capabilities strengthen the competitiveness and operational sustainability of the digital procurement solution providers. Continuous AI advancement deepens industrial chain integration and creates a more efficient and reliable operating environment for market participants.

Government initiatives promote procurement standardization. The advancement of national policies such as the “Sunshine Procurement Project” can standardize procurement procedures, reinforce transaction oversight and information transparency, and restrict non-compliant procurement practices. Enterprises, financial institutions and government agencies can accelerate the digital transformation of procurement under relevant policy guidance. Such policy-driven transformation elevates the overall compliance level of the industry and provides an institutional foundation for the orderly and sustainable development of the procurement sector.

Rising demand of cost reduction and efficiency improvement. As pressure on profit margins continues to intensify, enterprises are increasingly prioritizing cost reduction, improvements in operating efficiency and the timely fulfillment of orders, thereby accelerating the adoption of digital procurement solutions. Enterprises are shifting towards automated sourcing processes, enhanced supplier collaboration and improved supply chain visibility. The demand for timely delivery and inventory accuracy further pushes enterprises to upgrade the procurement systems to digital platforms with more automated and intelligent functions.

Future Trends of China’s General Materials Digital Procurement Solution Industry

Increasing industry consolidation. As market competition intensifies and technological barriers rise, leading digital procurement solution providers are accelerating the integration of upstream and downstream industry resources through mergers, acquisitions and strategic cooperation, thereby enhancing the market coverage and service capabilities. Meanwhile, as the continuous market expansion and rapid growth of leading players, companies unable to achieve economies of scale will be replaced and the market concentration is shifting towards the top players. The evolving competitive landscape demonstrates a trend toward scale development and structural consolidation within the industry.

Rising digital procurement penetration and enhancing capabilities. The digital procurement penetration rate continues to increase, accelerating the transition from traditional procurement to digitalized procurement processes. Procurement systems are increasingly integrated with core enterprise systems such as ERP, facilitating data connectivity and efficient information sharing across business functions. Data collaboration and intelligent analysis have become critical competitive factors, further enhancing operating efficiency and management refinement. For example, the application of AI can optimize the process such as product selection, dynamic pricing, inventory forecasting and customer service, thereby lifting the proportion of digital procurement and strengthening the digital capabilities of market participants.

INDUSTRY OVERVIEW

Overseas expansion. Chinese enterprises have continued to expand overseas, progressively advancing international business expansion. General materials digital procurement solution providers have followed the trend to expand business layout in international market, offering localized procurement execution, inventory management and supply chain coordination solutions for overseas projects. Such services help Chinese enterprises lower their overseas operational costs and secure stable material supply. Meanwhile, this trend also creates new business growth opportunities for digital procurement enterprises and further promotes the global development of the digital procurement industry.

Challenges of China’s General Materials Digital Procurement Solution Industry

Cost volatility. Cost volatility is a prominent challenge in the general materials digital procurement industry. Prices of upstream raw materials, standardized components, logistics services and warehousing resources are always influenced by macroeconomic fluctuation, changes in energy prices and supplier capacity adjustments. The large number of SKUs and fragmented procurement channels in the industry make short-term cost fluctuations difficult to fully hedge or pass through in a timely manner. Such volatility may exert pressure on corporate gross profit margins, heighten the complexity of procurement budgeting, and impose stricter requirements on enterprises’ dynamic pricing and inventory management capabilities.

Intensifying market competition. Market competition has continued to intensify with the entry of more general materials specialized digital procurement solution providers and internet e-commerce enterprises. Industry participants compete across multiple dimensions, including product coverage, price transparency, fulfillment efficiency, and digital system integration. Larger platforms benefit from economies of scale and stronger bargaining power over suppliers, while specialized service providers focus on industry-specific customization services. Heightened competition may exert downward pressure on product pricing, increase customer acquisition costs, and require greater investment in technology research and service capacity building.

Global supply chain instability. Global supply chain instability results in price increases and unreliable delivery of imported products, adversely impacting the supply availability and pricing stability. Disruptions in cross-border transportation, trade policy adjustments and overseas supplier capacity constraints may lead to procurement delays and increased cost pressure. Product categories with import dependence are exposed to greater supply uncertainty, which may further affect delivery efficiency and contractual performance. Digital procurement solution providers are therefore required to strengthen supplier diversification, safety stock arrangements and supply chain visibility to address such risks.

COMPETITIVE LANDSCAPE

Market players in the general materials digital procurement solution industry primarily include general materials specialized digital procurement solution providers and internet e-commerce enterprises. The China’s general materials specialized digital procurement solution market is relatively fragmented, with top five players collectively holding 8.3% of the market in terms of GMV in 2025. Our Group ranked the second in China’s general materials specialized digital procurement solution industry in terms of GMV in 2025, with a market share of 1.6%.

INDUSTRY OVERVIEW

Top Five General Materials Specialized Digital Procurement Solution Providers by GMV (China), 2025

Rank	Company	Identities and Background	Market Share (%) 2025
1	Company A	Company A is a public company engaged in supply chain technology and service. Founded in 2019, Company A is headquartered in Beijing, China, and listed on the Hong Kong Stock Exchange.	3.1%
2	Our Group	/	1.6%
3	Company B	Company B is a private company engaged in digital procurement solution for office supplies and enterprise integrated procurement solutions. Founded in 2018, Company B is headquartered in Zhejiang, China.	1.4%
4	Company C	Company C is a public company engaged in B2B office supplies procurement, MRO industrial products and enterprise digital procurement solution. Founded in 1991, Company C is headquartered in Guangdong, China, and listed on the Shenzhen Stock Exchange.	1.2%
5	Company D	Company D is a listed company engaged in MRO products distribution and one-stop industrial procurement solution. Founded in 1996, Company D is headquartered in Shanghai, China, and listed on the New York Stock Exchange.	1.0%

Source: Frost & Sullivan

In 2025, the number of market players in China’s office supplies specialized digital procurement solution industry exceeds 6,000. China’s office supplies specialized digital procurement solution market is relatively fragmented, with top five players collectively holding 16.3% of the market in terms of GMV in 2025. Our Group ranked the first in China’s office supplies specialized digital procurement solution sector in terms of GMV in 2025, with a market share of 3.8%.

Top Five Office Supplies Specialized Digital Procurement Solution Providers by GMV (China), 2025

Rank	Company	Identities and Background	Market Share (%) 2025
1	Our Group	/	3.8%
2	Company B	Company B is a private company engaged in digital procurement solution for office supplies and enterprise integrated procurement solutions. Founded in 2018, Company B is headquartered in Zhejiang, China.	3.6%
3	Company C	Company C is a public company engaged in B2B office supplies procurement, MRO industrial products and enterprise digital procurement solution. Founded in 1991, Company C is headquartered in Guangdong, China, and listed on the Shenzhen Stock Exchange.	3.4%
4	Company E	Company E is a private company engaged in one-stop digital procurement solution for office supplies and enterprise B2B direct sales. Founded in 2014, Company E is headquartered in Chongqing, China.	3.2%
5	Company F	Company F is a private company engaged in one-stop digital procurement solution for government, military and central and state-owned enterprises. Founded in 2007, Company F is headquartered in Beijing, China.	2.3%

Source: Frost & Sullivan

In 2025, the number of market players in China’s MRO products specialized digital procurement solution industry exceeds 8,000. The China’s MRO products specialized digital procurement solution market is relatively fragmented with top five players collectively holding 11.8% of the market in terms of GMV in 2025. Our Group ranked the third in China’s MRO products specialized digital procurement solution sector in terms of GMV in 2025, with a market share of 1.0%.

INDUSTRY OVERVIEW

Top Five MRO Products Specialized Digital Procurement Solution Providers by GMV (China), 2025

Rank	Company	Identities and Background	Market Share (%) 2025
1	Company A	Company A is a public company engaged in supply chain technology and service. Founded in 2019, Company A is headquartered in Beijing, China, and listed on the Hong Kong Stock Exchange.	6.8%
2	Company D	Company D is a listed company engaged in MRO products distribution and one-stop industrial procurement solution. Founded in 1996, Company D is headquartered in Shanghai, China, and listed on the New York Stock Exchange.	2.2%
3	Our Group	/	1.0%
4	Company G	Company G is a private company engaged in MRO products e-commerce and digital supply chain services. Founded in 2002, Company G is headquartered in Shanghai, China.	0.9%
5	Company B	Company B is a private company engaged in digital procurement solution for office supplies and enterprise integrated procurement solutions. Founded in 2018, Company B is headquartered in Zhejiang, China.	0.9%

Source: Frost & Sullivan

In 2025, the number of market players in China’s marketing gifts and employee welfare products specialized digital procurement solution industry exceeds 10,000. The China’s marketing gifts and employee welfare products specialized digital procurement solution market is relatively fragmented with top five players collectively holding 5.4% of the market in terms of GMV in 2025. Our Group ranked the first in China’s marketing gifts and employee welfare products specialized digital procurement solution sector in terms of GMV in 2025, with a market share of 1.4%.

Top Five Marketing Gifts and Employee Welfare Products Specialized Digital Procurement Solution Providers by GMV (China), 2025

Rank	Company	Identities and Background	Market Share (%) 2025
1	Our Group	/	1.4%
2	Company B	Company B is a private company engaged in digital procurement solution for office supplies and enterprise integrated procurement solutions. Founded in 2018, Company B is headquartered in Zhejiang, China.	1.2%
3	Company H	Company H is a public company engaged in employee welfare product solutions, enterprise welfare procurement and integrated welfare services. Founded in 2011, Company H is headquartered in Shanghai, China and listed on the National Equities Exchange and Quotations.	1.0%
4	Company C	Company C is a public company engaged in B2B office supplies procurement, MRO industrial products and enterprise digital procurement solution. Founded in 1991, Company C is headquartered in Guangdong, China, and listed on the Shenzhen Stock Exchange.	0.9%
5	Company I	Company I is a private company engaged in providing one-stop employee welfare product solution. Founded in 2012, Company I is headquartered in Shanghai, China.	0.9%

Source: Frost & Sullivan

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Entry Barriers of China’s General Materials Digital Procurement Solution Industry

Transaction scale. The general materials digital procurement solution industry is characterized by significant economies of scale. Market participants with large order volumes and extensive SKU coverage can enhance their bargaining power with upstream suppliers and reduce procurement costs. Given the fragmented categories and massive number of SKU across office supplies, MRO products, marketing gifts and employee welfare products, new entrants may not be able to achieve sufficient transaction scale in the short term, making it difficult to compete with leading enterprises in terms of bargaining power, warehousing and logistics efficiency, and platform operating costs.

Accumulation of industry know-how. The industry provides a wide range of product categories and serves customers across multiple industries, requiring long-term accumulation of expertise in product knowledge, customer demand insights, as well as compliance and risk control. Established players have developed standardized solutions, risk control systems and product category operation capabilities through long-term practice. Moreover, leading players also have a well-established key customers group and a diversified portfolio of industry cases, thereby establishing a strong brand reputation that supports the acquisition of large enterprise customers. Lacking such accumulated experience, new entrants are unable to meet complex demands from customers or control product quality and delivery risks effectively.

Supply chain capability. The industry depends on an efficient and stable integrated supply chain system, covering upstream procurement, warehousing layout, logistics distribution and inventory management. Leading industry players typically establish a warehousing network, digital supply chain management systems and a high-quality supplier pool to achieve centralized fulfillment, timely delivery and cost optimization across multiple categories. New entrants usually face difficulties in quickly building such comprehensive operational systems, resulting in gaps of supply chain management capabilities with top players.

Business complexity and delivery capability. Compared with the business-to-consumer model, general materials digital procurement involves complex requirements including multi-layered approval processes, fragmented delivery, stringent inbound standards and compliance management, with a longer value chain with multiple operational stages. Market participants also need to maintain stable fulfillment capability under large order volumes. Lacking experience in complex project implementation and the ability to manage high volume fulfillment, new entrants can hardly establish a complete system architecture and standardized delivery system tailored to enterprise demands in a short period of time.

Digitalization and lean management capabilities. Developing digital procurement and lean management capabilities requires substantial technical expertise and integration of AI for demand forecasting and inventory optimization. Small market participants and new entrants lack the necessary technical resources and data infrastructure to operate AI-enabled digital platforms and lean management frameworks, thereby facing difficulties in achieving the operating efficiency and cost control.

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SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, a market research and consulting company and an independent third party, to conduct an analysis of, and to report on China’s general materials procurement market and China’s general materials digital procurement solution market. The report prepared by Frost & Sullivan for us is referred to in this Document as the Frost & Sullivan Report. The Frost & Sullivan Report has been prepared by Frost & Sullivan independent of our influence. The fee payable to Frost & Sullivan for preparing the Frost & Sullivan Report is RMB400,000, which we believe reflects market rates for similar services. Founded in 1961, Frost & Sullivan has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists. Our Directors confirm, to the best of their knowledge, and after making reasonable enquiries, that there have been no adverse changes in the industry since the date of the Frost & Sullivan report and up to the Latest Practicable Date which may qualify, contradict or have an impact on the information set forth in this section.

RESEARCH METHODOLOGY

During the preparation of the Frost & Sullivan Report, Frost & Sullivan collected, analyzed, assessed and validated the information and statistics using its in-house analysis models and techniques. Primary research was conducted via discussions and interviews with industry participants and industry experts. Secondary research involved analysis of market statistics obtained from several publicly available data sources, such as releases from the governments of the research countries, company reports, independent research reports and Frost & Sullivan’s own internal database. The methodology applied by Frost & Sullivan is based on information and statistics gathered from multiple levels and allows such information and statistics to be cross-referenced for accuracy. In light of the above, we consider the information and statistics reliable.

BASIS AND ASSUMPTION

The Frost & Sullivan Report contains a series of market projections which were produced based on the following assumptions, without limitations: (i) China’s and global economy is likely to maintain steady growth in the next decade; (ii) China’s and global social, economic, and political environment is likely to remain stable from 2026 to 2030.

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APPLICABLE LAWS AND REGULATIONS TO OUR BUSINESS IN THE PRC

Regulations Related to Tendering and Bidding

The Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法》) promulgated by the Standing Committee of the National People’s Congress of the PRC (the “SCNPC”) on August 30, 1999 and last amended on December 27, 2017, and the Regulation on the Implementation of the Tendering and Bidding Law of the PRC (《中華人民共和國招標投標法實施條例》) promulgated by the State Council on December 20, 2011, and last amended on March 2, 2019, mainly require: (1) Tendering within the territory of the PRC include public tendering and invitational tendering. A tenderer who adopts the public tendering method shall issue a tendering announcement, and a tenderer who adopts the invitational tendering method shall issue invitations for submission of bids to three or more specified legal persons or other specified organizations capable of undertaking the project subject to the tender and having a good reputation and creditworthiness; (2) The tenderer shall not restrict or reject any potential bidder on the unreasonable grounds, or discriminate against any potential bidder. The tendering documents shall not require or indicate any specific supplier or include any other contents that tend to favor or reject potential bidders; (3) The bidder shall prepare its bidding documents according to the requirements of tendering documents, and shall not collude with other bidders or the tenderer, exclude the fair competition of other bidders, as well as cause any harm to national interests, social public interests or the legitimate rights and interests of others; (4) The successful bidder shall perform its obligations under the contract and complete the awarded project, and the bidder shall not transfer the awarded project to others, or split the awarded project to transfer it to others. The successful bidder may, according to the contract or with the consent of the tenderer, subcontract part of the non-subject and non-critical work of the awarded project to others for completion. The person accepting the subcontracts shall meet the relevant qualifications and shall not subcontract it again to other persons. The successful bidder shall be responsible for the subcontracts, and the subcontractor shall bear joint and several liability for the subcontracts.

Any violation of the Tendering and Bidding Law of the PRC may invalidate the awarded project of the successful bidder, and the competent authority has the right to impose administrative penalties such as ordering corrections within a time limit, fines, and confiscation of illegal gains. A serious violation may lead to the cancellation of the bidding qualifications for participating in projects that must be tendered according to the law within one to two years and make a public announcement, until the revocation of the business license by the industrial and commercial administration authority. If a crime is constituted, it shall be investigated for criminal liabilities in accordance with the law. If such acts cause any losses to others, it shall also be liable for compensation in accordance with the law.

Regulations Related to Value-added Telecommunication Services

The Telecommunications Regulations of the PRC (《中華人民共和國電信條例》) (the “**Telecommunications Regulations**”) promulgated by the State Council on September 25, 2000 and last amended on February 6, 2016, provide a regulatory framework for telecommunications services providers in the PRC. The Telecommunications Regulations require telecommunications services providers to obtain an operating license prior to the commencement of their operations. The Telecommunications Regulations categorize telecommunications services into basic telecommunications services and the value-added telecommunications services (the “**VATS**”). According to the Catalog of Telecommunications Business (《電信業務分類目錄》) attached to the Telecommunications Regulations, which was promulgated by the Ministry of Information Industry of the PRC (the “**MI**”, which is the predecessor of the Ministry of Industry and Information Technology) and last amended by the Ministry of Industry and Information Technology (the “**MIIT**”) on June 6, 2019, Internet information services fall within the VATS.

Foreign direct investment in telecommunications companies in the PRC is regulated by the Regulations for Administration of Foreign-invested Telecommunications Enterprises (《外商投資電信企業管理規定》) (the “**FITE Regulations**”), which was latest amended on March 29, 2022. The FITE Regulations require foreign-invested telecommunications

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enterprises in the PRC, to be established in the form of foreign-invested enterprises in accordance with applicable laws, and foreign investors shall not acquire more than 50% of the equity interest of such an enterprise unless it is otherwise provided for by the State.

Pursuant to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2024 Edition) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), promulgated by the National Development and Reform Commission (the “**NDRC**”) and the Ministry of Commerce of the PRC (the “**MOFCOM**”) jointly on September 6, 2024 which became effective on November 1, 2024, foreign investors shall not invest in any of the prohibited fields specified in the Negative List, and they must obtain permit for investment in other fields set forth in the Negative List that are not prohibited.

According to the Negative List, the foreign share ratio for value-add telecommunications services (except for e-commerce, domestic multi-party communications, storage-forwarding and call centers) shall not exceed 50%. Moreover, foreign direct investment in telecommunications companies in China is governed by the FITE Regulations. The regulations require foreign invested value-added telecommunications enterprises in China to be established in the form of foreign-invested enterprises, which the foreign investors are prohibited from holding more than 50% of the equity interests of such enterprise, unless it is otherwise provided for by PRC. The qualification requirements for the main foreign investor of a foreign-funded telecommunications enterprise are removed by the FITE Regulations.

The Administrative Measures on Internet Information Services (《互聯網信息服務管理辦法》) (the “**Internet Measures**”), which was promulgated by the State Council on September 25, 2000 and mostly recently amended on December 6, 2024, set forth guidelines on the provision of internet information services. The Internet Measures classified Internet information services into commercial Internet information services and non-commercial Internet information services and a commercial operator of internet content provision services must obtain a VATS License for the provision of internet information services from the appropriate telecommunications authorities.

Regulations Related to Online Trading

On August 31, 2018, the SCNPC promulgated the Electronic Commerce Law (《電子商務法》), which became effective on January 1, 2019. The Electronic Commerce Law aims to regulate the e-commerce activities conducted within the territory of the PRC. Pursuant to the Electronic Commerce Law, an e-commerce platform operator shall (i) continuously publicize the business license information and administrative license information related to its business operations at a prominent position on its homepage; (ii) clearly specify the methods and procedures for users to inquire, correct, delete their information and cancel their accounts, and shall not impose unreasonable conditions on users’ inquiries, corrections, deletions of personal information or account cancelation; (iii) adopt technical and other necessary measures to ensure the secure and stable operation of its network, prevent online illegal and criminal activities, effectively respond to cyber security incidents, and safeguard the security of electronic commerce transactions; (iv) record and retain the information of the products and services and the transaction information for no less than 3 years; (v) display the platform service agreement and the transaction rules or links to such information on the homepage of the platform; (vi) display the noticeable labels regarding the products or services provided by the platform operator itself on its platform, and take liabilities for such products and services; (vii) establish a credit evaluation system, display the credit evaluation rules, provide consumers with accesses to make comments on the products and services provided on its platform, and restrain from deleting such comments; and (viii) establish intellectual property protection rules, and take necessary measures when any intellectual property holder notify the platform operator that his intellectual property rights have been infringed.

On March 15, 2021, the State Administration for Market Regulation (the “**SAMR**”) promulgated the Measures for the Supervision and Administration of Online Trading (《網絡交易監督管理辦法》) (the “**Online Trading Measures**”), which became effective on May 1, 2021, and was latest amended on March 18, 2025. The Online Trading Measures stipulates the obligations of online products operators and services providers and certain special requirements applicable to third-party platform operators. The Online Trading Measures

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further regulates and refines the e-commerce supervision system, including, but not limited to (i) clarifying the characteristics and responsibilities of e-commerce operators; (ii) refining the requirements of the collection and use of personal information, expressly stating that consumers cannot be forced directly or in any disguised manner to consent to the collection or use of personal information that is not directly related to the business activities by means of a general authorization, default authorization, bundling with other authorization, and discontinuing installation, etc.

Regulations Related to Road Transportation

Pursuant to the Regulations on Road Transportation of PRC (《中華人民共和國道路運輸條例》), which was promulgated by the State Council on April 30, 2004 and last amended on January 30, 2026 and became effective on March 20, 2026, and the Provisions on Administration of Road Freight Transportation and Stations (Sites) (《道路貨物運輸及站場管理規定》), which was promulgated by the Ministry of Transport on June 16, 2005 and last amended on February 6, 2026 and became effective on March 20, 2026 (the “**Road Freight Provisions**”), the business operations of road freight transportation refer to commercial road freight transportation activities that provide public services. The road freight transportation includes general road freight transportation, special road freight transportation, road transportation of large articles, and road transportation of hazardous cargos. Special road freight transportation refers to freight transportation using special vehicles with containers, refrigeration equipment, or tank containers, etc. The Road Freight Provisions set forth detailed requirements with respect to vehicles and drivers, pursuant to which, anyone engaging in the business of operating road freight transportation must obtain a Road Transportation Operation Permit from the local county-level road transportation administrative bureau. Pursuant to the Notice on the Cancellation of the Road Transportation Certificate and the Driver Qualification Certificate for Ordinary Freight Vehicles with a Total Mass of 4.5 Tons or Less (《交通運輸部辦公廳關於取消總質量4.5噸及以下普通貨運車輛道路運輸證和駕駛員從業資格證的通知》), which was promulgated by the Ministry of Transport on December 24, 2018 and became effective on January 1, 2019, local transportation management departments will no longer issue road transportation certificate for ordinary freight vehicles with a total mass of 4.5 tons or less.

Regulations Related to Medical Devices Operation

According to the Regulations on Supervision and Administration of Medical Devices (《醫療器械監督管理條例》), which was promulgated by the State Council on January 4, 2000 and last amended on December 6, 2024 and became effective on January 20, 2025, and the Measures for the Supervision and Administration of Medical Devices Operation (《醫療器械經營監督管理辦法》), which was promulgated by the former National Food and Drug Administration on July 30, 2014 and last amended on March 10, 2022 by the SAMR, and became effective on May 1, 2022, in the PRC, medical devices are classified into three different categories, Class I, Class II and Class III, based on the degrees of risks associated with each medical device. To engage in the operation of Class II medical devices, an operating enterprise shall make a record-filing with the municipal level drug supervision and administration department, while to engage in the operation of Class III medical devices, an operating enterprise shall apply for the Medical Devices Operation License to the municipal level drug supervision and administration department. Medical device registrants and filers may sell their registered or filed medical devices at their registered address or production site without obtaining a medical device business license or filing, provided they meet the prescribed business conditions.

Regulations Related to Corporation and Foreign Investment

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》), which was promulgated by the SCNPC on December 29, 1993 and became effective on July 1, 1994, and was last amended on December 29, 2023 and became effective on July 1, 2024. The Company Law of the PRC generally governs two types of companies, namely limited liability companies

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and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered share capital they have contributed or the shares they have subscribed for. The Company Law of the PRC shall also apply to foreign invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall apply.

On January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”) which was promulgated by the National People’s Congress of the PRC and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》), which was promulgated by the State Council became effective. The FIL sets forth the definition of foreign investment and the framework for promotion, protection and administration of foreign investment activities. On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020 and pursuant to which, the establishment of the foreign invested enterprises by foreign investors and establishment through purchasing the equities of a non-foreign invested enterprise and its subsequent changes are required to submit an initial or change report through the Enterprise Registration System.

Pursuant to the FIL, China has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be promulgated by, amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Negative List and Catalogue of Encouraged Industries for Foreign Investment (2025 Edition) (《鼓勵外商投資產業目錄(2025年版)》), which was promulgated by the NDRC and the MOFCOM on December 15, 2025 and became effective on February 1, 2026, listed the categories of encouraged, restricted, and prohibited industries. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

Regulations Related to Information Security, and Data Privacy

According to the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”), which was last amended on October 28, 2025 by the SCNPC and became effective on January 1, 2026. According to the Cybersecurity Law, network operators shall, in accordance with the requirements of the cyber security classified protection system, perform their security protection obligations, ensure that networks are free from interference, disruption or unauthorized access, and prevent network data from being disclosed, stolen or tampered. Besides, network operators shall abide by the principles of legality, legitimacy and necessity when collecting and using personal information. Network operators shall disclose the rules for collection and use, specify the purpose, methods and scope of collection and use of information, and obtain consent from the persons whose personal information is collected, when collecting and using personal information. Network operators shall not collect the personal information irrelevant to the services they provide, nor disclose, tamper with or damage the personal information they collect, and shall not provide relevant personal information to others without the prior consent of the persons whose personal information is collected, except for the personal information that cannot be identified and restored after processing.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”), which became effective from September 1, 2021. According to the Data Security Law, a data classification protection system shall be established to protect data by classification. Entities engaged in data processing activities shall, in accordance with the laws and regulations, establish a sound whole-process data security management system, organize data security education and training, and take corresponding technical measures and other necessary measures to ensure data security.

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In accordance with the Personal Information Protection Law of the People’s Republic of China (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”), promulgated by the SCNPC on August 20, 2021 and effective on November 1, 2021, the basic principles for processing personal information are clearly defined, including: (i) the processing of personal information shall adhere to the principles of legality, legitimacy, necessity, and good faith, and shall not process through misleading, fraudulent, or coercive means; (ii) the processing of personal information shall have a clear and reasonable purpose, be directly related to such purpose, and adopt methods that minimize the impact on individual rights. The collection of personal information shall be limited to the minimum scope necessary to achieve the processing purpose, and excessive collection is prohibited; (iii) the processing of personal information shall follow the principles of openness and transparency, with publicly disclosed processing rules that clearly state the purpose, method, and scope of processing. The Personal Information Protection Law also stipulates rules for processing personal information and sensitive personal information, regulations on cross-border transfers of personal information, the rights of individuals in personal information processing activities, and the obligations of personal information handlers. If a personal information handler violates the provisions of the Personal Information Protection Law or fails to fulfill its legal obligations, it may face penalties such as rectification orders, warnings, confiscation of illegal gains, fines, suspension of related operations, business shutdowns, revocation of relevant licenses, or business revocation. In severe cases, the legal liability of the personal information handler may be significantly increased.

On December 28, 2021, the Cyberspace Administration of China (the “CAC”), the NDRC, the MIIT, the Ministry of Public Security, the Ministry of State Security, the Ministry of Finance (the “MOF”), the MOFCOM, the People’s Bank of China, the SAMR, the National Radio and Television Administration, the China Securities Regulatory Commission (the “CSRC”), the National Administration for the Protection of State Secrets, the State Cryptography Administration promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》), which came into effect on February 15, 2022. Pursuant to the Measures for Cybersecurity Review, online platform operators holding personal information of more than one million users are required to apply for cybersecurity review prior to seeking listing in foreign countries, thereby enhancing regulatory oversight over overseas listings from a cybersecurity perspective. In addition, procurement of network products and services by critical information infrastructure operators, as well as data processing activities conducted by online platform operators that may affect or may raise national security concerns, are subject to review by the Cybersecurity Review Office established under the CAC, which may also initiate cybersecurity review procedures where it deems necessary. Any violation of the Measures for Cybersecurity Review may result in penalties in accordance with the PRC Cybersecurity Law and the PRC Data Security Law, including, among others, regulatory investigations, fines, suspension of non-compliant operations and other administrative sanctions.

On September 24, 2024, the State Council promulgated the Cyber Data Security Administration Regulations (《網絡數據安全管理條例》) (the “**Cyber Data Regulations**”), which came into effect on January 1, 2025. Pursuant to the Cyber Data Regulations, internet data processors engaging in data processing activities that affect or may affect national security are required to undergo national security review in accordance with applicable regulations. The Cyber Data Regulations also set forth comprehensive requirements for data processing activities, covering, among others, personal information protection, important data security, cross-border data management and obligations of network platform service providers. In particular, internet data processors are required to identify and declare important data and fulfill data security protection obligations, while processors of important data shall designate responsible personnel, establish data security management institutions, and conduct periodic risk assessments and submit relevant reports to competent authorities. In addition, network platform service providers are required to clarify the data security obligations of third-party service providers through platform rules or agreements and strengthen oversight of such parties. Where automated decision-making is used to push information to individuals, such providers shall offer users accessible options to opt out of personalized recommendations and to manage or delete user profile tags.

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Regulations Related to the Management of Lease Housing

Pursuant to (i) 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》), promulgated by the SCNPC on July 5, 1994, last amended on August 26, 2019 and became effective on January 1, 2020, and (ii) the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development (the “MOHURD”) on December 1, 2010 and became effective on February 1, 2011, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both 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. Pursuant to Article 706 of the Civil Code, failure to complete the formalities for the registration and filing of a lease contract in accordance with the provisions of laws and administrative regulations shall not affect the validity of the contract.

Regulations Related to Intellectual Property Rights

Trademark

The Trademark Law of the PRC (《中華人民共和國商標法》) was promulgated by the SCNPC on August 23, 1982, became effective on March 1, 1983, and was last amended on April 23, 2019, and became effective 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 promulgated by the State Council on August 3, 2002, became effective on September 15, 2002, and were last amended on April 29, 2014, and became effective 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. To continue using a trademark upon the expiry of its validity, renewal procedures must be completed in accordance with the provisions within the 12 months preceding expiration. If renewal procedures are not completed within this period, a six-month extension is allowed. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period. Trademark registrants may authorize others to use their registered trademarks by signing trademark licensing agreements.

Patent

The Patent Law of the PRC (《中華人民共和國專利法》) was promulgated by the SCNPC on March 12, 1984, and was last amended on October 17, 2020, and became effective 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》) were promulgated by the State Council on June 15, 2001, became effective on July 1, 2001, and were last amended on December 11, 2023, and became effective on January 20, 2024. According to these laws, regulations and detailed rules, 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. Any entity or individual that exploits another’s patent must conclude a licensing agreement with the patent holder and pay royalties. Exploiting a patent without the permission of the patent holder constitutes an infringement of their patent rights.

Domain Name

The Internet Domain Name Management Measures (《互聯網域名管理辦法》) were promulgated by the MIIT on August 24, 2017, and became effective on November 1, 2017. According to these management measures, the MIIT is the primary regulatory authority for the management of Internet domain names in China. Domain name registration is processed 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.

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Computers Software Copyright

The Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》), which was promulgated by the National Copyright Administration on February 20, 2002, and became effective on the same date, regulates the registration of software copyright, the exclusive licensing contract and assignment contracts of software copyright. The National Copyright Administration is mainly responsible for the registration and management of national software copyright and designates the China Copyright Protection Center as the agency for software registration. The China Copyright Protection Center will grant certificates of registration to computer software copyright applicants.

Regulations Related to Employment and Social Welfare

Employment

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

The Labor Law of the PRC (《中華人民共和國勞動法》) was promulgated by the SCNPC on July 5, 1994, and became effective on January 1, 1995, and was last amended on December 29, 2018 and became effective on the same date. The Labor Law of the PRC stipulates matters related to promoting employment, labor contracts, working hours, rest and leave, wages, labor safety and hygiene, special protection for female and minor workers, vocational training, social insurance and welfare, labor disputes, supervision and inspection, as well as legal liabilities.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) was promulgated by the SCNPC on June 29, 2007, and became effective on January 1, 2008, and was last amended on December 28, 2012, and became effective on July 1, 2013. The Implementation Regulation of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) was promulgated by the State Council on September 18, 2008, and became effective on the same date. According to the aforementioned law and regulation, a written labor contract shall be established when forming a labor relationship. Employers shall not force employees to work overtime and must pay overtime wages according to national regulations if overtime is arranged. Wages must not be lower than the local minimum wage standard and must be paid to employees promptly.

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 last amended by the SCNPC on December 29, 2018, and became effective on the same date, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social 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 on January 22, 1999, and was last amended on March 24, 2019 and became effective on the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that 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 be subject to a late fee. 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 on April 3, 1999, and was last amended on March 24, 2019, and became effective on the same date, employers in Chinese mainland 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 employing entity fails to make the payment towards the housing provident funds within a prescribed time limit, an application may be made to a people’s court for enforcement.

Regulations Related to Foreign Exchange

According to the Notice of the State Administration of Foreign Exchange 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, and became effective on the same date, 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. A domestic issuer may transfer the capital raised through overseas listing to its local bank account or deposit at its overseas account. The [REDACTED] shall be consistent with the purposes disclosed in this Document or other public documents.

On December 24, 2025, the People’s Bank of China and the SAFE jointly issued the Notice on Issues Concerning the Fund Management for Overseas Listings of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》), which became effective on April 1, 2026, to further facilitate domestic enterprises in efficiently raising funds in overseas financial markets. The main contents of the aforementioned Notice include: (i) clarifying that proceeds from overseas listings, such as funds raised and income from share reductions or transfers, in principle, shall be promptly remitted into the PRC. Listing entities participating in the Full Circulation of H Shares shall distribute dividends to domestic shareholders domestically in RMB; (ii) specifying that funds raised from overseas listings and repatriated in foreign currency may be independently converted and used; (iii) supporting the primary role of banks in directly handling the registration for overseas listings by domestic enterprises and appropriately relaxing the deadline requirements for registrations related to issuance, listing, additional offerings, and share reductions; (iv) Where any funds remitted overseas by domestic shareholders for share purchase purposes remain unused or the relevant transaction fails to be completed, such funds shall be promptly repatriated. Enterprises meeting certain conditions are permitted to retain and use raised funds overseas. As of the effective date of this Notice, the Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Overseas Listing will be repealed.

Regulations Related to Taxation

Enterprise Income Tax

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 NPC on March 16, 2007 and last amended by the SCNPC on December 29, 2018, and became effective on the same date, a unified income tax rate of 25% will be applied towards 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 of 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.

Enterprises that are recognized as high and new technology enterprises in accordance with the Administrative Measures for the Determination of High and New Tech Enterprises (《高新技術企業認定管理辦法》) promulgated by the Ministry of Science and Technology, the MOF and the State Administration of Taxation (the “SAT”) and became effective on January 1, 2016, are entitled to enjoy a preferential enterprise income tax rate of 15%, under which the validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate. An enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

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Value-Added Tax

Pursuant to the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》), as latest amended by the SCNPC on December 25, 2024 which became effective on January 1, 2026, and the Regulations for the Implementation of the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法實施條例》), issued by the State Council on December 25, 2025 which became effective on January 1, 2026, all entities engaged in the sale of goods, services, intangible assets or immovable property, or in the importation of goods within the PRC are required to pay value-added tax. Unless otherwise provided in the foregoing regulations, the general value-added tax rate applicable to the sale or importation of goods is 13%, 9% and 6%.

Tax related to 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》) (the “**Individual Income Tax Law**”), which was last amended by the SCNPC on August 31, 2018 and became effective 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》) (the “**Implementation Rules of the Individual Income Tax Law**”), which was last amended by the State Council on December 18, 2018 and became effective 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%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) promulgated by the MOF, the SAT and the CSRC on September 7, 2015 and became effective on September 8, 2015, where an individual holds the shares of a listed company obtained from the public offering for more than one year and transfers the stock of the listed company on the stock market, the dividend and bonus income shall be temporarily exempted from individual income tax. Where an individual acquires shares of a listed company from the public offering and transfers the stock of the listed company on the stock market, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant 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》), became effective on December 8, 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**”), promulgated by the SAT and became effective 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.

REGULATORY OVERVIEW

For Enterprise Investors

Pursuant to the EIT Law 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》), which was last amended by the State Council on December 6, 2024, and became effective 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 pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice 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 (《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 SAT on November 6, 2008, and became effective on the same date, 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 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》), 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.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including Hong Kong Securities Clearing Company Nominees Limited). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty 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' verification.

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. The newly revised Individual Income Tax Law and Implementation Rules of the Individual Income Tax Law do not specify whether to exempt individuals from personal income tax on the income from the transfer of shares in listed company. As of the Latest Practicable Date, in practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the sale of shares of the PRC resident enterprises listed on overseas stock exchanges.

REGULATORY OVERVIEW

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.

Regulations Related to Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and relevant five guidelines, which became effective March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (the “**Overseas Offering and Listing**”), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Subject to specific circumstances, the Overseas Listing Trial Measures require that, among other things, (i) initial public offerings or listings on overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas. If a PRC company fails to complete the filing procedure or the filing documents submitted by a PRC company contain misrepresentation, misleading statement or material omission, such PRC company may be subject to order to rectify, warnings and fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly responsible persons may also be subject to fines.

In addition, the Overseas Listing Trial Measures also provides the circumstances where the Overseas Offering and Listing is explicitly prohibited, including: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the Overseas Offering and Listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the PRC domestic enterprise, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic enterprise is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

H Share Full Circulation

“Full circulation” refers to the listing and circulation of the domestic unlisted shares of an H-share listed company on the Stock Exchange of Hong Kong Limited, 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. On November 14, 2019, the CSRC issued the Guidelines on the Application of “Full Circulation” of Domestic Unlisted Shares by H-share Companies (Announcement of the CSRC [2019] No. 22) (《H股公司境內未上市股份申請「全流通」業務指引》) (the “**Guidelines on ‘Full Circulation’**”) and last amended on August 10, 2023 and became effective

REGULATORY OVERVIEW

on the same day. According to the Guidelines on “Full Circulation,” provided that the requirements set forth in the relevant laws and regulations and in the policies for state-owned assets management, foreign investments and industry regulation are satisfied, the shareholders of domestic unlisted shares may decide at their own discretion through negotiation the amount and proportion of shares applying for circulation, and entrust the H-share Listed Company to submit the application for “full circulation.” The H-share Listed Company shall apply to the CSRC for “full circulation” in accordance with the administrative licensing procedures required for the “examination and approval of overseas public offering and listing of shares (including additional issuance) by joint stock companies.” Upon approval of the application for “full circulation” by the CSRC, the H-share Listed Company shall submit a report to the CSRC within 15 days after completion of the registration of shares involved in the application with the China Securities Depository and Clearing Co., Ltd. (the “CSDC”). Pursuant to the Overseas Listing Trial Measures, for a domestic company seeking direct overseas listing, the shareholders holding the domestic unlisted shares of such domestic company who apply for the conversion of the domestic unlisted shares into overseas listed shares shall comply with the relevant provisions of the CSRC and entrust such domestic company to file with the CSRC.

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

In order to fully promote the reform of H-share “full circulation” and specify the business arrangements and procedures for registration, custody, settlement and delivery of relevant shares, the CSDC Shenzhen Branch last amended the Circular on Issuing the Guidance for H-share “Full Circulation” (《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》) on June 27, 2025, and became effective on June 30, 2025, which specified the business preparation, account arrangements, cross-border share transfer registration and overseas centralized custody, etc.

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

Our Company was established as a limited liability company under the name of Shanghai M&G Colipu Office Supplies Co., Ltd. (上海晨光科力普辦公用品有限公司) by M&G Corporation, in December 2012. M&G Corporation is a joint stock company with limited liability established in the PRC, the shares of which have been listed on the Shanghai Stock Exchange since January 2015 (stock code: 603899.SH). Our Group principally engages in the procurement solutions of office supplies, MRO products and marketing gifts and employee welfare products.

In March 2025, our Company was converted into a joint stock company with limited liability and was renamed as Colipu Technologies Group Co., Ltd. (科力普科技集團股份有限公司). We are a leading multi-scenario general materials digital procurement solution provider in China.

BUSINESS DEVELOPMENT MILESTONES

The following table sets forth certain development milestones of our Group:

Year	Milestones
2012	Our Company was established as a limited liability company in the PRC
2013	Established our own warehousing and distribution system and a dedicated customer service team
2014	Established our self-developed internal information system and launched our customer-specific procurement platform
2016	Achieved full-year profitability for the first time
2017	- Acquired the China operations of Office Depot, expanding our enterprise customer base and enhancing our market position - Designated as an E-commerce Demonstration Enterprise for 2017-2018 by the Ministry of Commerce of the PRC - Our revenue surpassed RMB1 billion
2019	Completed strategic regional operation layout and team building across 31 provincial-level regions nationwide
2020	- Launched East China smart warehousing project, featuring industry-leading AGV systems and highly efficient vertical transportation and sorting systems - Awarded as one of the “Top Ten Public Procurement Suppliers” by the China Federation of Logistics & Purchasing, reflecting our leading position and service quality in the public sector

HISTORY AND CORPORATE STRUCTURE

Year	Milestones
2022	Our revenue surpassed RMB10 billion
2023	Recognized as one of “China’s Top 500 Service Enterprises (2023)” by China Enterprise Confederation and China Enterprise Directors Association
2025	- Our Company was converted into a joint stock company with limited liability - Our revenue surpassed RMB15 billion

OUR SUBSIDIARIES

The table below sets forth the place and date of incorporation, equity interest attributable to the Group and principal business activities of our subsidiaries:

Name of subsidiaries	Date and place of incorporation	Equity interest attributable to the Group	Principal business activities
Shanghai Colipu Technology Development Co., Ltd.* (上海科力普科技發展有限公司)	November 30, 2023, PRC	100%	Technology services
Shanghai Colipu Information Technology Co., Ltd.* (上海科力普信息科技有限公司)	January 3, 2020, PRC	100%	Software development
Lianyungang Colipu Office Supplies Co., Ltd.* (連雲港市科力普辦公用品有限公司). . .	March 9, 2017, PRC	100%	Sales of products
Shenyang Colipu Office Supplies Trading Co., Ltd.* (瀋陽科力普辦公用品貿易有限公司). . .	March 26, 2019, PRC	100%	Sales of products

HISTORY AND CORPORATE STRUCTURE

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

(1) Establishment of Our Company in 2012

On December 5, 2012, our Company was established by M&G Corporation as a limited liability company under the laws of the PRC, with an initial registered share capital of RMB10,000,000.

(2) Changes in Registered Share Capital and Equity Transfers

(A) Share capital increase and equity transfer from our establishment to February 2014

Through a series of increases in the registered share capital and transfers of equity interest, on February 25, 2014, the shareholding structure of our Company was as follows:

Shareholders	Registered share capital (RMB)	Percentage of shareholding
M&G Corporation	35,000,000	70%
Colipu Venture Capital	15,000,000	30%
Total	50,000,000	100%

Colipu Venture Capital was established as a limited partnership in the PRC to hold equity interest in the Company primarily for the purpose of rewarding and incentivizing our core employees.

(B) Share capital increase during the period from 2014 to 2018

During the period from September 2014 to November 2018, after a few rounds of capital injection by M&G Corporation and Colipu Venture Capital in proportion to their then respective shareholding percentage in our Company, the registered share capital of our Company was increased from RMB50,000,000 to RMB660,000,000.

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

Shareholders	Registered share capital (RMB)	Percentage of shareholding
M&G Corporation	462,000,000	70%
Colipu Venture Capital	198,000,000	30%
Total	660,000,000	100%

HISTORY AND CORPORATE STRUCTURE

(C) Repurchase of equity interest and share capital reduction in 2024

On May 28, 2024, the registered share capital of our Company was reduced from RMB660,000,000 to RMB494,724,450 by our Company’s repurchase of the equity interest amounting to RMB165,275,550 then held by Colipu Venture Capital for the purpose of optimizing the shareholding structure. Upon completion of the share capital reduction, the shareholding structure of our Company was as follows:

Shareholders	Registered share capital (RMB)	Percentage of shareholding
M&G Corporation	462,000,000	93.39%
Colipu Venture Capital	32,724,450	6.61%
Total	494,724,450	100%

(D) Share capital increase in 2024

On June 20, 2024, the registered share capital of our Company was increased from RMB494,724,450 to RMB594,000,000 by capital injection from our ultimate controlling shareholders (namely, Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling) and four of the Employees’ Shareholding Platforms.

The price for the capital injection by Mr. Chen Huxiong and Ms. Chen Xueling was RMB6.29 for RMB1.00 in the registered share capital, which was determined based on the total equity value of our Company as appraised by a qualified PRC valuer. The more preferential price for the capital injection by the Employees’ Shareholding Platforms and Dr. Chen Huwen (as the general manager of our Company) was RMB4.40 for RMB1.00 in the registered share capital, which was for the purposes of incentivizing our core employees.

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

Shareholders	Registered share capital (RMB)	Percentage of shareholding
M&G Corporation ⁽¹⁾	462,000,000	77.78%
Colipu Venture Capital ⁽²⁾	32,724,450	5.51%
Dr. Chen Huwen ⁽¹⁾	23,760,000	4.00%
Colipu No. 6 ⁽²⁾	21,795,200	3.67%
Mr. Chen Huxiong ⁽¹⁾	19,602,000	3.30%
Ms. Chen Xueling ⁽¹⁾	8,910,000	1.50%
Colipu No. 8 ⁽²⁾	8,690,000	1.46%
Colipu No. 9 ⁽²⁾	8,641,000	1.45%
Colipu No. 7 ⁽²⁾	7,877,350	1.33%
Total	594,000,000	100%

HISTORY AND CORPORATE STRUCTURE

Notes:

- (1) Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling, our ultimate controlling shareholders, together with M&G Group, Keying Investment, Jiekui Investment and M&G Corporation, constitute a group of controlling shareholders of our Company. For further details, see “Controlling Shareholders’ Group” below in this section.
- (2) Colipu Venture Capital, Colipu No. 6, Colipu No. 7, Colipu No. 8 and Colipu No. 9 are limited partnerships established in the PRC to directly hold equity interest in our Company. Colipu No.2, Colipu No.3, Colipu No.4 and Colipu No.5 have been holding the equity interests in our Company indirectly through Colipu Venture Capital. For further details, see “Employees’ Incentive Plan — Employees’ Shareholding Platforms” below in this section.

(3) Conversion into a joint stock company with limited liability

On March 28, 2025, our Company was converted from a limited liability company into a joint stock company with limited liability and renamed as Colipu Technologies Group Co., Ltd. (科力普科技集团股份有限公司). Upon completion, the registered share capital of our Company became RMB594,000,000 divided into 594,000,000 Shares with a par value of RMB1.00 each. Upon completion of such conversion, and as of the Latest Practicable Date, the shareholding structure of our Company was as follows:

Shareholders	Number of shares	Percentage of shareholding
M&G Corporation.	462,000,000	77.78%
Colipu Venture Capital	32,724,450	5.51%
Dr. Chen Huwen	23,760,000	4.00%
Colipu No. 6	21,795,200	3.67%
Mr. Chen Huxiong.	19,602,000	3.30%
Ms. Chen Xueling	8,910,000	1.50%
Colipu No. 8	8,690,000	1.46%
Colipu No. 9	8,641,000	1.45%
Colipu No. 7	7,877,350	1.33%
Total	594,000,000	100%

HISTORY AND CORPORATE STRUCTURE

EMPLOYEES’ INCENTIVE PLAN

In recognition of the contributions of our core employees and to incentivize them to further promote our development, we have adopted an employees’ incentive plan (the “**Employees’ Incentive Plan**”). Pursuant to the Employees’ Incentive Plan, each selected person is awarded with the right to directly and/or indirectly hold certain amount of Shares of our Company. As of the Latest Practicable Date, save for Dr. Chen Huwen who directly held Shares of our Company, the other participants indirectly held interests in the Shares of our Company through the relevant Employees’ Shareholding Platforms. For details, please see “Appendix IV – Statutory and General Information” in this Document.

Employees’ Shareholding Platforms

Nine limited partnerships have been set up as the Employees’ Shareholding Platforms to hold, directly and/or indirectly, the equity interest of our Company pursuant to the Employees’ Incentive Plan. Among the Employees’ Shareholding Platforms, (i) Colipu Venture Capital, Colipu No. 6, Colipu No. 7, Colipu No. 8 and Colipu No. 9 directly held Shares of our Company; and (ii) Colipu No. 2, Colipu No. 3, Colipu No. 4 and Colipu No. 5 held such interests indirectly through Colipu Venture Capital (collectively, the “**Indirect Employees’ Shareholding Platforms**”).

The information on the Employees’ Shareholding Platforms as of April 24, 2026 is set forth below:

(1) *Colipu Venture Capital*

Colipu Venture Capital had one general partner and 37 limited partners, all of whom were employees of our Group and the Indirect Employees’ Shareholding Platforms. Its general partner was Ms. Zhang Xiaoli (張曉黎), a supervisor of a subsidiary of our Company, holding approximately 2.30% of the partnership interests in Colipu Venture Capital. None of its partners held 30% or more of the partnership interests in Colipu Venture Capital.

Below is the information of our Directors and senior management members’ interests in Colipu Venture Capital:

Name	Position(s)	Percentage of partnership interests
Mr. Liao Xiang (廖翔)	Executive Director (the employee representative Director) and deputy general manager	9.08%
Ms. Li Jingyi (李靜宜)	Executive Director, deputy general manager and senior vice president	3.73%
Mr. Huang Jie (黃傑)	Deputy general manager	13.31%
Ms. Zhang Lirong(張莉蓉)	Deputy general manager	5.14%

HISTORY AND CORPORATE STRUCTURE

(2) *Colipu No. 2*

Colipu No. 2 held approximately 5.55% of the partnership interests in Colipu Venture Capital. Colipu No. 2 had one general partner and 37 limited partners, all of whom were employees of our Group. Its general partner was Ms. Ling Chenjuan (凌臣娟), a supervisor of a subsidiary of our Company holding approximately 11.44% of the partnership interests in Colipu No. 2. None of its partners held 30% or more of the partnership interests in Colipu No. 2.

(3) *Colipu No. 3*

Colipu No. 3 held approximately 5.52% of partnership interests in Colipu Venture Capital. Colipu No. 3 had one general partner and 40 limited partners, all of whom were employees of our Group. Its general partner was Ms. Jin Qing (金青), a supervisor of a subsidiary of our Company, holding approximately 9.76% of the partnership interests in Colipu No. 3. None of its partners held 30% or more of the partnership interests in Colipu No. 3.

(4) *Colipu No. 4*

Colipu No. 4 held approximately 5.31% of partnership interests in Colipu Venture Capital. Colipu No. 4 had one general partner and 35 limited partners, all of whom were employees of our Group. Its general partner was Mr. Li Weili (李偉力), an employee of our Group, holding approximately 6.84% of the partnership interests in Colipu No. 4. None of its partners held 30% or more of the partnership interests in Colipu No. 4.

(5) *Colipu No. 5*

Colipu No. 5 held approximately 5.14% of partnership interests in Colipu Venture Capital. Colipu No. 5 had one general partner and 41 limited partners, all of whom were employees of our Group. Its general partner was Ms. Guo Xueting (郭雪婷), an employee of our Group, holding approximately 7.65% of the partnership interests in Colipu No. 5. None of its partners held 30% or more of the partnership interests in Colipu No. 5.

(6) *Colipu No. 6*

Colipu No. 6 had one general partner and 47 limited partners, all of whom were employees of our Group. Its general partner was Ms. Li Jingyi (李靜宜), an executive Director, deputy general manager and senior vice president of our Company, holding approximately 37.16% of the partnership interests in Colipu No. 6. None of its other partners held 30% or more of the partnership interests in Colipu No. 6.

Below is the information of our Directors and senior management members' interests in Colipu No. 6:

Name	Position(s)	Percentage of partnership interests
Ms. Li Jingyi (李靜宜)	Executive Director, deputy general manager and senior vice president	37.16%
Ms. Chen Yile (陳一樂)	Executive Director, the secretary to the Board and joint company secretary	16.06%
Ms. Wang Aijia (王藹嘉)	Chief financial officer	2.29%
Ms. Zhang Lirong (張莉蓉)	Deputy general manager	1.36%

Ms. Chen Meiyue (陳美月), a daughter of Dr. Chen Huwen, held approximately 16.06% of partnership interests in Colipu No. 6.

HISTORY AND CORPORATE STRUCTURE

(7) Colipu No. 7

Colipu No. 7 had one general partner and 47 limited partners, all of whom were employees of our Group. Its general partner was Mr. Liao Xiang (廖翔), an executive Director (employee representative Director) and a deputy general manager of our Company, holding approximately 44.18% of the partnership interests in Colipu No. 7. Ms. Li Xinzhe (酈心哲), an employee of our Group, held 38.08% of the partnership interests in Colipu No. 7. None of its other partners held 30% or more of the partnership interests in Colipu No. 7.

(8) Colipu No. 8

Colipu No. 8 had one general partner and 45 limited partners, all of whom were employees of our Group. Its general partner was Mr. Yang Jin (楊進), a director of a subsidiary of our Company, holding approximately 47.81% of partnership interest. Ms. Zhang Xiaoli (張曉黎), a supervisor of a subsidiary of our Company, held approximately 40.28% of the partnership interests. None of its other partners held 30% or more of the partnership interests in Colipu No. 8.

(9) Colipu No. 9

Colipu No. 9 had one general partner and 46 limited partners, all of whom were employees of our Group. Its general partner was Mr. Fei Li (費立), an employee of our Group, holding approximately 50.38% of the partnership interests in Colipu No. 9. Mr. Jiang Hongjun (姜洪軍), a director of a subsidiary of our Company, held approximately 37.01% of the partnership interests. None of its other partners held 30% or more of the partnership interests in Colipu No. 9.

MERGER AND ACQUISITION

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any acquisitions, mergers or disposals.

COMPLIANCE MATTERS

As advised by our PRC Legal Advisor, (i) we have complied with all the necessary internal approval procedures and registration and filing procedures with the relevant authorities in relation to the establishment of the Company, the subsequent changes in its capital and the conversion into a joint stock company with limited liability; and (ii) such procedures were in compliance with the applicable laws and regulations in all material aspects.

CONTROLLING SHAREHOLDERS’ GROUP

Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling are siblings, who founded M&G Group in May 2007. M&G Group established M&G Corporation in July 2008, which in turn established our Company in December 2012. As of the Latest Practicable Date,

- (i) Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling held 38%, 38% and 24% of the equity interest of M&G Group respectively;
- (ii) M&G Group, Dr. Chen Huwen, Mr. Chen Huxiong, Ms. Chen Xueling, Keying Investment and Jiekui Investment directly held approximately 58.20%, 1.48%, 1.48%, 0.66%, 1.23% and 1.22% of the shares of M&G Corporation respectively. Dr. Chen Huwen was the general partner of and held approximately 79.33% of the partnership interests in Keying Investment. Mr. Chen Huxiong was the general partner of and held approximately 73.34% of the partnership interests in Jiekui Investment; and
- (iii) M&G Corporation, Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling directly held 77.78%, 4.00%, 3.30% and 1.50% of our Shares respectively.

HISTORY AND CORPORATE STRUCTURE

As of the Latest Practicable Date, the Controlling Shareholders’ Group held an aggregate of approximately 86.58% of our Shares. Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders’ Group will hold an aggregate of approximately [REDACTED]% of our Shares.

[REDACTED] FLOAT

Pursuant to Rule 19A.13A(1) of the Listing Rules, where the expected market value at the time of Listing of our Company’s Shares is over HK\$6 billion but does not exceed HK\$30 billion, the minimum number of H Shares held by the public at the time of Listing as a percentage of our total issued Shares shall be the higher of: (i) the percentage that would result in the expected [REDACTED] of H Shares held by [REDACTED] to be HK\$1.5 billion at the time of [REDACTED]; and (ii) 15%. Assuming that the [REDACTED] is not exercised, (i) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), our expected [REDACTED] upon the [REDACTED] is approximately HK\$[REDACTED]; (ii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), our expected [REDACTED] upon the [REDACTED] is approximately HK\$[REDACTED]; and (iii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the [REDACTED] of the indicative [REDACTED] range), our expected [REDACTED] upon the [REDACTED] is approximately HK\$[REDACTED].

Upon completion of the [REDACTED] and the conversion of [REDACTED] Unlisted Shares into H Shares, the H Shares held by our existing Shareholders, directly or indirectly controlled by our core connected persons, and [REDACTED] Unlisted Shares will not be counted towards the [REDACTED] float. Details of such existing Shareholders are set forth below:

- Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling are members of our Controlling Shareholders’ Group and the [REDACTED] H Shares held by them will not be counted towards the [REDACTED] float;
- Colipu Venture Capital is an Employees’ Shareholding Platform, the general partner of which is a supervisor of the subsidiary of our Company, and the [REDACTED] H Shares held by it will not be counted towards the [REDACTED] float;
- Colipu No.6 is an Employees’ Shareholding Platform, the general partner of which is our executive Director, and the [REDACTED] H Shares held by it will not be counted towards the [REDACTED] float;
- Colipu No.7 is an Employees’ Shareholding Platform, the general partner of which is our executive Director, and the [REDACTED] H Shares held by it will not be counted towards the [REDACTED] float;
- Colipu No.8 is an Employees’ Shareholding Platform, the general partner of which is a director of a subsidiary of our Company, and the [REDACTED] H Shares held by it will not be counted towards the [REDACTED] float; and
- Colipu No.9 is an Employees’ Shareholding Platform, a limited partner of which is a director of a subsidiary of our Company who held more than 30% of the partnership interests in Colipu No.9, and the [REDACTED] H Shares held by it will not be counted towards the [REDACTED] float.

To the best knowledge of our Directors, save as disclosed above, upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) and conversion of Unlisted Shares into H Shares, [REDACTED]% of our total issued Shares will be counted towards the [REDACTED] float, which is in compliance with the requirement under Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules.

FREE FLOAT

Rule 19A.13C(1) of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the

HISTORY AND CORPORATE STRUCTURE

portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50 million; or (b) have an expected market value at the time of listing of not less than HK\$600 million.

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), all of H Shares to [REDACTED] under the [REDACTED] (excluding those to be [REDACTED] for by the [REDACTED]) are expected to be held by [REDACTED] and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise).

It follows that the total number of the H Shares expected to be not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) immediately following the completion of the [REDACTED] (before any exercise of the [REDACTED]) represents [REDACTED]% of the total number of our issued Shares. Assuming the [REDACTED] is not exercised and based on the [REDACTED] of the [REDACTED] range at HK\$[REDACTED] per H Share, the Company is expected to satisfy the free float requirement under Rule19A.13C(1) of the Listing Rules.

[REDACTED]

CSRC promulgated the Spin-off Rules for Listed Companies (For Trial Implementation) (《上市公司分拆規則(試行)》) (“**Spin-off Rules**”) on January 5, 2022, and the Trial Measures for the Administration on 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》) (“**Overseas Listing Trial Measures**”) on February 17, 2023. Pursuant to the Spin-off Rules and the Overseas Listing Trial Measures, the offshore listing of the subsidiaries controlled by domestic listed companies shall comply with the conditions set forth in the Spin-off Rules and fulfill the filing procedure with CSRC. The [REDACTED] of our Company constitutes a [REDACTED] and is subject to fulfilling the filing procedure with CSRC.

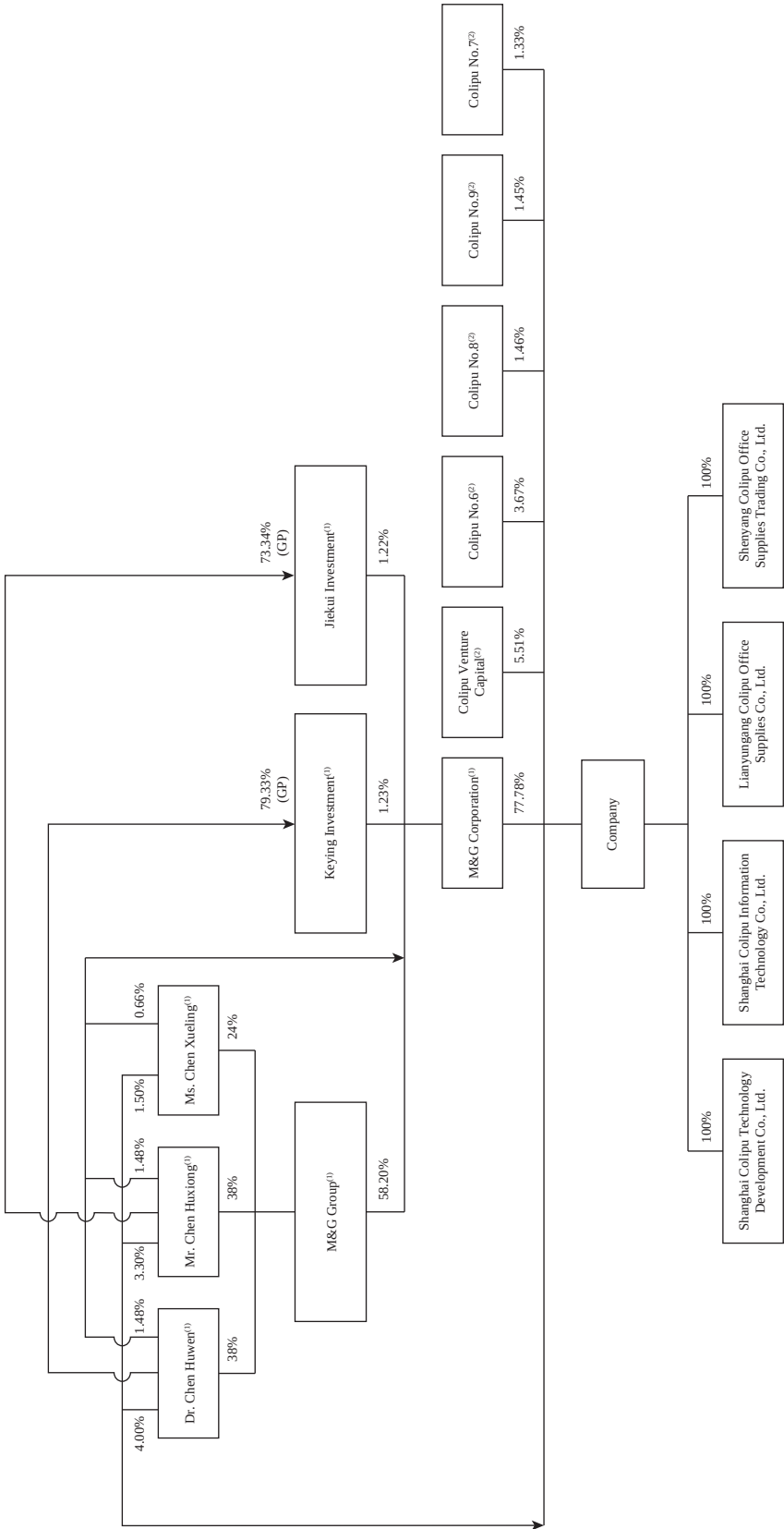
The [REDACTED] of our Company was approved by the shareholders of M&G Corporation at its general meeting on April 23, 2026, and was approved by the Company’s shareholders at a general meeting on April 24, 2026.

HISTORY AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate structure immediately before completion of the [REDACTED]

The following chart sets forth the shareholding structure of our Company as of the Latest Practicable Date and immediately before completion of the [REDACTED]:



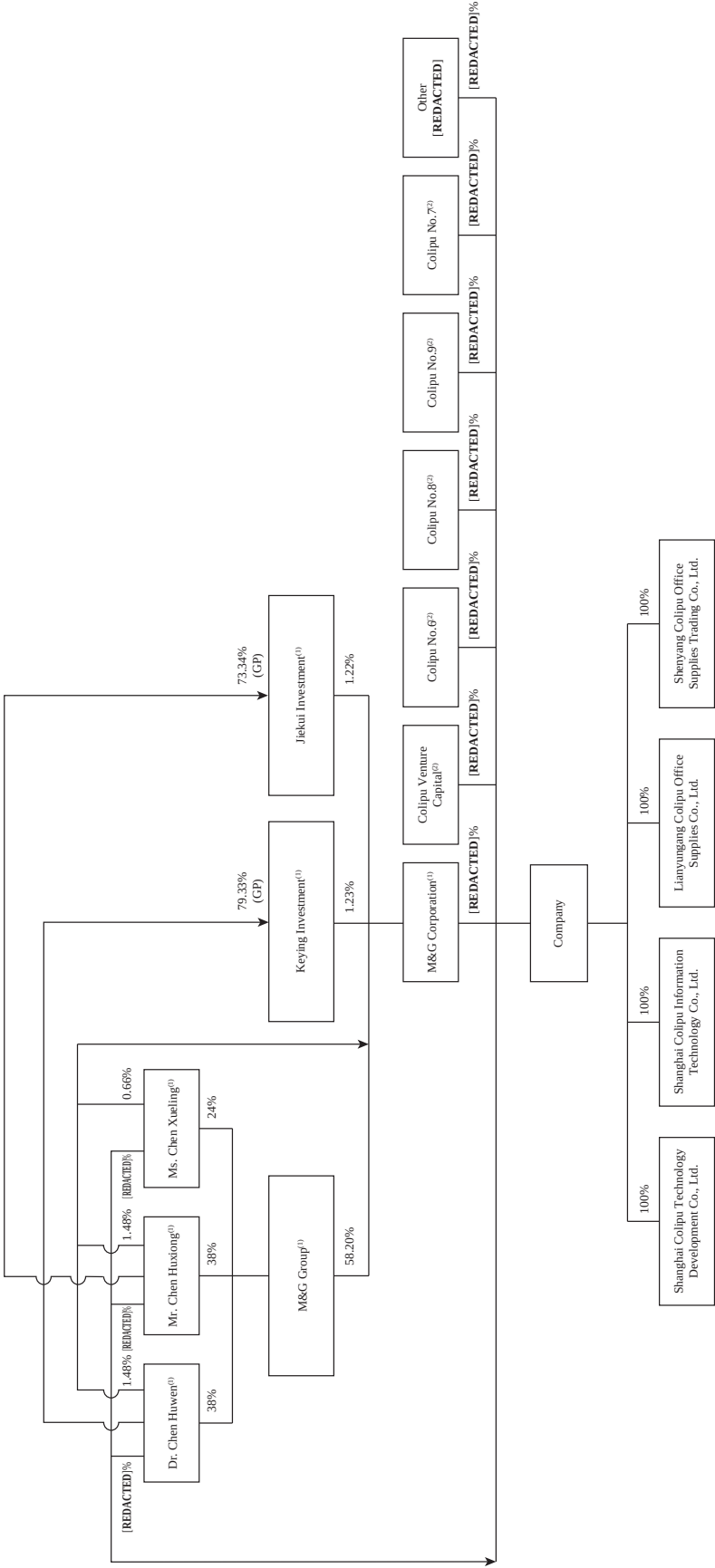
Notes:

- (1) Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling are our ultimate controlling shareholders. Together with M&G Group, Keying Investment, Jiekui Investment and M&G Corporation, they constitute a group of controlling shareholders of our Company.
- (2) Colipu Venture Capital, Colipu No. 6, Colipu No. 7, Colipu No. 8 and Colipu No. 9 are Employees' Shareholding Platforms. For further details, see "Employees' Incentive Plan" in this section.

HISTORY AND CORPORATE STRUCTURE

Corporate structure immediately following the completion of the [REDACTED]

The following chart sets forth our shareholding structure immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no change in the shareholding since the Latest Practicable Date):



Note: Please see notes (1) to (2) of the sub-section headed “— Corporate structure immediately before completion of the [REDACTED]” above.

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OVERVIEW

Who We Are

We are a leading multi-scenario general materials digital procurement solution provider in China. Built on years of operational experience and supported by a digitally-enabled operating framework, we help customers navigate complex procurement environments and achieve improved cost efficiency, enhanced compliance and greater transparency.

We primarily serve large and influential enterprise customers in China, including state-owned enterprises, financial institutions, Fortune Global 500 companies, China’s Top 500 private enterprises and government agencies. These customers typically operate with multi-layered organizational structures, complex procurement scenarios, demanding fulfillment standards and stringent compliance requirements. Such complexity places high demands on procurement solution providers in terms of system integration, supply chain coordination, execution reliability and compliance management capability.

We believe the key entry barrier in enterprise procurement solutions lies in the ability to manage complexity in a systematic and scalable manner. Multiple organizational layers, rules, workflows and systems together create significant execution challenges that are difficult to standardize and scale. Through long-term engagement with enterprise customers, we have developed a comprehensive set of capabilities to manage such complexity, and have embedded these capabilities into Puyuan (普元), our digitally-enabled operating framework. Puyuan underpins our high-quality execution and supports scalable expansion across procurement scenarios.

Leveraging these capabilities, we have established a nationwide supply chain and fulfillment network spanning office supplies, MRO products and marketing gifts and employee welfare products. Meanwhile, we continue to enhance supply stability, delivery efficiency and service responsiveness, while advancing the digitalization of procurement processes through online execution, traceability of key operational steps and standardized lifecycle management.

Our business has achieved coordinated growth in both scale and operating quality. According to Frost & Sullivan, in terms of GMV in 2025, we are the second-largest general materials specialized digital procurement solution provider in China. We are a market leader across key scenarios, ranking first in office supplies, and marketing gifts and employee welfare products, and third in MRO products on the same basis, according to Frost & Sullivan. These positions reflect our established customer base, broad scenario coverage and integrated service capabilities, as well as our ability to deliver scalable and reliable solutions in complex procurement environments.

Our End-to-End Supply Chain Model

Enterprise procurement is structurally complex. It typically involves multi-layered approval processes, supplier qualification requirements, stringent inbound standards and fragmented delivery scenarios, as well as rigorous financial compliance, reconciliation and audit trail obligations. At the same time, traditional distribution channels for office supplies and MRO products are often characterized by long circulation chains and multiple intermediaries, which result in higher end-user pricing, lower procurement efficiency, delayed fulfillment and limited process visibility. Such inefficiencies make it difficult for enterprise customers to meet their diverse and complex procurement needs.

To address these challenges, we have developed a flat, end-to-end supply chain model centered on enterprise customers’ procurement needs. Through direct system connections with brand manufacturers and first-tier authorized distributors, and supported by our digitally-enabled operating framework, we provide integrated, one-stop procurement solutions. This efficient supply chain model shortens traditional distribution chains, reduces intermediary layers and lowers conventional channel mark-ups by up to 50%, according to Frost & Sullivan, thereby materially improving supply chain efficiency and responsiveness.

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Puyuan — Our Digitally-Enabled Operating Framework

To ensure the continuous operation of the end-to-end supply chain model under complex enterprise procurement scenarios, we have developed Puyuan — our digitally-enabled operating framework. Puyuan enables us to translate operational complexity into system-executable capabilities that are executable, auditable, reusable and scalable, supporting stable and efficient operations across customers’ multiple organizational layers, rules, workflows and systems.

On the supply side, Puyuan integrates product governance, supplier coordination, procurement execution, fulfillment and delivery, and operational control into a unified governance framework, and improves supply stability, fulfillment certainty and execution consistency through standardized rules and configurable processes.

On the demand side, Puyuan accommodates differences in customers’ organizational structures, procurement scenarios, fulfillment standards and compliance requirements. Through API connection, customer-specific procurement platform and Punch-out connection, we integrate with customers’ procurement systems and improve data coordination efficiency across product selection, orders, logistics, settlement, reconciliation, invoicing and financial management. See “— Puyuan Digitally-Enabled Operating Framework.”

Our Strong Operational and Financial Performance

During the Track Record Period, our revenue increased from RMB13,307.0 million in 2023 to RMB13,831.4 million in 2024, and further to RMB15,048.2 million in 2025. The steady growth in our revenue was primarily driven by the continued expansion of our key account base and consistently high customer retention. During the Track Record Period, the number of our key accounts increased from 44.8 thousand to 50.9 thousand and further to 58.3 thousand. In 2025, the transaction value retention rate of our key accounts was 101.3%, reflecting our ability not only to expand our customer base but also to deepen engagement and increase share of wallet among existing customers.

We have continued to scale our business without compromising operating quality. Supported by our flat and efficient operating structure and continuously improving productivity, we maintained a track record of stable profitability while generating high-quality operating cash flows. In 2025, revenue per sales and marketing employee exceeded RMB28.0 million, demonstrating strong sales effectiveness. Throughout the Track Record Period, we consistently recorded net cash inflows from operating activities, reflecting solid earnings quality and strong cash generation capability.

Meanwhile, we have maintained sound capital structure and ample liquidity as we expanded. As of December 31, 2025, our current ratio and quick ratio were 1.5 and 1.5, respectively, indicating a sound liquidity position. During the Track Record Period, our cash collection rate was 94.7%, 97.4% and 94.4%, and our cash conversion cycle was (23.4) days, (25.3) days and (25.7) days, respectively. These operating metrics demonstrate our ability to sustain efficient operations and effective risk control alongside business growth, supporting the overall quality and resilience of our performance.

OUR STRENGTHS

Large and High-Quality Customer Base

We primarily serve leading enterprises across key sectors of the national economy, which are critical in driving China’s economic growth. These customers typically operate with multi-layered organizational structures, complex procurement scenarios, demanding fulfillment standards and stringent compliance requirements. Our ability to consistently serve these customers underscores the strength of our integrated service capabilities and provides a solid foundation for further expansion within high-standard customer segments. In 2025, the number of our key accounts reached 58.3 thousand, with a key account transaction value retention rate of 101.3%, reflecting both the scale and depth of our customer relationships.

Through sustained engagement with these enterprise customers, we have developed comprehensive, system-driven capabilities spanning procurement compliance, system

BUSINESS

integration, product governance, fulfillment delivery, reconciliation and settlement, and after-sales services, enabling us to standardize execution across complex procurement scenarios. Supported by a large and active customer base, our operations benefit from strong scale effects. In 2025, we processed approximately 5.3 million orders, and our platform handled an average of approximately 4.1 million API calls per day, demonstrating our ability to orchestrate high-volume, large-scale transactions with stability.

During the Track Record Period, we maintained a consistently high tender success rate. Supported by our multi-scenario service capabilities, stable fulfillment performance and ongoing customer engagement, our average tender success rate with central state-owned enterprises was approximately 90%, while our average order satisfaction rate reached 99.4% during the Track Record Period. These metrics reflect not only our ability to secure and execute on complex projects, but also the continued recognition by high-standard enterprise customers of our service quality, fulfillment reliability and compliance management capabilities.

Self-Reinforcing Flywheel Supported by Digitally-Enabled Operating Framework

Leveraging our Puyuan digitally-enabled operating framework, we have established a self-reinforcing flywheel. The flywheel transforms the inherent operational complexity of enterprise procurement into a self-reinforcing cycle driven by efficiency, fulfillment capability, customer trust and scale expansion.

In serving large enterprise customers, we operate in complex procurement environments characterized by multiple organizational layers, rules, workflows and systems. Through the complexity governance capabilities enabled by the flywheel, we are able to enhance operating efficiency, execution consistency and traceability across key stages, including opportunity identification, tendering and bidding, contract execution, fulfillment and delivery, reconciliation and settlement, and cash collection management. These advantages enable us to undertake procurement demands of larger scale and across a broader range of scenarios.

As operating efficiency and fulfillment stability improve, our sales and service capabilities can be replicated across a wider customer base, regions and procurement scenarios, while maintaining a relatively consistent level of service quality as our business scales. This deepens customer cooperation and facilitates product category expansion from office supplies into MRO products, marketing gifts and employee welfare products. It also increases our share of procurement spend among existing customers.

The deepening of customer collaboration and the expansion of business scale continue to drive the increases in transaction scenarios, fulfillment requirements and operating data. This further enriches our understanding of complex enterprise procurement environments and drives the continuous iteration of Puyuan.

Proven and Replicable Expansion Across Categories and Procurement Scenarios

We have demonstrated a proven ability to extend our business and service coverage across categories and procurement scenarios. Starting from office supplies, we have expanded into MRO products, marketing gifts and employee welfare products, forming a one-stop service framework that addresses enterprise procurement needs across multiple scenarios. During the Track Record Period, an average of approximately 80% of our customers purchased two or more product categories. From 2023 to 2025, our revenue generated from MRO products achieved a CAGR of 25.8%. Together, these metrics reflect our ability to expand procurement categories, increase share of wallet and broaden service scenarios within our existing customer base.

Our expansion into new categories is not a reset, but a continuation of existing operational capabilities. Built on our established strengths, we are able to enter new procurement scenarios with shorter ramp-up periods, lower trial-and-error costs and greater operational certainty. The continued reuse of these underlying capabilities across categories and scenarios enables us to expand in a disciplined and repeatable manner, and provides a foundation for further extension into high-value-added and high-potential categories.

BUSINESS

This replicable expansion capability allows us to continuously extend our service scope and supply boundaries on top of our existing customer base. As customers engage with us across a broader range of procurement scenarios, customer reliance and loyalty increases, which further improves our internal synergies. Over time, this translates into a more extensible competitive advantage, supporting growth in both scale and scope.

Efficient, Scalable Supply Chain and End-to-End Fulfillment Capabilities

We maintain a comprehensive and scalable product offering covering office supplies, MRO products, marketing gifts and employee welfare products. With a product matrix of over ten million SKUs from over 20.0 thousand brands, we are well positioned to meet the diverse and evolving procurement needs of enterprise customers. Alongside scale, we continue to strengthen our capabilities in product governance, brand collaboration, authorization management and alignment with customer procurement catalogs, enhancing the manageability of our product offering, fulfillment stability and customer fit.

Light-asset, high-turnover warehousing and logistics network. We have developed a five-tier warehousing system characterized by a light-asset structure and high inventory turnover, which differentiates us from the traditional model where scale expansion relies on heavy asset investment. Centered around one national warehouse and six regional warehouses and supported by an extensive network of city, transfer and frontline warehouses across the nation, our five-tier warehousing system enables efficient and flexible fulfillment across regions. Certain of our national and regional warehouses are equipped with advanced automation technologies, including automated storage and retrieval systems (“AS/RS”), automated guided vehicle (“AGV”) systems, vertical conveyor systems and high-speed sorting equipment, enhancing operating efficiency and accuracy. During the Track Record Period, our inventory turnover days were 3.7 days, 3.0 days and 3.0 days, respectively, reflecting efficient supply chain management capabilities.

Digitally coordinated fulfillment and nationwide delivery capability. Supported by our digital infrastructure, we have established an efficient and reliable fulfillment model that integrates centralized distribution, regional coordination and localized response. Leveraging our warehouse management system (“WMS”), we operate a hybrid fulfillment approach comprising direct shipment from the national warehouse, coordinated fulfillment across regional warehouses and responsive dispatch from city, transfer and frontline warehouses. Supported by both our in-house delivery capabilities and collaboration with leading third-party logistics providers, we have established a nationwide delivery coverage. Continuous optimization of fulfillment processes, exception handling and delivery coordination mechanisms further enhances fulfillment stability and responsiveness.

Localized service network with depth of execution. We have established a dense localized service network, supported by seven regional hubs and coverage across 31 provinces, autonomous regions and municipalities in China, enabling timely response and deep customer engagement. In addition to standard delivery, we provide value-added services such as in-room delivery, installation, commissioning and after-sales maintenance, addressing the limitations of purely online procurement models and meeting customers’ requirements for service reliability and responsiveness. We have consistently maintained high-quality delivery and strengthened both customer experience and our ability to execute in complex fulfillment scenarios.

Integrated Lead-to-Cash (“LTC”) closed-loop management. We have established an integrated LTC closed-loop management system covering the full transaction lifecycle from lead discovery and customer acquisition to cash collection. By embedding control at earlier stages and integrating key stages into a unified operating framework, we enable coordinated management of information flow, order flow, logistics flow and cash flow. During the Track Record Period, our cash conversion cycle was (23.4) days, (25.3) days and (25.7) days, respectively. This system supports effective cash flow management and credit control alongside business expansion, underpinning the quality and sustainability of our growth.

BUSINESS

Flat Organizational Structure with Efficient Execution Capabilities

Our organization is led by a founder and management team with extensive industry experience, which underpins our operating discipline and execution capabilities. Our Chairman, Dr. Chen Huwen, is one of the founders of M&G Corporation. At an early stage of the shift of enterprise procurement in China toward centralization, transparency and digitalization, he led the incubation of our business and has remained closely involved in shaping our strategic direction and business development. His continued engagement has supported our business model exploration and capability building, enabling us to evolve into a representative market participant in enterprise procurement.

Led by Dr. Chen, our management team plays a pivotal role in translating strategic direction into execution. Our management team has extensive experience in enterprise procurement solutions, supply chain management and information technology, with an average of over ten years of relevant experience. Such experience, combined with a deep understanding of enterprise procurement scenarios, evolving customer needs and operational requirements, enables the team to navigate complex operating environments with consistency and discipline, supporting our continued growth.

To ensure that such leadership and experience are effectively translated into execution, we operate under a highly flat organizational structure. This structure keeps decision-making close to the business and shortens the path from insight to execution, allowing our core management team to respond to market changes with speed and clarity. Under this structure, our customer service teams are organized by both region and customer types. These teams work closely together and are supported by dedicated project managers who coordinate resources across regions and customer types, ensuring both nationwide coverage as well as dedicated support for key accounts.

At the same time, we reinforce organizational effectiveness through aligned incentives and a cohesive culture. We align employee incentives with our long-term development through equity incentive schemes and performance-based mechanisms, fostering strong ownership across the organization. Through disciplined talent management and a clearly defined organizational culture, we build teams capable of sustaining execution quality as we scale.

OUR STRATEGIES

Focusing on Core Product Categories and Developing Proprietary Brand

We intend to focus on our core product categories and develop proprietary brand to enhance our profit margins and optimize overall profit structure over the long term. We plan to strengthen our focus on the development of high-frequency, standardized and high-repurchase product categories, covering MRO products, marketing gifts and employee welfare products. Through this approach, we aim to build a comprehensive product system with tiered management, enabling more stable supply and disciplined pricing control.

In addition, we intend to advance the development of our proprietary brand with a focus on MRO products, strengthening end-to-end control over cost, product quality, delivery timelines and after-sales service, while enhancing product differentiation. To support this strategy, we will establish long-term strategic partnerships with high-quality manufacturers through OEM/ODM arrangements.

BUSINESS

Strengthening Competitive Edge through Technology Advancement

We will continue to leverage key technologies such as AI and robotic process automation (“RPA”) to digitize and automate our key business processes, including product selection, pricing, inventory management, customer service, operational support and process approval. Through this approach, we aim to further enhance rule configuration, intelligent decision-making and process automation capabilities, reduce repetitive manual operations, and improve the processing efficiency and consistency of core operating processes.

Meanwhile, we will continue to enhance our underlying technology infrastructure by advancing open interfaces, standard protocols and connectivity components, strengthening standardized integration with customers’ procurement systems as well as third-party software as a service (“SaaS”) and enterprise resource planning (“ERP”) platforms. These initiatives help improve system onboarding efficiency, reduce customer integration costs, and enhance our capability to support complex procurement scenarios across multi-system environments.

Strengthening Our Service Network and Fulfillment Capabilities

Building on our existing nationwide sales and service network, we will continue to upgrade our localized service capabilities. Through on-site support, the formation of industry-specific project delivery teams, and the establishment of a responsive customer service and after-sales system, we aim to bring our services closer to our customers’ day-to-day needs.

We will further deepen the development of our fulfillment system, with a focus on strengthening our capacity to handle complex procurement scenarios. By leveraging technology to drive improvements in supply chain efficiency, we will enhance real-time tracking of order fulfillment status, ensuring high transparency and controllability throughout the delivery process. At the same time, we will optimize order processing and fulfillment routing in accordance with customer requirements and applicable fulfillment rules, which will allow us to maintain delivery efficiency while effectively controlling costs. This approach will ensure fulfillment stability in various complex scenarios, improve the availability and coverage of high-frequency products, and further reinforce our differentiated core competitive edge.

Building Global Sourcing and Direct Procurement Capabilities

We intend to enhance our global sourcing and procurement capabilities across multiple procurement scenarios, including office supplies, MRO products, marketing gifts and employee welfare products. By establishing direct cooperation with internationally renowned brands and high-quality suppliers, we aim to improve our ability to secure primary authorizations, core agency rights or preferred partnership status, thereby ensuring our stable supply of high-end and specialized materials. In addition, we plan to build diverse global sourcing channels and multi-regional backup sourcing arrangements to mitigate risks associated with reliance on any single region or supplier, enabling us to provide customers with more resilient and dependable enterprise procurement solutions.

We will continue to advance centralized procurement, optimize logistics routes and refine inventory management. In coordination with our warehousing and logistics network, we aim to achieve cost reduction and efficiency improvement across the entire supply chain through economies of scale and technological measures, further enhancing delivery certainty.

BUSINESS

Accelerating Business Growth through Strategic Acquisitions

We intend to pursue potential acquisitions of enterprises specialized in the MRO sector to expand our coverage in specialized product categories. We intend to target channel partners with established regional service capabilities, which we believe would enable us to rapidly enhance local coverage, warehousing, logistics and customer service reach. Through acquisitions, we aim to secure professional teams, supply chain relationships and regional business connections, significantly shortening the time required to enter relevant categories or regional markets and improving integration efficiency. See “Future Plans and Use of [REDACTED].”

Following acquisitions, we will integrate the acquired business into our unified operating framework to align category strategies, service standards and fulfillment arrangements. We will continue to refine product selection standards and quality control, and enhance upstream collaborations for key product categories. By improving information transparency, operating efficiency and process replication, we aim to realize synergy and efficiency gains, rapidly expand revenue scale and enhance profitability.

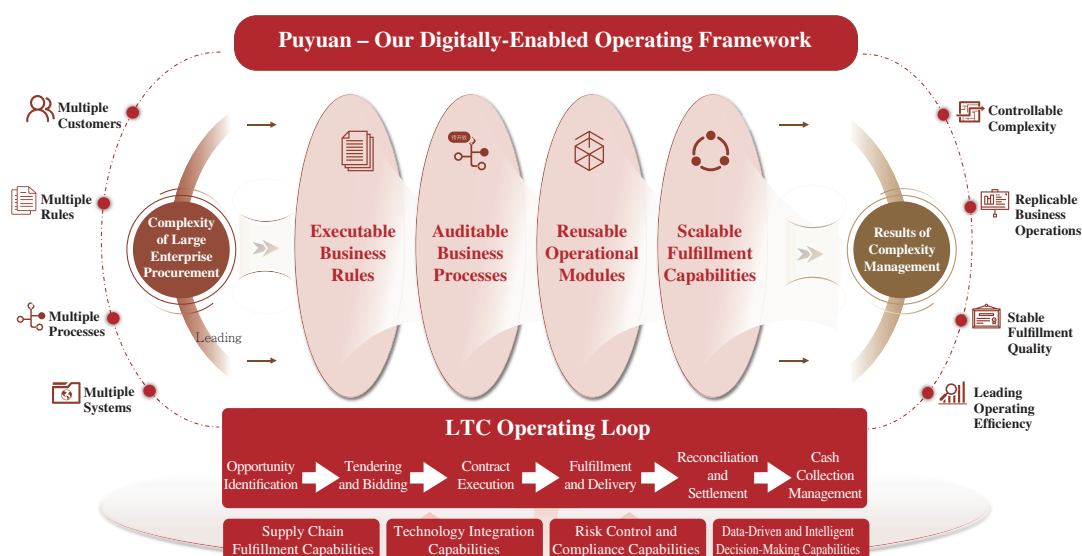
PUYUAN DIGITALLY-ENABLED OPERATING FRAMEWORK

Enterprise procurement solutions are fundamentally constrained by the significant differences among enterprise customers in multi-layered organizational structures, complex procurement scenarios, demanding fulfillment standards and stringent compliance requirements. Meanwhile, enterprise procurement activities are typically conducted within a complex operating environment characterized by the coexistence of multiple organizational layers, rules, workflows and systems, where policies, fulfillment, finance and approval processes are interlinked and required to operate in coordination with ERP, office automation (“OA”), procurement and financial systems. In the absence of a unified operating framework, enterprise procurement services are exposed to risks of diseconomies of scale as business grows. For enterprise customers, the challenge not only affects procurement efficiency, but undermines compliance transparency, audit traceability and cross-departmental coordination.

To address the above challenges, we have developed Puyuan, our digitally-enabled operating framework, through long-term engagement in serving enterprise customers. Focusing on complexity management in enterprise procurement, we systematically translate fragmented customer requirements, business rules and system integration requirements into executable business rules, auditable business processes, reusable operational modules and scalable fulfillment capabilities. This enables us to convert the complexity inherent in enterprise procurement into controllable operating activities.

BUSINESS

The following diagram illustrates key functions of Puyuan:



Lead-to-Cash Operating Loop

To support the ongoing operation of Puyuan, we have established a LTC operating loop, under which key business stages, including opportunity identification, tendering and bidding, contract execution, fulfillment and delivery, reconciliation and settlement, and cash collection management, are brought into a standardized management framework. By connecting customer development, transaction execution and settlement management, we form an end-to-end operating chain covering the entire business process.

Within this operating loop, we manage key operating activities through digital systems and embed review, approval and risk control mechanisms at critical control points. This approach generates traceable records, connects data flows and clearly defines responsibility boundaries at each stage of execution.

Centered on the LTC operating loop, we have further developed four core supporting capabilities, namely supply chain fulfillment capabilities, technology and integration capabilities, risk control and compliance capabilities and data and intelligent decision-making capabilities.

Supply Chain Fulfillment Capabilities

Our supply chain fulfillment capabilities span key operating stages, including product governance, procurement management, order allocation, warehousing and fulfillment and supplier management. These capabilities enable us to meet different customer requirements while maintaining delivery consistency and supporting scalable replication.

At the product governance and procurement management stage, we have established standardized product classification, SKU governance rules and master data management mechanisms. We centrally manage procurement planning based on sales demand, inventory levels and supply conditions, thereby providing a supply chain data foundation.

At the order allocation and warehousing and fulfillment stage, we have enabled coordinated operation of our order management system, WMS and transportation management system (“TMS”). As of December 31, 2025, we had accumulated over 140,000 verified delivery addresses, supported by mapping algorithms that improve address recognition and delivery accuracy in complex environments. Through dynamic fulfillment path planning, we have reduced manual intervention while maintaining stable fulfillment efficiency.

BUSINESS

At the supplier management stage, we record and monitor supplier onboarding, qualification review, contract management, fulfillment performance and ongoing cooperation assessment, and conduct data coordination with suppliers through our digitally-enabled platform, thereby enhancing overall supply chain coordination efficiency and the responsiveness of our fulfillment framework.

Technology and Integration Capabilities

As an important capability supporting Puyuan, our technology and integration capabilities are designed to address complex challenges arising from enterprise procurement. Through system integration, rule engine, process engine and AI-enabled application, we enhance the stability and traceability of transaction execution and improve operational scalability.

System Integration. We connect customers’ procurement systems through system integration to enable automated transmission of key data and process linkage. In 2025, our average system integration cycle through API connection was approximately 3.4 days, reflecting our project delivery efficiency enabled by standardized interfaces. We also standardize common implementation items, such as customer onboarding, product catalogs, pricing rules, approval workflows, access controls, settlement standards and reconciliation requirements, into configurable modules to support rapid deployment across different customer scenarios, thereby better balancing customization and scalable replication.

Rule Engine. Our rule engine converts customer requirements into system-recognizable, verifiable and executable rules. As of December 31, 2025, we had accumulated over 41.0 thousand business rules, with approximately 82.3 million executions in 2025. For example, for orders where customers require a specified delivery date or delivery in batches, the rule engine automatically validates the requirements and triggers relevant handling rules, thereby supporting standardized operation across stages such as order allocation and fulfillment execution.

Process Engine. Our process engine supports workflow automation across roles, departments and systems. As of December 31, 2025, we had deployed 313 RPA bots, processing approximately 292.2 million data records in 2025 and saving over 52.7 thousand standard man-days of work. For example, in the reconciliation process, RPA can automatically read delivery documents, reconciliation statements and invoice information, complete data matching and push exception items to the relevant roles for handling, enabling employees to shift from repetitive operations to exception handling and operational optimization.

AI-enabled Application. We also continue to advance the application of AI and intelligent tools in enterprise procurement scenarios and deploy these capabilities across key operating stages. In 2025, we implemented approximately 138 AI-enabled application projects. For example, in contract review, our self-developed AI application can assist in identifying key terms, abnormal wording and missing information and, by referencing historical transactions and fulfillment data, provide supporting prompts to improve initial review efficiency.

Together, these capabilities support rule execution, process automation and day-to-day operating management, thereby improving responsiveness and operating quality in complex procurement scenarios.

Risk Control and Compliance Capabilities

We have established a systemized risk control and compliance framework and embedded relevant requirements into business execution, thereby enhancing transaction transparency, risk identification capabilities and the standardization of our operating processes:

- for contract management, we have established standardized contract review mechanisms. We review key terms, pricing mechanisms, performance obligations and risk allocation, to reduce ambiguity in contract terms and mitigate risks of performance disputes;
- for access control, we implement different levels of authorization and ongoing review over system access, data usage and business operations, to reduce the risks of unauthorized access and abnormal operations;

BUSINESS

- for pricing monitoring and compliance verification, we continuously monitor and verify price fluctuations, execution of agreed prices, supplier onboarding, procurement restrictions, regional fulfillment and special delivery requirements, to support consistent execution standards across different customers and scenarios; and
- for process review, we record key operating activities through digital systems to form a complete audit trail, thereby supporting anomaly identification and post-event traceability.

Data-Driven and Intelligent Decision-Making Capabilities

Our data-driven and intelligent decision-making capabilities are primarily designed to support operating analysis, demand forecasting, risk identification and decision optimization. We have progressively developed data support capabilities for business management, supply chain coordination and risk control, thereby enhancing process visibility and decision-making efficiency:

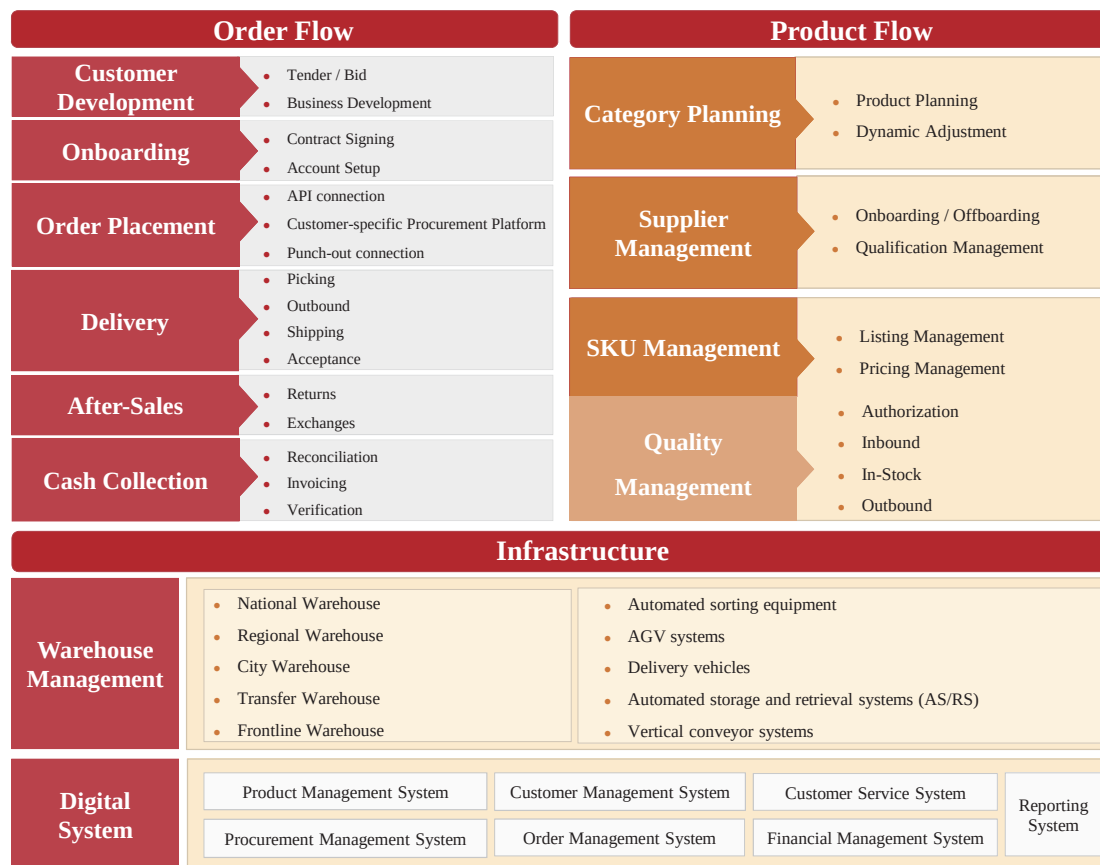
- for data analytics, we integrate operating data through a unified data platform, and convert analysis results into visualized reports and management indicators to support operating monitoring and business analysis;
- for demand forecasting, we conduct dynamic analysis of product demand, inventory movements and fulfillment resource requirements to support procurement planning, inventory allocation and supply coordination; and
- for risk identification and decision optimization, through data models and intelligent algorithms, we identify and analyze anomalies in business operations, and provide decision references for resource allocation, procurement strategies, replenishment arrangements and supplier coordination. At the same time, through real-time data monitoring and alert mechanisms, we continuously track key indicators and support relevant teams in timely identifying and addressing exceptions.

OUR BUSINESS MODEL

Enterprise procurement presents a level of complexity that differs fundamentally from consumer goods business. Large enterprises typically operate with multi-layered organizational structures, complex procurement scenarios, demanding fulfillment standards and stringent compliance requirements, each subject to different internal approval, budget and compliance requirements. In this context, effective fulfillment requires incorporating each customer’s internal procurement rules, approval workflows, budget and product catalog requirements into an operational system that can be consistently executed.

BUSINESS

To ensure efficient, dependable, and compliance-driven order fulfillment, we have developed an integrated, three-layer business model underpinned by Puyuan. The following chart illustrates our business model:



Order Flow — From Customer Engagement to Cash Collection. Our business is driven by an order flow that covers the full lifecycle from customer development, onboarding and order placement to delivery, after-sales services and cash collection. Customer acquisition is conducted through tendering and bidding processes or direct business development, followed by contract signing and account setup. Order placement is enabled through multiple access models, including API connection, customer-specific procurement platform and Punch-out connection, allowing customers to place orders in accordance with their internal approval, budgeting and compliance requirements. Following order placement, our system manages order fulfillment, followed by periodic reconciliations and settlement. This end-to-end order flow ensures that all transactions are executed in an executable, auditable, reusable and scalable manner.

Product Flow — From Category Planning to Supplier and SKU Management. We manage products through a governance framework covering product category planning, supplier onboarding and exit, supplier management. Products are admitted, priced, listed based on predefined governance rules, ensuring alignment with customer requirements, fulfillment feasibility and compliance standards. Quality control is embedded throughout the product lifecycle, covering authorization, inbound inspection, in-storage management and outbound execution. Pricing management, inventory controls and supplier performance monitoring are system-driven, allowing us to support over ten million SKUs while maintaining consistency, transparency and operational discipline. The above enables us to convert fragmented and non-standardized procurement demand into standardized, system-processable instructions.

BUSINESS

Infrastructure — Fulfillment and System Enablement. At the foundation of our business model is a scalable infrastructure that supports nationwide fulfillment and systemized execution. Our nationwide five-tier warehousing system, complemented by automated sorting equipment, AGV systems and delivery vehicles, supports fulfillment execution across different regions and delivery time requirements, and enables us to balance delivery speed, coverage and cost efficiency across different customer scenarios. Our digital systems comprise product management, procurement management, customer management, order management, customer service, financial management and reporting systems. These systems operate as a unified platform that embeds business rules, workflow controls and audit trails directly into daily operations. Our warehousing system, together with our digital systems, allows us to deliver consistent, high-certainty fulfillment while maintaining an asset-light and scalable operating model.

We experienced steady growth in GMV, number of orders and number of key accounts, while maintaining a high transaction value retention rate of key accounts during the Track Record Period. The following table sets forth our key operating metrics for the years indicated:

	Year ended December 31,		
	2023	2024	2025
GMV (RMB'000)	15,014,543	15,568,405	16,998,351
Number of orders	3,781,306	4,507,289	5,280,328
Number of key accounts ⁽¹⁾	44,804	50,857	58,340
Transaction value retention rate of key accounts ⁽²⁾ (%)	117.0	96.6	101.3

Notes:

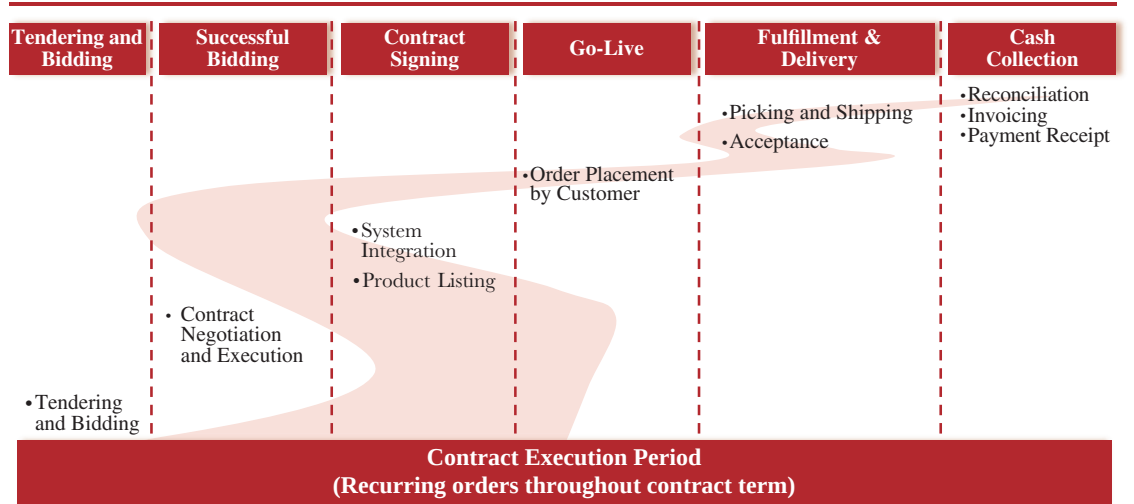
- (1) Number of key accounts is identified on an individual basis.
- (2) Refers to the percentage of GMV generated from key accounts in the previous year that is retained from the same key accounts in the current year. GMV is calculated at the group level on a consolidated basis.

OUR ORDER FLOW

Our customers primarily include state-owned enterprises, financial institutions, Fortune Global 500 companies, China’s Top 500 private enterprises, and government agencies. We serve these customers primarily under a direct sales model. We adopt a tender-driven customer acquisition model, with a focus on sustained customer engagement and expansion. Our order flow is therefore designed around the procurement practices of enterprise customers.

BUSINESS

The following chart presents our typical order flow from customer engagement to order fulfillment and cash collection:



Customer Engagement

Our order flow typically begins with customer engagement through formal tendering and bidding processes, which serve as the primary mechanism for customer onboarding prior to order execution. To support customer engagement under such tender-driven procurement environments, we maintain a dedicated bid management team responsible for qualification documentation preparation, system integration approach, pricing formulation and compliance review. Our pricing proposals are developed under established mechanisms, including (i) a dynamic pricing model based on reference pricing from recognized e-commerce platforms, where discounts are applied in accordance with predefined rules; and (ii) a fixed pricing model based on pre-agreed product lists. See “— Our Product Flow — Our Multi-Scenario Procurement Solutions — Pricing Management.” These proposals are supported by real-time price monitoring systems to ensure alignment with customer requirements and tender conditions. Through this standardized and scalable approach, we are able to enhance bid quality and ensure that customer procurement rules are clearly defined and embedded prior to order execution. During the Track Record Period, our average tender success rate for central state-owned enterprises was approximately 90%.

BUSINESS

Upon successful bidding, customers typically enter into long-term framework agreements with us. These framework agreements typically define the scope of services, pricing mechanisms, fulfillment standards and compliance requirements, and form the basis for ongoing cooperation. Orders are subsequently placed on a need-basis by customers through integrated systems. See “— Customer Order Integration and Standardization.” In 2025, we served 58.3 thousand key accounts, with a transaction value retention rate of key accounts of 101.3%.

Below sets forth the salient terms of our long-term framework agreements with customers:

- *Duration and Termination.* We typically enter into long-term framework agreements with customers, which may be renewed or terminated in accordance with agreed conditions.
- *Delivery and Risk Transfer.* Products are delivered to customer-designated locations, and the risk of loss or damage generally transfers to customers upon delivery.
- *Pricing and Payment.* Product prices are determined based on agreed mechanism, and payments are settled in accordance with agreed billing cycles, invoicing terms and credit periods.
- *Intellectual Property.* We ensure that products supplied do not infringe third-party intellectual property rights, and ownership of intellectual property in the products remains with the relevant rights holders.
- *Product Return and Warranty.* Product returns are generally limited to circumstances such as quality defects or non-conforming products. We provide warranty, generally for a year, in respect of product defects arising from normal use.
- *Confidentiality.* Both parties are subject to confidentiality obligations in respect of commercial and operational information obtained in connection with the agreements.

Customer Order Integration and Standardization

Enterprise customers exhibit significant diversity in their organizational layers, rules, workflows and systems. To accommodate these differences, we offer multiple order integration models based on their operational needs and information system maturity. While the integration models differ in front-end user experience and system connectivity, all customer requests are converted into standardized orders upon entry into our systems and are processed under a unified order execution framework.

Supported by our standardized integration framework, we offer three primary system integration models that provide different levels of connectivity, enabling us to address common challenges faced by enterprise customers, including system incompatibility and fragmented procurement processes.

- *API Connection.* For large enterprise customers that require real-time data synchronization and deeper process embedding, we offer API connection. During the Track Record Period, over 70% of our GMV was generated through API connection. Through API connections, we can connect data flows across key processes and enable customers to embed procurement workflows within their internal platforms while relying on our fulfillment infrastructure for execution.

BUSINESS

- Customer-specific Procurement Platform.** For customers that do not maintain in-house procurement systems or prefer rapid deployment, we provide a customer-specific procurement platform. Through this platform, customers are onboarded through a standardized configuration process, under which organizational structures, user roles and access permissions are established within the system. Based on customer procurement requirements, we curate a tailored product catalog from our centralized product library and apply standardized product governance controls over product admission and pricing. Customers may then complete product selection and order placement through the platform under configurable approval workflows. Orders generated through the platform are automatically routed into our centralized execution workflow for downstream fulfillment and settlement. The procurement platform also provides basic procurement data analytics and reporting functionalities to support customers’ day-to-day management and reconciliation needs. The following picture shows a representative webpage of our customer-specific procurement platform:



Notes:

- (1) Search bar.
 - (2) Product zone.
 - (3) Product Catalog.
 - (4) Intelligent shopping assistant.
 - (5) AI-powered inquiry and quotation.
 - (6) Quick access to functions.
- Punch-out Connection.** For customers with existing internal procurement systems (such as SAP, Oracle or OA workflow platforms) that want to keep internal approval and compliance controls, we provide Punch-out connection. Under this model, users authenticate through the customer’s internal system, select products on our platform and then return the shopping cart back to the customer’s system for approval before the order is transmitted to us for fulfillment. The intended outcome is a closed-loop process that preserves customer governance while leveraging our catalog and user experience.

BUSINESS

We have engineered these entry models for repeatability and speed of rollout. In 2025, our average system integration cycle was approximately 3.4 days for API connection, approximately five days for Punch-out connection, and approximately two hours for the deployment of a customer-specific procurement platform.

While these entry points differ in form, they are designed to generate standard orders once they enter our system. Orders are subject to upfront validation checks, including product eligibility, delivery feasibility, location-specific requirements and compliance constraints. We believe such front-end standardization and validation capability is critical to preventing non-fulfillable orders from entering downstream execution processes, thereby reducing operational uncertainty and improving overall fulfillment reliability. Upon completion of such validation, orders are automatically routed into our standardized execution framework for downstream fulfillment, encompassing inventory allocation, warehousing operations, logistics coordination, delivery and confirmation. See “— Our Warehousing and Logistics System.” While accommodating varying integration needs and ensuring all orders are standardized within our execution framework, we provide customized solutions and help enterprises in consolidating fragmented system and process requirements into standardized, auditable operating workflows, to achieve greater efficiency and control in their procurement activities.

Order Validation, Fulfillment, Settlement and Cash Collection

Upon successful integration, orders are processed through a centralized order-to-cash management system. The system converts customer procurement rules, contractual terms and internal control requirements into standardized workflows, ensuring consistency, traceability and control across order validation, fulfillment, settlement and cash collection.

Order Validation and Approval Workflows. Orders are validated and approved through system-based rule engine and standardized workflows. These rules govern key aspects of order execution, including supplier allocation, order processing, pricing approval, brand authorization, credit limit checks and after-sales workflow initiation. Approval processes are embedded into the system and executed automatically based on predefined rules, reducing reliance on manual judgment. Orders proceed to fulfillment only after all required validations and approvals are completed, ensuring compliance with procurement requirements and internal risk controls.

Fulfillment, Delivery and Acceptance. Following approval, orders are routed to our system for fulfillment. We adopt a hybrid logistics model that combines in-house delivery capabilities with third-party logistics providers. Key steps, including outbound processing, transportation, delivery and customer acceptance, are recorded within the system to enable end-to-end traceability. Delivery execution is supported by address verification and location mapping algorithms to improve last-mile accuracy. Fulfillment status and delivery confirmation are systematically captured to form a complete execution record for each order.

Reconciliation, Invoicing and Settlement. Reconciliation, invoicing and settlement represent a critical control point in the transaction lifecycle. We integrate order data, delivery and acceptance records, invoicing status and settlement outcomes into a unified data chain to ensure consistency across customers’ systems and our systems. Reconciliation statements are automatically generated based on matched transactional data, which reduces manual intervention and reconciliation discrepancies and improves accuracy and efficiency.

Cash Collection and Credit Control. We manage the full LTC cycle through an integrated credit and receivables management framework. Reconciliation and settlement and cash collection management are monitored within a unified system environment. Customer credit profiles, credit limits and payment behavior are tracked on a continuous basis. Trade and bills receivables, invoice issuance, aging analysis and exception items are monitored through system-based reporting, enabling timely follow-up and risk management. By embedding credit assessment, process traceability and aging controls into the transaction lifecycle, we are able to support business growth while maintaining disciplined cash collection and controlled credit risk exposure.

After-Sales Services

Following initial entry, we maintain customer relationships through our sales teams, dedicated project managers and customer service teams, providing dedicated and customized after-sales support.

BUSINESS

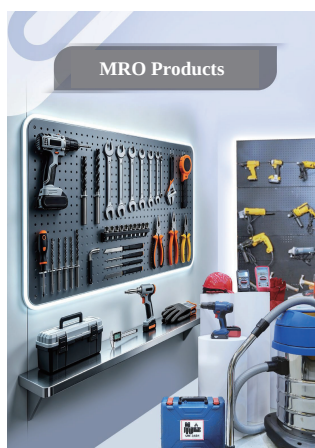
After-sales Support. We are committed to providing reliable and responsive after-sales support to ensure continuity of service and a high-quality customer experience. Our dedicated service teams handle daily inquiries, returns, exchanges, customer complaints and exception orders through 7×24-hour hotline support, customer platform ticketing and dedicated provincial service groups. Customer inquiries and requests are typically resolved within three days, with end-to-end tracking and satisfaction follow-up for every ticket. We maintain standardized product return, warranty and defect-handling arrangements as part of our after-sales service framework. See “— Customer Engagement.” During the Track Record Period, we did not experience any material product return, recall or exchange that would have a material adverse effect on our results of operations. Our standardized return and warranty policies, together with nationwide service coverage, enable us to effectively address issues such as product quality concerns, delivery delays, short shipments and transport damage, ensuring stable and consistent service performance. During the Track Record Period, we did not incur any warranty expenses.

Customer Feedback. We maintain a customer-feedback system that supports continuous improvement in service quality. Following the completion of every service ticket, our customer service teams conduct satisfaction follow-ups and record customer evaluations as part of our closed-loop workflow. All feedback is consolidated through our service platform, which tracks each case from initiation to resolution and generates quality analysis reports to identify recurring issues and improvement opportunities. These insights inform operational adjustments across relevant teams, ensuring that corrective actions are implemented promptly and consistently. By systematically gathering, reviewing and acting on customer feedback, we strengthen service reliability and reinforce long-term customer trust.

OUR PRODUCT FLOW

Our Multi-Scenario Procurement Solutions

We provide multi-scenario procurement solutions, covering (i) office supplies, (ii) MRO products and (iii) marketing gifts and employee welfare products. Supported by our trusted supplier partners, we offered over ten million SKUs from over 20.0 thousand brands as of December 31, 2025, and served 44.8 thousand, 50.9 thousand and 58.3 thousand key accounts in 2023, 2024 and 2025, respectively.



BUSINESS

- **Office Supplies.** Our office supplies business serves as the core of our multi-scenario procurement offering. It covers commonly procured workplace items such as stationery, IT peripherals, office furniture and equipment and daily operational consumables. Enterprise customers typically procure such products on a high-frequency basis across multiple locations, creating ongoing demand for standardized procurement, cost visibility and compliance management. Leveraging our robust supply chain capabilities, we support efficient and compliant procurement execution at scale. According to Frost & Sullivan, in 2025, we ranked first in China’s office supplies specialized digital procurement solution sector, with a market share of 3.8%.
- **MRO Products.** As a key growth driver, our sales of MRO products represent our expansion from office procurement into factory and workshop scenarios. We focus on non-production industrial supplies and consumables such as gloves, tools, lubricants and spare parts, which are frequently needed to maintain production continuity and facility operations. Compared to office supplies procurement, MRO products procurement typically entails a significantly higher volume of SKUs and more stringent fulfillment requirements. Accordingly, we seek to leverage our supply chain capabilities and digital infrastructure to enhance responsiveness and fulfillment certainty for enterprise customers across diverse industrial use cases. According to Frost & Sullivan, in 2025, we ranked third in China’s MRO product specialized digital procurement solution sector, with a market share of 1.0%.
- **Marketing Gifts and Employee Welfare Products.** The offering of marketing gifts and employee welfare products serves enterprise procurement needs arising from customer-specific purchasing scenarios. Unlike routine operational procurement, these procurements are typically organized to support customer engagement initiatives or employee benefit schemes. Typical use cases include points redemption campaign and marketing gifts procurement organized by financial institutions, insurance companies and telecom operators, as well as employee welfare activities such as union welfare procurement implemented by enterprises. These scenarios usually involve large order volumes, diverse product combinations and clearly defined delivery schedules across multiple locations. We support efficient execution through centralized product management, customer-specific order coordination and nationwide fulfillment capabilities, while ensuring compliance with customer procurement requirements. According to Frost & Sullivan, in 2025, we ranked first in China’s marketing gifts and employee welfare products specialized digital procurement solution sector, with a market share of 1.4%.

Our multi-scenario procurement solutions work synergistically to drive growth and unlock new opportunities. Office supplies procurement allows us to establish long-term relationship with enterprise customers through frequent, standardized purchases. MRO products procurement broadens our reach, capturing greater wallet share in factory and operational environments. Meanwhile, marketing gifts and employee welfare products procurement allows us to extend our services into customer-specific purchasing scenarios, catering to both customer engagement and institutional welfare needs. By engaging customers across these diverse segments, we deepen relationships, increase stickiness, and maximize operating leverage — ultimately optimizing our revenue streams and margin performance for sustained success.

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Our revenue experienced steady growth during the Track Record Period. The following table sets forth our revenue breakdown by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except for percentages)</i>						
Office supplies	5,879,856	44.2	5,753,498	41.6	5,609,396	37.3
MRO products	2,698,276	20.3	3,574,533	25.8	4,269,009	28.4
Marketing gifts and employee welfare products	4,728,862	35.5	4,503,405	32.6	5,169,801	34.3
Total	13,306,994	100.0	13,831,436	100.0	15,048,206	100.0

Our Supplier Management System

As a multi-scenario general materials digital procurement solution provider, we do not engage in manufacturing activities or operate production facilities. Products sold through our platform are sourced from third-party suppliers, including manufacturers, brand owners, authorized distributors and qualified regional vendors. We primarily source finished goods required for business operations, rather than raw materials or production inputs. Products are delivered directly to customer-designated locations according to their requirements for end use. We believe this asset-light sourcing model enhances flexibility and scalability and allows us to respond efficiently to changing procurement demand across different scenarios. In 2023, 2024 and 2025, our cost of sales amounted to RMB12,232.0 million, RMB12,764.4 million and RMB13,932.8 million, respectively.

Supplier Selection and Ongoing Management. We have established a supplier onboarding and management framework designed to ensure product quality at the source. Our suppliers are onboarded, evaluated and managed based on stringent criteria that include delivery capability, geographic coverage, quality performance and after-sales responsiveness. Products are admitted into our system only when the associated suppliers are able to meet the delivery, service and compliance requirements expected by us to serve enterprise customers. Following onboarding, suppliers are subject to ongoing performance monitoring and periodic review, including delivery timeliness, fulfillment accuracy, service responsiveness and customer feedback. Supplier performance data is continuously reviewed, and underperforming suppliers may be subject to remediation or replacement. We believe this dynamic management approach helps maintain service quality while allowing us to adapt supplier composition as demand patterns evolve. As of December 31, 2025, we had established a global supplier network consisting of over 15,000 suppliers.

Managing Price Fluctuation and Supply Volatility. Given the breadth of product categories we cover, certain products may be subject to price volatility driven by raw material costs, market supply conditions or seasonal demand. We manage such fluctuations primarily through scale aggregation, supplier diversification and contractual arrangements. Our centralized procurement allows us to aggregate demand across customers and negotiate pricing terms that are more stable and predictable. In addition, pricing and sourcing decisions are supported by system-based monitoring and periodic review to balance cost competitiveness and supply stability. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers, nor did we experience any significant fluctuation in prices, material breaches of contract, shortages or delays in delivery, or quality or delivery issues with our products that materially affected our operations.

BUSINESS

Below sets forth the salient terms of our typical agreements with suppliers:

- *Duration and Termination.* We typically enter into long-term framework agreements with suppliers, generally around two years, which may be renewed or terminated in accordance with agreed conditions.
- *Product Specifications.* Products must comply with the specifications, models, quantities and requirements set forth in the relevant purchase orders and comply with applicable PRC laws and our standards and requirements. Where applicable, suppliers must provide required supporting documents, such as quality inspection reports, certifications and brand authorization documents.
- *Payment and Delivery.* Suppliers are required to deliver products in accordance with the delivery time, location and logistics requirements specified in the purchase orders. Payments are made after delivery and acceptance of products, subject to reconciliation and receipt of valid invoices and required supporting documents.
- *Quality Control.* We may inspect delivered products and require return, replacement or rectification of non-conforming products. Suppliers are responsible for losses arising from product quality issues, except where such issues are caused by improper storage by us after delivery.
- *Product Returns.* Suppliers are required to accept product returns in circumstances including quality defects, non-compliance or damage.
- *Confidentiality.* Suppliers are subject to confidentiality obligations in respect of our commercial, operational and other confidential information, which apply during the term of cooperation and survive termination in accordance with the contract.

SKU Management

Disciplined SKU management supports the consistency and traceability of product governance. We offered over ten million SKUs from over 20.0 thousand brands as of December 31, 2025. While a broad product assortment allows coverage across diverse enterprise procurement needs, SKU scale alone does not ensure effective execution. We manage SKUs through listing, pricing and quality management.

Listing Management

We manage product listing centrally and apply different listing mechanisms based on customer order integration models. For customers integrated through API or Punch-out connection, products are listed on customers’ procurement systems. For customers using our customer-specific procurement platform, products are listed directly on our platform and made available through approved customer accounts. Under all three approaches, we configure customer-specific product catalogs from our centralized product library and transmit approved product information. We dynamically manage the SKUs offered to our customers by considering market demand, seasonality and supply chain stability, and timely replacing products that no longer meet customer requirements or have become outdated due to model iterations.

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Pricing Management

Based on consideration of costs, tender price and contractual arrangement, we primarily adopt two pricing strategies: (i) a dynamic pricing model based on reference pricing from recognized e-commerce platforms, where discounts are applied in accordance with predefined rules; and (ii) a fixed pricing model based on pre-agreed product lists. Under the dynamic pricing model, pricing is determined by applying the agreed discount rate to periodically updated external price indices sourced from major e-commerce platforms. Prices are automatically generated and updated within our systems, enabling continuous price alignment with market conditions while maintaining disciplined pricing control and transparency. Under the fixed pricing model, prices are contractually locked for designated products. Adjustments may be made on an exception basis through formal approval procedures, including price adjustment notices or customer communication where necessary.

Quality Management

Quality management is embedded throughout the SKU lifecycle and executed through standardized controls at key operational stages. Our SKUs are subject to authorization verification before listing, inbound verification and inspection upon receipt, in-storage control, and compliance checks prior to outbound dispatch, with key execution and delivery records captured digitally to support traceability and execution control. See “— Quality Control.”

OUR WAREHOUSING AND LOGISTICS SYSTEM

Enterprise procurement places high demands on warehousing and logistics. Orders are often fragmented across multiple locations and delivery time windows, with strict requirements on accuracy, documentation, acceptance and after-sales accountability. In this context, fulfillment reliability depends on how warehousing and logistics are effectively coordinated.

We have established a nationwide warehousing and logistics system designed to support high-frequency standardized demand as well as fragmented, scenario-specific enterprise procurement requirements. This framework combines a five-tier warehousing system and a managed delivery network, all coordinated through our unified systems.

Nationwide Warehousing Network

We operate a nationwide warehousing network designed for speed and reliability without the burden of heavy capital investment, and have established long-term strategic cooperation with leading professional warehousing and logistics service providers. Our five-tier warehousing system — comprising one national warehouse and six regional warehouses along with an extensive network of city, transfer and frontline warehouses across the nation as of December 31, 2025 — ensures we can meet the diverse delivery needs of customers across 31 provinces, autonomous regions and municipalities in China, enabling half-day or next-day delivery in core urban areas.

We continue to advance and upgrade our intelligent warehousing capabilities through the deployment of smart warehousing technologies, including AGV robots in selected key warehouses in Shanghai, Tianjin and Huizhou, as well as warehouse control systems (“WCS”) and picking workstation systems (“PWS”). These technologies support automated goods sorting, vertical material handling and automated picking, enabling more accurate SKU selection and improving overall inventory turnover.

Our warehouse management system is supported by internal policies and regular reviews conducted by internal and group audit teams to ensure consistent execution. All warehousing activities are digitized, with system-based data capture across each operational step. Inbound processes follow an advance shipment notice (“ASN”) mechanism upon purchase order issuance, with goods subject to quantity verification, visual inspection and quality checks based on product characteristics, including exemption, sampling or full

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inspection where applicable. Upon acceptance, inventory is system-recorded with complete supplier and logistics traceability. Storage and put-away are system-directed, with automated location assignment and expiry-date management for time-sensitive products. Outbound fulfillment follows a first-in, first-out principle, with orders routed from our ERP system to the warehouse management system to determine optimal warehouse allocation. Picking, verification and packing, scanning, sorting and handover to carriers are all system-driven, ensuring end-to-end traceability. Inventory accuracy is maintained through a multi-layer inventory count regime, including routine cycle counts, dynamic counts triggered by inventory movements, monthly joint reviews by finance and logistics teams, periodic spot checks and comprehensive semi-annual and annual audits, with all reconciliation and disposal approvals fully migrated online with processes that are traceable and auditable since September 2025.

Our inventories primarily comprise finished goods and goods in transit. As of December 31, 2023, 2024 and 2025, our inventories were RMB92.2 million, RMB117.4 million and RMB109.9 million, respectively. In 2023, 2024 and 2025, our inventory turnover days were 3.7 days, 3.0 days and 3.0 days, respectively. We implement strict inventory control policies with differentiated supply models for different product categories. For products with predictable demand, we adopt a planned procurement and safety stock model, under which inventory levels and replenishment are determined based on historical sales data and demand forecasts. Such products are procured and stocked on a centralized basis, with a view to ensuring supply stability, optimizing inventory turnover and supporting predictable business growth. For customized products, procurement is conducted based on customer-confirmed demand or pre-agreed inventory preparation plans reached through advance communication with customers. Inventory movements and stock levels are closely monitored with dynamic alerts, enabling precise procurement and minimizing inventory accumulation and capital tie-up.

Taken as a whole, our warehousing and inventory management infrastructure provides a scalable and highly controlled foundation for our fulfillment operations. By integrating standardized operating procedures, system-driven workflows and multi-layered inventory controls, we are able to maintain inventory accuracy, enhance traceability and support reliable order fulfillment across product categories and customer requirements. This infrastructure underpins our ability to manage inventory risks, support predictable procurement planning and ensure service stability as our business scales. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortages, obsolescence or losses due to inventory damage, loss or theft, nor any material claims arising from such events.

Multi-Model Logistics and Delivery Framework

To support the diverse delivery requirements of enterprise customers across different regions and scenarios, we operate a multi-modal logistics and delivery framework designed to balance speed, coverage and cost efficiency. Our delivery capabilities are built around three primary models: (i) self-operated delivery, (ii) third-party logistics and (iii) supplier direct shipment, or drop ship. These models are coordinated through a unified fulfillment system, with routing decisions determined by SKU characteristics, delivery location and service requirements.

Self-Operated Delivery. Self-operated delivery represents our core delivery model and is primarily deployed in key regions and for major enterprise customers. Under this model, we utilize our own fleet to achieve higher service reliability and faster turnaround times, typically next-day delivery. This approach enables nationwide coverage with timely delivery to most regions within three days, allows us to maintain closer control over delivery quality, documentation and customer acceptance processes, and is particularly suitable for high-frequency orders, time-sensitive deliveries and customers with high service requirements.

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Third-Party Logistics. To ensure nationwide service coverage, particularly in non-core or remote regions, we also engage third-party logistics service providers for order fulfillment, which is typically delivered within one to five days, depending on the order distance. They may act as transportation service providers for us and, where applicable, arrange and engage underlying transportation companies on our behalf. This model allows us to extend delivery reach without duplicating physical infrastructure in every location. Third-party logistics providers are integrated into our systems for order dispatch, tracking and confirmation, enabling us to maintain end-to-end visibility and standardized service processes while benefiting from broader network coverage and flexible capacity. As of December 31, 2025, we engaged eight third-party logistics providers.

Below sets forth our salient terms with third-party logistics providers:

- *Duration and Termination.* Our agreements with third-party logistics service providers typically range from one to two years, and may be renewed or terminated in accordance with agreed conditions.
- *Scope of Services and Service Standards.* Logistics services are provided in support of our fulfillment operations and may include transportation, delivery and warehousing of returns.
- *Licenses, Qualifications and Compliance.* Third-party logistics service providers are required to comply with relevant laws and regulations and hold and maintain the licenses, permits and qualifications necessary for the provision of the relevant logistics services, including road transportation operation licenses and, where applicable, express delivery business licenses.
- *Fees, Settlement and Billing.* Service fees are determined in accordance with agreed pricing and billing mechanisms and are generally settled on a periodic, post-service basis, subject to verification and reconciliation.
- *Liability.* Third-party logistics service providers are generally responsible for losses, damages or delays occurring from the time when goods are collected until delivery is completed. Where liability rests with the underlying transportation companies, third-party logistics service providers are generally required to assist us in pursuing claims against them.
- *Returns.* Where delivery cannot be completed, third-party logistics service providers are generally required to notify us for handling instructions. If no instructions are provided within a prescribed period, usually seven days, the goods may be returned to us, and we are required to bear the resulting return costs.
- *Confidentiality.* Confidentiality obligations apply in respect of our commercial, operational and customer information and generally survive termination.

Drop Ship. In certain scenarios, including bulky items, fragile products, products requiring on-site installation or products for which self-operated warehousing is not cost-effective, we adopt a drop ship model. Under this model, qualified suppliers deliver products directly to customer sites on our behalf. Although physical delivery is executed by suppliers, orders remain governed by our fulfillment standards, with delivery status, documentation and after-sales handling managed through our platform. We believe this model enhances fulfillment efficiency while preserving consistent customer experience and clear accountability.

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Below sets forth our salient terms with drop ship suppliers:

- *Duration and Termination.* Our agreements with drop ship suppliers typically range from one to one and a half years, and may be renewed or terminated in accordance with agreed conditions.
- *Delivery.* Products are delivered directly by suppliers to customers in accordance with our instructions, without being routed through our warehouses.
- *Transportation, Packaging and Compliance.* Suppliers must comply with prescribed delivery requirements, with standardized packaging and proper documentation, and non-compliant or damaged goods may be rejected.
- *Returns, After-Sales Service and Liability.* Suppliers are generally required to accept returns of non-conforming goods and provide refunds or replacements, and to indemnify us against related losses, liabilities and costs, while we retain primary responsibility for product quality, after-sales service and regulatory compliance.
- *Conduct Restrictions.* Suppliers are subject to restrictions on contacting or soliciting our customers in connection with drop ship deliveries, and confidentiality obligations apply in respect of our commercial, operational and customer information.

QUALITY CONTROL

We have established a digitalized and traceable quality management system covering key stages of product quality control. Our quality management measures include supplier qualification and compliance checks, contractually defined product quality standards, and product documentation and certification management, which together form our upstream quality input control framework. Depending on product category, suppliers are required to provide relevant qualification documents and testing reports, which are stored within our systems and made available to customers for compliance and verification purposes. For warehouse-handled products, inbound inspection and sampling procedures are conducted in accordance with established processes to ensure that only compliant products are admitted into inventory.

Our ERP and warehouse management systems are deeply integrated to enable data connectivity and end-to-end traceability across procurement, inbound inspection, warehousing and delivery, enabling responsibility allocation and follow-up handling with suppliers in the event of product quality disputes. We monitor supplier performance through a dynamic performance evaluation mechanism, combining monthly and annual assessments, and suppliers with sustained underperformance may be subject to rectification or removal from our approved supplier list. Through this closed-loop quality management process, we promote continuous improvement across the supply chain and ensure the stability and consistency of product quality.

During the Track Record Period and up to the Latest Practicable Date: (i) we had not been subject to any material administrative or other penalties imposed by competent authorities in relation to product quality; (ii) we had not conducted any material product recalls of defective products; and (iii) we had not experienced any material disputes with customers concerning product quality.

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RESEARCH AND DEVELOPMENT AND INFORMATION TECHNOLOGY

Information technology and digital capabilities support our business operations and form the foundation for our ability to serve complex enterprise procurement scenarios. Centered on our operational needs, we continuously advance information technology and system iteration to translate business requirements into executable, auditable, reusable and scalable capabilities. We have continuously developed and optimized key digital systems, including systems for product management, procurement management, customer management, order management, customer service, financial management and reporting systems, to support the stable operation of key business stages. During the Track Record Period, our research and development (“R&D”) expenses amounted to RMB24.9 million, RMB27.3 million and RMB29.7 million in 2023, 2024 and 2025, respectively.

As of December 31, 2025, our R&D team comprised 89 engineers with extensive experience in e-commerce and enterprise procurement systems, with approximately 53.9% of its members having served our Company for over five years. Our R&D team works closely with our business, product and operation teams, focusing on translating customer needs and operational scenarios into standardized system solutions and continuously optimizing system design and process logic. We have established digital systems covering key business stages and embedded essential control requirements inherent in complex procurement scenarios into systemized capabilities, thereby enhancing operating efficiency, execution consistency and risk control.

OUR CUSTOMERS

Our customers primarily include state-owned enterprises, financial institutions, Fortune Global 500 companies, China’s Top 500 private enterprises and government agencies in China. Revenue from our five largest customers in each year during the Track Record Period amounted to RMB6,005.7 million, RMB5,799.6 million and RMB6,107.4 million, respectively, accounting for 45.2%, 42.0% and 40.6% of our total revenue for the respective year. Revenue from our largest customer in each year during the Track Record Period amounted to RMB1,992.2 million, RMB2,437.9 million and RMB2,980.6 million, respectively, accounting for 15.0%, 17.6% and 19.8% of our total revenue for the respective year. For salient terms with our major customers, see “— Our Order Flow — Customer Engagement.” For risks related to our customer base, see “Risk Factors — Risks Relating to Our Business and Industry — Our customer base is relatively concentrated, and any material decline in order volumes from our major customers could materially and adversely affect our business, financial condition and results of operations.”

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The following tables set forth the basic information of our five largest customers in each year during the Track Record Period:

Year ended December 31, 2023

Rank	Customer	Products sold	Revenue (RMB'000)	% of our total revenue (%)	Year of commencement of business relationship with us	Credit terms and payment method
1. . .	Customer A ⁽¹⁾	Full category products	1,992,246	15.0	2017	Bank transfer/bill settlement, within 60 days upon delivery
2. . .	Customer B ⁽²⁾	Full category products	1,818,941	13.7	2017	Bank transfer/bill settlement, settled monthly after reconciliations
3. . .	Customer C ⁽³⁾	Full category products	901,374	6.8	2018	Bank transfer within 90 days upon delivery
4. . .	Customer D ⁽⁴⁾	Full category products	661,694	5.0	2015	Bank transfer, settled monthly after reconciliations
5. . .	Customer E ⁽⁵⁾	Full category products	631,453	4.7	2019	Bank transfer/bill settlement within 60 days after invoice date
Total			<u>6,005,708</u>	<u>45.2</u>		

Year ended December 31, 2024

Rank	Customer	Products sold	Revenue (RMB'000)	% of our total revenue (%)	Year of commencement of business relationship with us	Credit terms and payment method
1. . .	Customer A ⁽¹⁾	Full category products	2,437,918	17.6	2017	Bank transfer/bill settlement within 60 days upon delivery
2. . .	Customer B ⁽²⁾	Full category products	965,738	7.0	2017	Bank transfer/bill settlement, settled monthly after reconciliations
3. . .	Customer C ⁽³⁾	Full category products	947,871	6.9	2018	Bank transfer within 90 days upon delivery
4. . .	Customer F ⁽⁶⁾	Full category products	825,943	6.0	2018	Bank transfer/bill settlement within 60 days after invoice date
5. . .	Customer E ⁽⁵⁾	Full category products	622,171	4.5	2019	Bank transfer/bill settlement within 60 days after invoice date
Total			<u>5,799,641</u>	<u>42.0</u>		

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Year ended December 31, 2025

Rank	Customer	Products sold	Revenue (RMB'000)	% of our total revenue (%)	Year of commencement of business relationship with us	Credit terms and payment method
1. . .	Customer A ⁽¹⁾	Full category products	2,980,567	19.8	2017	Bank transfer/bill settlement within 60 days upon delivery
2. . .	Customer B ⁽²⁾	Full category products	983,035	6.5	2017	Bank transfer/bill settlement, settled monthly after reconciliations
3. . .	Customer C ⁽³⁾	Full category products	886,446	5.9	2018	Bank transfer within 90 days upon delivery
4. . .	Customer F ⁽⁴⁾	Full category products	630,399	4.2	2018	Bank transfer/bill settlement within 60 days after invoice date
5. . .	Customer E ⁽⁵⁾	Full category products	626,928	4.2	2019	Bank transfer/bill settlement within 60 days after invoice date
Total			6,107,375	40.6		

Notes:

- (1) A group company incorporated in Beijing, China, providing power transmission and power supply.
- (2) A group company incorporated in Beijing, China, providing domestic and international mail delivery services.
- (3) A group company incorporated in Beijing, China, listed on Shanghai Stock Exchange and Hong Kong Stock Exchange, accepting public deposits, granting loans, and handling domestic and international settlements.
- (4) A group company incorporated in Beijing, China, listed on Shanghai Stock Exchange and Hong Kong Stock Exchange, providing banking and financial services.
- (5) A group company incorporated in Beijing, China, specializing in research, design, and manufacturing of aircraft and engines.
- (6) A group company incorporated in Guangdong, China, providing power transmission and power supply.

Our Directors confirm that our five largest customers in each year during the Track Record Period were all Independent Third Parties and that none of our Directors, their respective close associates or any Shareholder (which to the knowledge of our Directors owning more than 5% of our share capital as of the Latest Practicable Date) had any interest, directly or indirectly, in any of our five largest customers in each year during the Track Record Period.

OUR SUPPLIERS

Our suppliers primarily consist of manufacturers, brand owners, authorized distributors and qualified regional suppliers located in China. We procured finished products from our suppliers and offer such products to our customers through our procurement platform. Purchases from our five largest suppliers in each year during the Track Record Period amounted to RMB864.8 million, RMB713.9 million and RMB570.9 million, respectively, accounting for 7.0%, 5.5% and 4.1% of our total purchases for the respective year. Purchases from our largest supplier in each year during the Track Record Period amounted to RMB432.4 million, RMB224.5 million and RMB162.6 million, respectively, accounting for 3.5%, 1.7% and 1.2% of our total purchases for the respective year. For salient terms of our typical agreements with suppliers, see “— Our Product Flow — Our Supplier Management System.”

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Our Directors confirm that, save for M&G Corporation, our five largest suppliers in each year during the Track Record Period were all Independent Third Parties and that none of our Directors, their respective close associates or any Shareholder (which to the knowledge of our Directors owning more than 5% of our share capital as of the Latest Practicable Date) had any interest, directly or indirectly in any of our five largest suppliers in each year during the Track Record Period.

OVERLAPPING CUSTOMERS AND SUPPLIERS

Customer B, one of our five largest customers in 2023, 2024 and 2025, was also our supplier in 2023, 2024 and 2025. Customer B is a state-owned enterprise in China that operates the country’s nationwide express logistics services. Our sales to Customer B, primarily including office supplies, MRO products and marketing gifts and employee welfare products, amounted to RMB1,818.9 million, RMB965.7 million and RMB983.0 million in 2023, 2024 and 2025, respectively, representing 13.7%, 7.0% and 6.5% of our total revenue in the respective year. Our purchases from Customer B, including logistics services, amounted to RMB26.9 million, RMB2.9 million and RMB4.1 million in 2023, 2024 and 2025, respectively, representing 0.2%, 0.0% and 0.0% of our total purchases in the respective year.

M&G Corporation, one of our five largest suppliers in 2023 and 2024, was also our customer in 2023, 2024 and 2025. Our purchases from M&G Corporation, primarily including stationery, amounted to RMB88.1 million, RMB93.2 million and RMB69.8 million in 2023, 2024 and 2025 respectively, representing 0.7%, 0.7% and 0.5% of our total purchases in the respective year. Our sales to M&G Corporation, primarily including IT peripherals and office equipment, amounted to RMB12.0 million, RMB12.4 million and RMB10.0 million in 2023, 2024 and 2025, respectively, representing 0.0%, 0.0% and 0.0% of our total revenue in the respective year.

According to Frost & Sullivan, both our procurement from Customer B and M&G Corporation, and their procurement from us, are conducted in the ordinary course of business and fall within the respective principal business scopes of each party, reflecting genuine operational needs and being consistent with general market practice. Our sales and purchases with Customer B and M&G Corporation were not inter-conditional with each other. All of our sales to and purchases from Customer B and M&G Corporation were conducted in the ordinary course of business under normal commercial terms and on an arm’s length basis. The general terms with Customer B and M&G Corporation were comparable to those with other suppliers and customers. There was no instance of set-off trade receivables from Customer B and M&G Corporation with trade payables to the company during the Track Record Period, vice versa. Save as disclosed above, to the best of our knowledge, none of our five largest customers/suppliers in each year during the Track Record Period was a supplier/customer of us.

INTELLECTUAL PROPERTY

Our intellectual property rights support our business operation and competitiveness. We have taken a number of key measures to protect our intellectual property rights, including requiring employees to comply with confidentiality and non-competition obligations and stipulating that all technology and system developments created during employment constitute service inventions owned by our Company.

As of December 31, 2025, we held one patent in the PRC, 55 software copyrights, 74 registered trademarks and 6 works registration certificates. See “Appendix IV — Statutory and General Information — Further Information about Our Company — Intellectual Property Rights of Our Group.” See “Risk Factors — Risks Relating to Our Business and Industry — Third-party claims of intellectual property infringement or our inability to adequately protect our intellectual property rights could adversely affect our business and competitive position.”

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any infringement or allegations of infringement by third parties that may have material adverse effects on our business operations.

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SEASONALITY

We experience a certain degree of seasonality in our business. Historically, our revenue has tended to be higher in the fourth quarter of each year, primarily due to the timing of procurement activities of our customers, who typically accelerate procurement, project execution and settlement toward year-end in accordance with their annual budgets and procurement plans. We believe this pattern is likely to continue in the foreseeable future. See “Risk Factors — Risks Relating to Our Financial Condition and Need for Additional Capital — Our results of operations are subject to seasonal fluctuations.”

COMPETITION

We operate in China’s general materials digital procurement solution industry, which is characterized by a fragmented competitive landscape and a large number of market participants. According to Frost & Sullivan, China’s general materials digital procurement solution market reached RMB1,682.5 billion by GMV in 2025 and is expected to grow to RMB2,682.1 billion by GMV in 2030, representing a CAGR of 9.8%. Market participants primarily include general materials specialized digital procurement solution providers and internet e-commerce enterprises. In 2025, the top five players accounted for approximately 8.3% of total market GMV.

Competition in the industry is primarily based on factors including transaction scale and SKU coverage, breadth of product offerings, digital platform and system integration capabilities, supply chain and fulfillment performance, service quality and compliance management, as well as pricing competitiveness. We believe that we are well positioned to compete effectively in the industry based on our integrated business model, which combines standardized order management, centralized product and supply chain governance, and a scalable nationwide fulfillment and digital infrastructure, enabling us to support complex, compliance-driven procurement requirements of large enterprise and institutional customers across multiple scenarios and regions.

See “Industry Overview.”

DATA SECURITY AND PRIVACY

In our ordinary business operations, we collect and process data necessary for order fulfillment and delivery from our customers and suppliers, including the user name, phone number, email address, name of recipient, shipping address, name, order information and tax invoice information. We collect and process such information in accordance with applicable laws and regulations on a need basis, and generally do not collect sensitive personal information.

We have established a comprehensive set of policies and procedures to guide and regulate our data security management. We maintain a data security management framework covering the entire data lifecycle, including data collection, storage, use, processing, transmission, retention, backup and emergency response. Technical and organizational measures are implemented to safeguard data security, including system and environment isolation, encryption protection for data transmission and storage, network security risk control covering vulnerability scanning, real-time threat monitoring and closed-loop incident response, anti-malware protection, regular backup and archiving, tiered access control and operation log management.

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We have also established dedicated data security management functions responsible for the formulation, implementation and ongoing enhancement of data security measures, with a view to ensuring compliance with applicable laws and regulatory requirements and protecting data security, including (i) establishing data security management policies and personal information security management policies, which set forth compliance requirements for management and technical measures throughout the entire lifecycle of data and personal information processing; (ii) appointing the personal information protection officer, to lead and oversee our personal information protection compliance work; (iii) establishing the data and cybersecurity team, comprised of the head of the IT department and relevant IT operation and maintenance personnel, responsible for handling, investigation and remediation of data security incidents; and (iv) establishing the information security leading group, comprised of the IT department and legal department, responsible for the strategic oversight and governance of our data protection and cybersecurity work.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material hacking incident or personal data leakage. As advised by our PRC Legal Advisor, as of the Latest Practicable Date, we were in compliance in all material respects with applicable PRC data security laws and regulations in the PRC.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Corporate Governance

We have integrated ESG considerations into our strategic planning, with a focus on sustainability, low-carbon practices and digital transformation. We have established a sustainable development governance framework with clearly defined responsibilities and effective coordination across all levels, creating a tiered governance system comprising the Board of Directors (the “**Board**”) and the ESG Working Group to drive the implementation of our sustainable development strategy. At the decision-making level, the Board is responsible for comprehensively identifying, managing, and overseeing the impacts, risk and opportunities related to sustainable development; reviewing and approving sustainable development strategies, goal and disclosures; and monitoring and reviewing the sustainable development-related policies, management, performance, and progress toward goals. To enhance the Board’s understanding of ESG principles and improve its governance effectiveness, we actively organize ESG training activities to keep abreast of the latest ESG developments. At the executive level, we have established the ESG Working Group, which is led by the Marketing Department and comprises ESG-related departments such as the Human Resources Department, the Administration Department, the Procurement Department, and the Warehousing & Distribution Department. The ESG Working Group is tasked with the implementation of specific projects, including the breakdown of ESG-related goals across operational levels, the assignment of responsibilities and the conduct of internal and external sustainable development communications and dissemination, all aimed at driving the achievement of sustainable development goals.

Risk Control. We have established a robust three-line risk management system, and achieved full-chain risk governance through a three-dimensional framework consisting of “Business and Functional Departments — Risk Management Department — Internal Audit Department:”

- the first line of defense is the Business and Functional Departments, which are accountable for independently conducting identification, assessment, and mitigation of relevant risks, including ESG risks based on business scenarios;
- the second line of defense is the Risk Management Department, which formulates risk management policies and procedures, promotes the development of the risk management system, ensures the effectiveness of preventive mechanisms, and oversees the progress and outcomes of the company-wide risk prevention and monitoring system; and
- the third line of defense is the Internal Audit Department, which is responsible for maintaining complete independence in organizational structure, budget management and personnel appointment and removal, and serving as an independent oversight body to conduct independent evaluations of the effectiveness of the risk management system as an independent oversight role.

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Business Ethics. Through a three-pronged safeguard mechanism comprising institutional constraints, technology control and supervision and accountability, we have established a comprehensive compliance management system that spans the entire business cycle, thereby reinforcing our defense against integrity and compliance risks. We have set up multiple reporting channels, including email, telephone, WeChat and postal addresses, to encourage external partners and internal employees to oversee honest and compliant operations and to report any suspicious violations or unethical conduct. Upon receiving a report, we conduct a specialized investigation and strictly protect the identities of whistleblowers and cooperating witnesses, as well as the content of the report, evidentiary materials, investigation reports, etc., ensuring that the legitimate rights and interests of the whistleblowers and related persons are not infringed upon. We have developed a tiered and categorized integrity education framework. New employees are required to complete mandatory compliance-related courses upon joining us. For key positions, we implement an “Integrity and Red Lines” training program, which is customized using an updated case database, and the training effectiveness is verified through assessments. We integrate integrity and anti-corruption content into the management promotion training to ensure that the management systematically understands relevant policy requirements. During the Track Record Period, all ordinary employees, management and directors completed anti-corruption training.

Environmental Protection

Response to Climate Change

To address the risks and opportunities presented by climate change, our sustainable development governance framework has incorporated climate-related matters into our overall management, to ensure that climate-related governance receives adequate expertise and resource support. The Board is responsible for overseeing the response to climate change risks, while the ESG Working Group is tasked with driving the implementation of climate strategy, establishing a carbon management system, coordinating the formation of cross-departmental working mechanisms, tracking progress against goals and managing climate-related disclosures.

We integrate climate considerations into key business decisions, systematically identifying climate-related physical risks, transition risks, and opportunities. We assess the financial impacts of these risks and opportunities on our assets and business activities and develop targeted response measures accordingly. Our greenhouse gas (“GHG”) emissions primarily arise from direct emissions (“**Scope 1**”) from the consumption of gasoline, diesel, etc. in daily office work and production operations, as well as indirect emissions (“**Scope 2**”) from purchased electricity. We have set a GHG emission reduction target of reducing absolute Scope 1 and Scope 2 GHG emissions per unit of revenue by 5% by 2030 from a 2023 base year. The following table sets forth details of performance indicators for GHG emissions during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	(tCO ₂ e)		
Direct GHG Emissions (Scope 1) .	780	633	532
Indirect GHG Emissions (Scope 2)	693	759	1,049
Indirect GHG Emissions from employee commuting (Scope 3) .	274	296	305
Indirect GHG Emissions from business travel (Scope 3)	142	145	178

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Environmental Management

We strictly adhere to relevant national laws and regulations, continuously enhancing our environmental management system. We have obtained ISO 14001 Environmental Management System certification.

Energy Management

To reduce energy consumption in daily operations and improve energy efficiency, we have standardized our energy management in areas such as the utilization of natural light, the rational use of lighting equipment, the management of central air conditioning systems, and the energy consumption management of office equipment. In addition, we actively promote the use of new energy vehicles for daily customer delivery services to reduce carbon emissions during transportation. Leveraging digital systems such as our distribution management system, we have achieved detailed analysis of shipping routes and warehouse operations, to optimize transport routes and minimize unnecessary transportation distances and energy consumption. We have obtained ISO 50001 Energy Management System certification.

Resource Use

We have established and improved environmental management-related systems to standardize environmental protection, resource use and waste management, guiding employees to conserve resources and effectively manage various types of waste. To further foster energy-saving and environmental awareness across all employees, we have launched a green office initiative, encouraging employees to develop good green office habits such as saving electricity, water and paper. We actively promote the recycling of packaging materials by establishing standards for the recovery and reuse of second-hand cartons, advocating for the priority reuse of cartons provided that they meet quality requirements. We reuse around 1.3 million cartons annually, with the utilization rate of used cartons reaching 47.9%. For bulk product distribution, we use simplified packaging with reusable warehouse containers and pallets instead of single use cartons, enabling multiple cycles of packaging carriers and reducing material waste. The following table sets forth details of performance indicators for resource use during the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
Gasoline consumption (<i>tons</i>)	22	13	14
Diesel consumption (<i>tons</i>)	231	192	156
Total purchased electricity (<i>kWh</i>) .	1,215,452	1,413,913	1,977,145

Social Responsibility

Employee Recruitment and Rights

Our employee recruitment is explicitly guided by the philosophy of “appointing individuals based on merit and integrity” and the principles of “openness, fairness, and justice.” We strictly prohibit all forms of discrimination based on gender, region, ethnicity, age, marital status, or other factors. We ensure fair treatment for all employees with equal pay for equal work. We provide competitive remuneration to our employees. In 2025, our employee turnover rate was approximately 13.6%. We pay various types of social insurance for our employees in accordance with applicable laws and regulations. By gaining a deep understanding of employee needs, we promptly adjust our benefits policies to enhance employee well-being. We organize a variety of celebrations for important festivals such as the International Women’s Day, the Dragon Boat Festival, and the Mid-Autumn Festival. Additionally, we host monthly collective birthday parties to convey our warmth and care for our employees. We place high importance on the career development and work-life balance of female employees, safeguarding their equal rights in the workplace. As of December 31, 2025, female employees accounted for 51.8% of our total workforce.

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Based on the specific characteristics of our business, we have established a comprehensive internal training system that covers new employee orientation, skills, management, and leadership training. This system is designed to fully meet the training requirements of employees in different categories or positions at various stages of their career development. We implement a dual-track career development system that effectively broadens employees’ career paths and serves as a strong incentive. We offer our employees competitive compensation, and implement differentiated performance evaluation and incentive mechanisms based on their job types. Additionally, we grant stock options to core talents and high-performing employees, effectively boosting their motivation. We recognize that the physical and mental health of our employees is fundamental to our company’s vitality. We actively establish an employee health fitness platform, and our gym is equipped with cardio and strength training zones to support employees in exercising scientifically and relieving stress. Moreover, we provide cost-effective annual health checkups for employees and their families. We have obtained the ISO 45001 Occupational Health and Safety Management System certification.

Product Quality Control

We have established a rigorous product quality management system that covers the entire process from supplier qualification review to product inspection. We have defined clear quality standards across key dimensions. Our internal quality inspection department conducts both regular and irregular spot checks on all products, achieving comprehensive control over the goods we sell. We have obtained the ISO 9001 Quality Management System certification.

We have established robust supplier management systems, building a full-process management system, enabling us to effectively control supply chain risks. Within our supplier access and screening process, we have integrated ESG factors into our screening criteria, and we prioritize suppliers that hold relevant certifications such as ISO 14001 Environmental Management System, thereby advancing green procurement and the development of a sustainable supply chain. We require suppliers to comply with national laws and regulations regarding anti-corruption and anti-bribery and prohibit any form of bribery corruption or extortion. See “— Quality Control.”

High-Quality Customer Service

Guided by a customer-centric service philosophy, we are committed to the continuous enhancement of our service system. We have established a nationwide service network with representatives stationed in our customers’ cities, enabling us to respond promptly and address their needs effectively. We have developed a clear complaint response process. Upon receiving a complaint, our after-sales customer service staff will contact the customer immediately to verify the circumstances and understand their specific concerns. Each complaint is then categorized by the content and assigned to the relevant departments responsible for prompt follow-up and resolution. This ensures that every complaint receives a timely response and is fully resolved. We conduct customer satisfaction surveys through various methods such as telephone follow-ups and closed-loop ticket follow-ups. Based on the survey results, we refine our service process and standards to continuously enhance customer satisfaction. See “— Our Order Flow — After-Sales Services.”

Social Welfare

We consistently integrate social responsibility into our corporate development and actively engage in diverse public welfare initiatives to fulfill our corporate social responsibilities. We have established the Colipu Fund under the Shanghai M&G Foundation. In August 2024, we launched the “Art Education in Rural Areas, Creative Future” initiative. By donating art supplies and educational toys, conducting art classes and offering psychological support, we aimed to stimulate the creativity and imagination of rural children, particularly left-behind and migrant children. In March 2025, we organized a tree planting charity event. Through activities such as environmental knowledge quizzes, adoption of green plants, “Wish Tree” co-creation and an exhibition showcasing five years of achievements from the “Colipu Forest” initiative, we promoted environmental awareness and practiced ecological

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conservation. Also in March 2025, our employee volunteers took part in the 18th World Autism Awareness Day campaign, providing support to families of children with special needs and calling for greater societal attention to the autism community. In May 2025, we participated in the “E.G.G. Walkathon” charity event in Pudong New Area, Shanghai. Our employees completed a 50-km charity walk, contributing to the children’s healthy growth and equal development with concrete actions. In September 2025, we partnered with the Shanghai M&G Foundation to attend the 30th anniversary celebration of the Southern Weekend Hope Primary School in Yudu County, Ganzhou City, Jiangxi Province. We donated stationery packs, art materials and other supplies, and conducted aesthetic education classes and collaborative painting activities to support rural education and youth development.

EMPLOYEES

As of December 31, 2025, we had 1,052 full-time employees in China. The following table sets forth the numbers of our employees categorized by function as of December 31, 2025:

Function	Number of Employees	Percent (%)
Sales and marketing.	531	50.5
Supply chain.	175	16.7
Customer service and operations.	130	12.3
General and administration.	127	12.0
R&D.	89	8.5
Total	1,052	100.0

To enhance human resource management, we have implemented a comprehensive set of internal management measures, clearly defining procedures and criteria for recruitment, training, internal referrals and other key processes. We leverage various recruitment channels, including professional recruitment websites, campus recruitment and employee referrals, to attract top talent. Our recruitment strategies include annual workforce planning and headcount budgeting. We also implement a recruitment process comprising preliminary screening by our HR team, follow-up interviews by departmental supervisors, internal approval procedures and background checks prior to onboarding.

To formalize our employment relationships, we enter into standard labor contracts and confidentiality agreements with all full-time employees, and certain employees in key positions also enter into supplemental confidentiality agreements. We have maintained a good working relationship with our employees and did not have any material labor dispute during the Track Record Period and up to the Latest Practicable Date. In accordance with PRC laws and regulations, we enroll our employees in various social security schemes administered by local governments, including pension insurance, medical insurance, maternity insurance, work-related injury insurance, unemployment insurance and housing provident funds. As of the Latest Practicable Date, we had not established a labor union.

PROPERTIES

Our corporate headquarters office is located in Shanghai, China. As of the Latest Practicable Date, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this Document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

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Owned Properties

As of the Latest Practicable Date, we did not own any property.

Leased Properties

As of the Latest Practicable Date, we leased 103 properties in China with an aggregate gross floor area (“GFA”) of approximately 161,478 square meters, which were primarily used for offices and operational fulfillment.

Title Defects. As of the Latest Practicable Date, we had not received certain valid title certificates from relevant lessors, including (i) sublease authorization documents issued by the relevant right holders for nine leased properties, representing approximately 8.2% of the aggregate GFA, and (ii) valid property title certificates for six leased properties, representing approximately 0.6% of the aggregate GFA. The above leased properties were primarily used for offices and warehouses. As advised by our PRC Legal Advisor, it is the lessors’ responsibility to obtain the appropriate title certificates, and we, as the lessee, will not be subject to any administrative penalties for the lessors’ failure to obtain or to provide the relevant title certificate or relevant authorization documents of the leased properties. However, we face uncertainties of our leases if third party claims or challenges the leases. As of the Latest Practicable Date, we had not been subject to any disputes or lawsuits that may materially and adversely affect our business operations relating to our occupation or use of these leased properties with title defects. We believe that such title defects would not materially and adversely affect our business operations, primarily because (i) if we have to relocate from such leased properties with title defects, we are able to locate qualified alternative premises within a short period of time under comparable terms without incurring substantial additional costs; and (ii) as advised by our PRC Legal Advisor, in the event any of the relevant lease agreements are affected due to the title defects, we are entitled to claim against the relevant lessors for all or part of the losses and damages so caused.

Lease Agreement Registration. As of the Latest Practicable Date, we had not registered the lease agreements for 100 of our leased properties with the relevant real estate administration bureaus in accordance with applicable laws and regulations in China. As the registration of a lease agreement requires the cooperation between the lessor and lessee, and lessors are typically unwilling to undertake the administrative burden due to the low risk of penalty, we were not able to complete the registration of lease agreements mentioned above. As advised by our PRC Legal Advisor, the non-registration does not affect the validity and enforceability of the lease agreements, but we may be subject to fines from RMB1,000 to RMB10,000 for each such lease agreement for failure to register, which could, in the aggregate, amount to a maximum of RMB1,000,000 to us. As of the Latest Practicable Date, we had not received any notification from competent government authorities that required us to register relevant lease agreements, nor had we received any administrative penalties for non-registration of lease agreements. We believe that the non-registration of lease agreements would not, individually or in the aggregate, materially affect our business and results of operations, primarily because (i) the maximum amount of aggregated fine totaling RMB1,000,000 will not constitute a material impact to our business operations and financial results, and (ii) as advised by our PRC Legal Advisor, relevant lessors are granted a grace period to register before the imposition of such penalty.

Collectively Owned Land Leases. As of the Latest Practicable Date, one of our leased properties, representing approximately 0.7% of the aggregate GFA, primarily used for offices and warehouses, was located on collectively owned land, and we had not obtained confirmation that the relevant lease had been approved by more than two-thirds of the members of the villagers’ meeting or more than two-thirds of the villagers’ representatives of the relevant collective economic organization. As advised by our PRC Legal Advisor, if the relevant approval procedures have not been duly completed, the lessor may be required to take remedial actions, which may result in our inability to continue leasing the property. As of the Latest Practicable Date, we had not received any rectification orders or administrative penalties from competent government authorities in relation to our lease of houses constructed on collectively owned land. We believe that such circumstances would not

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materially and adversely affect our business operations, primarily because the relevant leased area represents a relatively small proportion of our total leased properties and, if required to relocate, we are able to identify alternative leased premises within a reasonable time at relatively low cost.

Designated Use Deviation. As of the Latest Practicable Date, four of our leased properties, representing approximately 0.4% of the aggregate GFA, were used for offices, while the use indicated in the relevant property title certificates was urban residential land/residential. As advised by our PRC Legal Advisor, when the leasing purposes of the relevant properties are inconsistent with the registered use, the relevant lessors are solely responsible for bearing administrative penalties or being required to restore the original registered use of such properties, which could result in our inability to continue leasing and using such properties. As of the Latest Practicable Date, we had not received any rectification orders from, nor had we been subject to any administrative penalties imposed by, competent government authorities in relation to the inconsistent use of such leased properties. We believe that such circumstances would not materially and adversely affect our business operations, primarily because the relevant leased area represents a relatively small proportion of our total leased properties and, if required to relocate, we are able to identify alternative leased premises within a reasonable period of time at relatively low cost.

INSURANCE

We believe that our insurance coverage is adequate for our business and in line with general market practice. Our principal insurance policies primarily include employee benefits insurance, statutory social insurance and employee personal accident insurance, which we believe have covered major risks in our daily operations in the jurisdictions in which we operate. During the Track Record Period, we did not make any material insurance claims in relation to our business. In line with general market practice, we do not maintain certain insurance policies that are not available in the jurisdictions in which we operate, or that are not generally required by laws. See “Risk Factors — Risks Relating to Our Business and Industry — Our insurance coverage may not be sufficient to cover all losses or potential claims by our customers which would affect our business, results of operations and financial condition.”

RISK MANAGEMENT AND INTERNAL CONTROL

We have implemented internal control and risk management systems, procedures and policies to address financial, operational and compliance risks associated with our operations. We regularly review and enhance these systems, policies and procedures to ensure their effectiveness and adequacy.

Corporate Governance Risk Management

We manage governance-related risks through a corporate governance framework. Our Board of Directors is responsible for the overall oversight of our risk management and internal control systems, while our senior management is responsible for the day-to-day implementation of approved policies and procedures within their respective areas of responsibility.

We have adopted a comprehensive set of internal rules governing, among other matters, the convening and conduct of shareholders’ meetings and Board meetings, the roles and responsibilities of directors and senior management, the operation of Board committees and the approval and reporting procedures for significant corporate actions. These arrangements are designed to ensure clear allocation of authority, appropriate segregation of duties and effective checks and balances across our organization.

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Financial Reporting and Treasury Risk Management

We manage financial reporting and treasury-related risks through internal controls over budgeting, accounting, financial reporting and approval processes. Our finance function is responsible for organizing and managing our financial affairs and supporting management and the Board in monitoring our financial position and operating performance.

We have also established internal control procedures governing external investments and the provision of guarantees. These matters are subject to approval thresholds and decision-making procedures at different levels, including management, the Board of Directors and, where applicable, our shareholders, in accordance with applicable laws, regulations, the Listing Rules and our internal policies. These measures are designed to promote financial discipline and mitigate risks associated with capital deployment and financial commitments.

Connected Transaction Risk Management

We manage risks associated with connected transactions through internal policies governing the identification, assessment, approval and disclosure of such transactions. These policies are designed to ensure that connected transactions are identified at an early stage and conducted in compliance with applicable laws, regulations and the Listing Rules.

Our internal procedures require relevant directors, senior management and employees to promptly declare interests that may give rise to actual or potential connected transactions. Identified connected transactions are subject to internal review and approval procedures in accordance with prescribed authority levels, and are required to be conducted on an arm’s length basis and on normal commercial terms where applicable. Where a transaction involves an interested director or shareholder, our policies require such person to abstain from voting on the relevant matters. We also maintain procedures to ensure that connected transactions are appropriately documented, reported and, where required, disclosed, with a view to protecting the interests of our Company and our shareholders as a whole and reducing the risk of conflicts of interest or regulatory non-compliance.

Compliance and Information Disclosure Risk Management

We manage compliance and disclosure-related risks through internal rules governing information disclosure, confidentiality and record management. These rules define the responsibilities of the Board of Directors, the chairman, the Board secretary, senior management and relevant departments in relation to disclosure matters, and are designed to ensure that information disclosed by us is accurate, complete, timely and fair.

We have also adopted internal policies governing confidentiality and the management of documents and information relating to overseas securities issuance and listing activities. These policies impose confidentiality obligations on directors, senior management and employees, and establish procedures to prevent unauthorized access to or disclosure of sensitive information.

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Conflict of Interest and Ethical Conduct Risk Management

We manage conflicts of interest and ethical conduct risks through internal policies applicable to our directors, senior management and certain key employees. These policies require the timely identification and disclosure of actual or potential conflicts of interest and, where appropriate, recusal from decision-making processes. We have also implemented internal rules regulating the holding and trading of our securities by directors, senior management and relevant employees to prevent insider trading and ensure compliance with applicable securities laws and the Listing Rules.

Board and Audit Committee Oversight Risk Management

We oversee our risk management and internal control systems through Board-level supervision. Our Audit Committee, comprising independent non-executive directors, will perform its duties upon listing, including assisting the Board in reviewing our financial reporting processes, internal control systems, risk management arrangements and compliance matters. The Audit Committee will review reports from management and, where appropriate, internal and external auditors, and make recommendations to the Board on relevant matters. Through these arrangements, we seek to ensure that our risk management and internal control systems remain effective and appropriate.

LICENSES, APPROVALS AND PERMITS

We are required to obtain various licenses, permits, approvals and certificates for our business. As advised by our PRC Legal Advisor, we had obtained the requisite licenses, permits, approvals and certificates from applicable authorities which are material to our operations, mainly including road transportation operation licenses (道路運輸經營許可證) and value-added telecommunications business operating licenses (增值電信業務經營許可證), and such licenses, permits, approvals and certificates are valid and subsisting as of the Latest Practicable Date. We renew the licenses, permits and approvals from time to time to comply with the relevant laws and regulations. As advised by our PRC Legal Advisor, we do not expect any material obstacles in renewing our licenses, permits and approvals required for our operations.

LEGAL PROCEEDINGS

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings 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.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material non-compliance incidents that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

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AWARDS AND RECOGNITIONS

We have received a number of awards and recognition in respect of our technologies and products and solutions. The following table sets forth major awards and recognitions we received during the Track Record Period and up to the Latest Practicable Date:

Year	Name of Award or Recognition	Awarding Authority
2025	Outstanding E-commerce Service Provider for Central State-owned Enterprises (2025)	China State-owned Assets and State-owned Enterprises Industry-Academia-Research Collaborative Innovation Platform
2025	Shanghai Top 100 Private Service Enterprises (Ranked No. 21) (2025)	Shanghai Enterprise Confederation/ Shanghai Entrepreneurs Association/ Liberation Daily
2024	Quality-Leading Enterprise in the Office Supplies Industry (2024)	China Quality Inspection Association
2024	Procurement Success Awards — Outstanding Procurement Service Provider, Facility Management Innovation	Procurement Success Summit
2024	China Industrial Products Digital Empowerment Pioneer (2024)	2B.cn/China Association of Productivity Promotion Centers
2024	Outstanding Case of Supply Chain Innovation and Application in Shanghai (2024)	Shanghai Supply Chain Development Promotion Association
2023	Digital Procurement Service Provider Landscape — Intelligent Office Supplies Outstanding Service Provider	Procurement Success Summit
2023	Dingge Awards — Annual Industry Platform Award — Digital Transformation Pioneer List	Caijing Magazine/SAP
2023	China’s Top 500 Service Enterprises (2023)	China Enterprise Confederation/China Enterprise Directors Association

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board consists of seven Directors, of whom four are executive Directors and three are independent non-executive Directors. The following table provides certain information about the Directors:

Name	Age	Position	Responsibility	Time of joining our Group	Time of appointment as Directors	Relationship with other Controlling Shareholders, Directors or senior management members
Dr. Chen Huwen (陳湖文)	55	Executive Director, chairman of the Board and general manager	Overall management and business operations of our Group	December 2012	December 2012	Father of Ms. Chen Yile, sibling of Mr. Chen Huxiong and Ms. Chen Xueling
Ms. Li Jingyi (李靜宜)	43	Executive Director, deputy general manager and senior vice president	Overseeing business expansion and full-cycle operation management	February 2022	March 2025	None
Mr. Liao Xiang (廖翔)	39	Executive Director (Employee representative Director) and the deputy general manager	Overseeing our sales management office and the human resources department, promoting the implementation of business strategies	November 2017	March 2025 ⁽¹⁾	None
Ms. Chen Yile (陳一樂)	26	Executive Director, secretary to the Board and joint company secretary	Facilitating board and shareholders' meetings; ensuring regulatory compliance; handling shareholder communications	March 2026	April 2026	Daughter of Dr. Chen Huwen, niece of Mr. Chen Huxiong and Ms. Chen Xueling
Mr. Li Peng (李鵬)	44	Independent non-executive Director	Providing independent judgment and opinion to the Board	[REDACTED]	[REDACTED] ⁽²⁾	None
Mr. Sze Tin Yeung Randoll (施天揚)	45	Independent non-executive Director	Providing independent judgment and opinion to the Board	[REDACTED]	[REDACTED] ⁽²⁾	None
Mr. Huang Jia (黃佳)	54	Independent non-executive Director	Providing independent judgment and opinion to the Board	[REDACTED]	[REDACTED] ⁽²⁾	None

Notes:

- (1) Mr. Liao Xiang was appointed as our Director in March 2025 and was reappointed as our employee representative Director in April 2026.
- (2) The appointment of Mr. Li Peng, Mr. Sze Tin Yeung Randoll and Mr. Huang Jia as proposed independent non-executive Directors has been approved by way of a general meeting of the Company on April 24, 2026 and will become effective upon [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Dr. Chen Huwen (陳湖文) (with former name as Chen Shengxian (陳升賢)) is our executive Director, chairman of the Board and general manager. Dr. Chen was our sole Director from December 2012 to March 2025, and has been the chairman of our Board since the establishment of the Board in March 2025 and our general manager since December 2012. He is primarily responsible for the overall management and business operations of our Group.

Dr. Chen has extensive experience in corporate management and strategic planning. Since March 2010, he has been serving as the chairman of M&G Corporation, a company listed on the Shanghai Stock Exchange (stock code: 603899.SH). Dr. Chen was one of the founders, and has been a director, of M&G Group, the holding company of our Group. He has been engaged in the stationery manufacturing industry since 1997.

Dr. Chen obtained his master’s degree in business administration from Tsinghua University (清華大學), the PRC, in July 2009 and his doctoral degree in business administration from University of Minnesota, the U.S., in May 2018.

Dr. Chen has received several awards for his achievements, including the “National Model Worker in Light Industry” (全國輕工業勞動模範) awarded by China National Light Industry Council (中國輕工業聯合會) in December 2007, one of the “Shanghai Outstanding Builders of Socialism with Chinese Characteristics” (上海市優秀中國特色社會主義事業建設者) awarded by the United Front Work Department of Shanghai Municipal Committee of the CPC, Shanghai Municipal Human Resources and Social Security Bureau, and Shanghai Federation of Industry and Commerce (中共上海市委統戰部、上海市人力資源和社會保障局、上海市工商業聯合會) in May 2023, and one of “Shanghai Outstanding Talents” (上海傑出人才) awarded by the Organization Department of Shanghai Municipal Committee of the CPC, Shanghai Municipal Talent Work Bureau, and Shanghai Municipal Human Resources and Social Security Bureau (中共上海市委組織部、上海市人才工作局、上海市人力資源和社會保障局) in January 2024.

Ms. Li Jingyi (李靜宜) joined our Group in February 2022 as our senior vice president and has been our executive Director since March 2025. She was appointed as our deputy general manager in April 2026. She is primarily responsible for overseeing business expansion and full-cycle operation management.

Ms. Li Jingyi (李靜宜) has extensive experience in investment banking and financial management. She served as an associate in the investment banking department at Credit Suisse (Hong Kong) Limited from March 2010 to June 2011. She then served as a director in the investment banking management department at UBS AG Hong Kong Branch from June 2011 to December 2012, where she was responsible for IPO, M&A and other capital markets transactions. From June 2019 to November 2021, she served as the chief financial officer of Shanghai Dingying Investment Management LLP (上海鼎迎投資管理中心(有限合夥)), where she was responsible for financial management.

Ms. Li obtained both her bachelor’s degree in international economics and trade and her master’s degree in world economy from China Foreign Affairs University (外交學院), the PRC, in July 2005 and July 2007, respectively.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Liao Xiang (廖翔) joined our Group in November 2017. Mr. Liao has been our executive Director and our deputy general manager since March 2025 and our employee representative Director since April 2026. He is primarily responsible for overseeing our sales management office and the human resources department, promoting the implementation of business strategies. He is also a supervisor of Shenyang Colipu Office Supplies Trading Co., Ltd.* (瀋陽科力普辦公用品貿易有限公司), one of our subsidiaries.

Mr. Liao has extensive experience in human resources management and sales. Prior to joining our Group, he spent approximately nine years at Deppon Logistics Co., Ltd. (德邦物流股份有限公司) and its subsidiaries, where he held various positions, including a staff member of Shenzhen Deppon Logistics Co., Ltd. (深圳市德邦物流有限公司) from September 2008, a senior manager at Xiamen Quancheng Deppon Logistics Co., Ltd. (廈門全程德邦物流有限公司) from January 2012, a director at Wuhan Deppon Logistics Co., Ltd. (武漢市德邦物流有限公司) from June 2013 to June 2014, and a senior management member at Deppon Logistics Co., Ltd. (德邦物流股份有限公司) from July 2014 to November 2017.

Mr. Liao obtained his bachelor’s degree in management, majoring in e-commerce, from East China Jiaotong University (華東交通大學), the PRC, in June 2008.

Ms. Chen Yile (陳一樂) is our executive Director, the secretary to the Board and joint company secretary. Ms. Chen has been our executive Director and secretary to the Board since April 2026. She is primarily responsible for facilitating board and shareholders’ meetings, ensuring regulatory compliance, and handling communications with shareholders.

Ms. Chen joined our Group in March 2026. Prior to that, she served as a paralegal in the dispute resolution department at King & Wood Shanghai Office (formerly known as King & Wood Mallesons Shanghai Office) (北京市金杜律師事務所上海分所) from August 2025 to February 2026.

Ms. Chen obtained her bachelor’s degree in business economics from the University of California, Los Angeles, the U.S., in December 2020, and her Juris Doctor from the George Washington University Law School, the U.S., in May 2025. Ms. Chen was admitted as an attorney in the State of New York, the U.S., in March 2026.

Independent Non-Executive Directors

Mr. Li Peng (李鵬) is an independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for providing independent judgment and opinion to our Board.

Mr. Li has extensive experience in the legal profession. Since May 2007, he has been with Grandall Law Firm (Shanghai) (國浩律師(上海)事務所), where he initially served as an associate and is currently a partner specializing in capital markets, investment and merger acquisitions and investment funds. He also served as an independent director of Shanghai Bairun Investment Holding Group Co., Ltd. (上海百潤投資控股集團股份有限公司) (stock code: 002568.SZ) from September 2018 to September 2024. Mr. Li also has served as an independent director of Jilin Aodong Pharmaceutical Group Co., Ltd. (吉林敖東藥業集團股份有限公司) (stock code: 000623.SZ) since July 2020, and Hainan Mining Co., Ltd. (海南礦業股份有限公司) (stock code: 601969.SH) since December 2020.

Mr. Li obtained both his bachelor’s degree in law and his master’s degree in civil and commercial law from Zhejiang University (浙江大學), the PRC, in June 2004 and June 2006, respectively.

Mr. Li has been qualified as a lawyer since he obtained his lawyer’s practicing certificate (律師執業證) from the Shanghai Municipal Bureau of Justice (上海市司法局) in September 2006.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Sze Tin Yeung Randoll (施天揚) is an independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for providing independent judgment and opinion to our Board.

Mr. Sze has extensive experience in investment banking and corporate finance. He began his career in July 2006 as an associate at Credit Suisse (Hong Kong) Limited and served in this role until July 2011. He then served as an associate in the equity capital markets team at J.P. Morgan Securities (Far East) Limited from August 2011 to April 2013, focusing on equity capital markets transactions. Mr. Sze subsequently returned to Credit Suisse (Hong Kong) Limited and served as a director in the APAC investment banking and capital markets department from June 2013 to September 2017, focusing on capital markets and mergers and acquisitions transactions. He then served as the director of corporate development and investor relations at Athenex, Inc., a Buffalo, New York-headquartered biopharmaceutical company focused on developing cancer therapies, from October 2017 to August 2018, and was promoted to chief financial officer in August 2018, a position he held until August 2021, where he was primarily responsible for financial management, investor relations, financing, and mergers and acquisitions. Since August 2021, Mr. Sze has been serving as a managing director at China Renaissance Securities (Hong Kong) Limited, focusing on capital markets and mergers and acquisitions transactions.

Mr. Sze obtained his bachelor’s degree in chemical engineering from University of California, Berkeley, the U.S., in December 2004 and his master’s degree in operations research from Columbia University, the U.S., in October 2006.

Mr. Huang Jia (黃佳) is an independent non-executive Director with effect from the [REDACTED]. He is primarily responsible for providing independent judgment and opinion to our Board.

Mr. Huang has extensive experience in accounting, finance and corporate management. From January 1995 to March 2024, he held various positions at PwC Consulting (Shenzhen) Co., Ltd. Shanghai Branch* (普華永道諮詢(深圳)有限公司上海分公司), with his last position being tax partner. He subsequently served as the executive president of China Region at Global Logistic Properties Investment Management (China) Co., Ltd. (普洛斯投資(上海)有限公司) (“GLP”), where he has been responsible for leading GLP’s China computing power center and new energy business platforms, as well as overseeing headquarters functions in China, including finance and legal affairs.

Mr. Huang obtained his bachelor’s degree in engineering, specializing in automatic control, from the Department of Automatic Control at Shanghai Jiao Tong University (上海交通大學), the PRC, in July 1994. He further obtained his EMBA degree from China Europe International Business School (CEIBS) (中歐國際工商學院), the PRC, in August 2014.

Mr. Huang obtained the PRC certified public accountant (currently non-practicing) qualification from the Shanghai Institute of Certified Public Accountants in December 2009.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The following table sets forth the key information about our senior management as of the Latest Practicable Date.

Name	Age	Position	Responsibility	Time of joining our Group	Time of appointment as senior management member	Relationship with other Controlling Shareholders, Directors or senior management members
Dr. Chen Huwen (陳湖文)	55	Executive Director, chairman of the Board and general manager	Overall management and business operations of our Group	December 2012	December 2012	Father of Ms. Chen Yile, sibling of Mr. Chen Huxiong and Ms. Chen Xueling
Ms. Li Jingyi (李靜宜)	43	Executive Director, deputy general manager and senior vice president	Overseeing business expansion and full-cycle operation management	February 2022	April 2026	None
Mr. Liao Xiang (廖翔)	39	Executive Director (employee representative Director) and the deputy general manager	Overseeing our sales management office and the human resources department, promoting the implementation of business strategies	November 2017	March 2025	None
Ms. Chen Yile (陳一樂)	26	Executive Director, secretary to the Board and joint company secretary	Facilitating board and shareholders’ meetings; ensuring regulatory compliance; handling shareholder communications	March 2026	April 2026	Daughter of Dr. Chen Huwen, niece of Mr. Chen Huxiong and Ms. Chen Xueling
Mr. Huang Jie (黃傑)	47	Deputy general manager	Managing the subsidiaries in the southern region	November 2013	March 2025	None
Ms. Wang Aijia (王嘉嘉)	34	Chief financial officer	Financial accounting, operational analysis, risk and internal control management, and capital operations	April 2024	March 2025	None
Ms. Zhang Lirong (張利蓉)	47	Deputy general manager	Overseeing marketing department, website project department, customer service department and credit control department	October 2013	March 2025	None

For details of Dr. Chen Huwen, Ms. Li Jingyi, Mr. Liao Xiang and Ms. Chen Yile, see “— Directors — Executive Directors” in this section.

Mr. Huang Jie (黃傑) is our deputy general manager. Mr. Huang joined our Group in November 2013 and was appointed as our deputy general manager in March 2025. He is primarily responsible for managing the subsidiaries in the southern region.

Mr. Huang has extensive experience in sales management and business development. Prior to joining our Group, he served as a project manager at China Int’l Enterprises Co-operative Corp. (中國國際企業合作公司) from October 2001 to September 2004. He subsequently served as a researcher at Shanghai Ark Marketing Research Co., Ltd. (上海方舟市場研究有限公司) from October 2004 to March 2005, where he was responsible for consulting project management. He then served as a sales director at Staibur (Shanghai) Co., Ltd. (史泰博(上海)有限公司) (formerly known as Staibur Commerce & Trade Co., Ltd.* (史泰博商貿有限公司) and Shanghai Staples Enterprise Development Co., Ltd. (上海史泰博企業

DIRECTORS AND SENIOR MANAGEMENT

發展有限公司)) from August 2005 to October 2013, where he was responsible for sales business management for national government and central state-owned enterprise clients.

Mr. Huang obtained his bachelor’s degree in agronomy from the University of Science and Technology of China (中國科學技術大學), the PRC, in July 2001 and his master’s degree in business administration (MBA) from Shanghai Jiao Tong University (上海交通大學), the PRC, in March 2014.

Ms. Wang Aijia (王藹嘉) is our chief financial officer. Ms. Wang joined our Group in April 2024 and was appointed as our chief financial officer in March 2025. She is primarily responsible for financial accounting, operational analysis, risk and internal control management, and capital operations.

Ms. Wang has extensive experience in auditing and financial management. Prior to joining our Group, she spent over eleven years at BDO China Shu Lun Pan Certified Public Accountants LLP (立信會計師事務所(特殊普通合夥)), where she successively served as a business manager from September 2012 to November 2023. During her tenure, she was responsible for annual report audits for listed companies and acting as the person-in-charge of IPO projects. Ms. Wang also worked as an investment director at Shanghai Jiehui Property (Group) Company Limited (上海傑匯置業(集團)有限公司) from November 2023 to April 2024.

Ms. Wang obtained her bachelor’s degree in management accounting (specializing in chartered accountancy) from the Modern Economics and Management College at Jiangxi University of Finance and Economics (江西財經大學), the PRC, in July 2012, majoring in accounting (certified public accountant specialization).

Ms. Wang obtained the PRC certified public accountant qualification in August 2017.

Ms. Zhang Lirong (張莉蓉) is our deputy general manager. Ms. Zhang joined our Group in October 2013 and was appointed as our deputy general manager in March 2025. She is primarily responsible for overseeing marketing department, website project department, customer service department and credit control department.

Ms. Zhang has extensive experience in marketing, operations and management across various industries. Prior to joining our Group, she worked at Walmart INC (上海浦東好又多超市有限公司) from October 2002 to May 2003. Subsequently, she worked at Trust-Mart Capital Management (Shanghai) Limited (好又多管理諮詢服務(上海)有限公司) from June 2003 to June 2004. She then worked at Shanghai Youweite Chemical Materials Co., Ltd. (上海銳安化工材料有限公司 (formerly known as Shanghai Youwei Specialty Chemical Materials Co., Ltd.* (上海友偉特化工材料有限公司)) from July 2005 to May 2010, where she was responsible for the daily management and operations of the company. From April 2011 to January 2012, she served at Shanghai Lifan Information Technology Co., Ltd.* (上海立帆信息科技有限公司) (formerly known as Shanghai Lifan Trading Co., Ltd.* (上海立帆貿易有限公司)), where she was responsible for the daily management and operations of the company. Concurrently, from February 2012 to September 2013, she served at Staibur (Shanghai) Co., Ltd. (史泰博(上海)有限公司).

Ms. Zhang obtained her bachelor’s degree in engineering, specializing in applied chemistry, from East China University of Science and Technology (華東理工大學), the PRC, in July 2001 and her master’s degree in business administration from Shanghai Jiao Tong University (上海交通大學), the PRC, in March 2021.

JOINT COMPANY SECRETARIES

Ms. Chen Yile (陳一樂) is one of our joint company secretaries with effect from the [REDACTED]. See “Directors — Executive Directors” above for Ms. Chen’s biography.”

Ms. Mak Nga Wun (麥雅媛) is one of our joint company secretaries with effect from the [REDACTED]. Ms. Mak is a manager of corporate secretarial services at Ascentium Corporate Services (HK) Limited and is responsible for the provision of corporate secretarial and compliance services to listed company clients. She has over seven years of experience in the company secretarial field.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Mak is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. She obtained a bachelor's degree with honors in business administration in corporate governance from the Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong) in 2019 and a master's degree in corporate governance from Hong Kong Metropolitan University in 2023.

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, either directly or indirectly, with our Company's business which would require 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 in his or her duties and responsibilities as a director of a listed issuer under the Listing Rules under Rule 3.09D of the Listing Rules on April 24, 2026 and (ii) understands the requirements under the Listing Rules and the possible consequences of making a false statement or providing false information to the Stock Exchange.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed that (i) he or she meets the independence criteria as set forth in Rules 3.13(1) to (8) of the Listing Rules, (ii) he or she has no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company under the Listing Rules as of the Latest Practicable Date, and (iii) there are no other factors that may affect his or her independence at the time of his or her appointment.

Interests of Directors and Members of Senior Management

Except as disclosed in this Document, each of our Directors and members of senior management did not hold any other directorship and supervisor's position in listed companies in the three years prior to the Latest Practicable Date. For the Directors' interests in the Shares within the meaning of Part XV of the SFO, see “Appendix IV — Statutory and General Information.”

As of the Latest Practicable Date and save as disclosed above, there was no other material matter relating to our Directors and members of senior management that needs to be brought to the attention of our Shareholders or the Stock Exchange or shall be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules in all material aspects.

BOARD COMMITTEES

Our Board has established the following committees in accordance with the requirements under the relevant laws and regulations in Chinese mainland, the Listing Rules and the Corporate Governance Code contained in Appendix C1 to the Listing Rules: (i) the audit committee, (ii) the nomination committee, and (iii) the remuneration and appraisal committee. Each committee has been delegated specific written terms of reference which deal clearly with its authority and duties.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

Our Board has established an audit committee in compliance with Rule 3.21 of the Listing Rules and the paragraph D.3 of the Corporate Governance Code as set forth in the Appendix C1 to the Listing Rules. The audit committee comprises three members, namely Mr. Sze Tin Yeung Randoll (being our independent non-executive Director with appropriate professional qualifications), Mr. Li Peng and Mr. Huang Jia, with Mr. Sze Tin Yeung Randoll as the chairperson.

The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of our Group, review and approve connected transactions, and provide advice and comments to the Board.

Nomination Committee

Our Board has established a nomination committee in compliance with paragraph B.3 of the Corporate Governance Code as set forth in the Appendix C1 to the Listing Rules. The nomination committee comprises five members, namely Dr. Chen Huwen, Ms. Li Jingyi, Mr. Sze Tin Yeung Randoll, Mr. Li Peng and Mr. Huang Jia, with Dr. Chen Huwen as the chairperson.

The primary duties of the nomination committee are to make recommendations to our Board on the appointment of Directors and management of Board succession.

Remuneration and Appraisal Committee

Our Board has established a remuneration and appraisal committee in compliance with Rule 3.25 of the Listing Rules and the paragraph E.1 of the Corporate Governance Code as set forth in the Appendix C1 to the Listing Rules. The remuneration and appraisal committee comprises three members, namely Mr. Li Peng, Mr. Liao Xiang and Mr. Sze Tin Yeung Randoll, with Mr. Li Peng as the chairperson.

The primary duties of the remuneration and appraisal committee are to review and make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and other senior management.

CORPORATE GOVERNANCE

Corporate Governance Code

We aim to achieving high standards of corporate governance which are crucial to the development and safeguard the interests of our Shareholders. To accomplish this, our Company expects to comply with the Corporate Governance Code set forth in the Appendix C1 and the associated Listing Rules after [REDACTED] save for the deviation as mentioned below. Any deviation from the code provisions shall be carefully considered, and the reasons for any deviation and explanation of how good corporate governance was achieved by means other than strict compliance with the code provisions shall be given in the interim report and the annual report in respect of relevant period.

DIRECTORS AND SENIOR MANAGEMENT

According to code provision C.2.1 of Part 2 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The roles of chairman of the Board and general manager are currently performed by Dr. Chen. In view of Dr. Chen’s substantial contribution to our Group since our establishment and his extensive experience, our Board believes that it is in the best interest of our Group to have Dr. Chen taking up both roles for effective management and operations. Therefore, our Directors consider that the deviation from such code provision is appropriate. Notwithstanding such deviation, our Directors are of the view that our Board is able to work efficiently and perform its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions will be made in consultation with members of our Board and the relevant Board committees, and there are three independent non-executive Directors on our Board offering independent perspective, our Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers within our Board. Our Board shall nevertheless review the structure and composition of our Board and senior management from time to time in light of prevailing circumstances to maintain a high standard of corporate governance practices of our Company.

Board Diversity

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. The Board Diversity Policy sets forth the criteria for selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and length of service. The ultimate decision will be based on the merit and contribution that the selected candidates will bring to our Board.

Our Directors have a balanced mix of knowledge and skills, including but not limited to overall business management, finance and accounting, investment and technology. The Board is of the view that our Board satisfies the Board Diversity Policy. Two of our Directors are female. While we recognize that the gender diversity at our Board level can be improved given the majority of our Directors are male, we will continue to apply the appointment criteria based on competence and with reference to the overall diversity policy. Our Board will also ensure that an appropriate balance of gender diversity is achieved with reference to [REDACTED]’ expectations, and international and local recommended best practices.

To further ensure gender diversity on our Board in the long run, our Group will also identify and select several female individuals with a diverse range of skills, experience, and knowledge in different fields from time to time, and maintain a list of such female individuals who possess qualities to become our Board members, which will be reviewed by our Nomination Committee periodically in order to develop a pipeline of potential successors to our Board to promote gender diversity of our Board. In addition to the Board level, we are also committed to promoting gender diversity at the senior management and all other levels of our Group by providing career development opportunities for female staff, making available to them knowledge and skills training in support of succession planning and ensuring future gender diversity can be achieved on the Board.

The Nomination Committee is responsible for reviewing the diversity of the Board. After [REDACTED], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

DIRECTORS AND SENIOR MANAGEMENT

REMUNERATION OF DIRECTORS

Our Directors and senior management members receive their remuneration from our Company in the form of fees, salaries, allowances, discretionary bonuses, benefits in kind, retirement scheme contributions and share-based payment expenses.

The aggregate amount of remuneration paid to our Directors for each of the years ended December 31, 2023, 2024 and 2025 was nil, RMB46.19 million and RMB12.45 million, respectively.

The aggregate amount of remuneration paid to the five highest paid individuals, excluding Directors, for each of the years ended December 31, 2023, 2024 and 2025 was RMB7.43 million, RMB16.27 million and RMB8.15 million, respectively.

It is estimated that remuneration equivalent to approximately RMB15.84 million in aggregate will be paid to the Directors by our Company for the year ending December 31, 2026.

Save as disclosed above, no other amounts have been paid or are payable by our Company or any of our subsidiaries to our Directors during the Track Record Period. None of our Directors waived any emoluments during the same period.

During the Track Record Period, no remuneration was paid by our Company or any of our subsidiaries 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 as a director of our Company or any of our subsidiaries or of any other office in connection with the management of the affairs of our Company or any of our subsidiaries.

COMPLIANCE ADVISOR

We have appointed Red Solar Capital Limited as our compliance advisor pursuant to Rules 3A.19 of the Listing Rules. The compliance advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws. Pursuant to Rules 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company, among others, in the following circumstances:

- (a) before the publication of any regulatory announcement, circular, or financial report;
- (b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;
- (c) where our Company proposes to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this Document or where the business activities, development or results of our Company deviate from any forecast, estimate or other information in this Document; and
- (d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the [REDACTED] or [REDACTED] of its [REDACTED] securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of the compliance advisor shall commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling are siblings, who co-founded M&G Group in May 2007. M&G Group, as its controlling shareholder, established M&G Corporation in 2008 which, in turn, established our Company in 2012.

As of the Latest Practicable Date, Dr. Chen Huwen, Mr. Chen Huxiong, Ms. Chen Xueling, M&G Group, Keying Investment, Jiekui Investment and M&G Corporation constitute a group of controlling shareholders of our Company (the “**Controlling Shareholders’ Group**”). In particular:

- (i) Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling held 38%, 38% and 24% of the equity interest in M&G Group respectively;
- (ii) M&G Group, Dr. Chen Huwen, Mr. Chen Huxiong, Ms. Chen Xueling, Keying Investment and Jiekui Investment directly held approximately 58.20%, 1.48%, 1.48%, 0.66%, 1.23% and 1.22% of the shares of M&G Corporation respectively. Dr. Chen Huwen was the general partner of and held approximately 79.33% of the partnership interests in Keying Investment. Mr. Chen Huxiong was the general partner of and held approximately 73.34% of the partnership interests in Jiekui Investment;
- (iii) M&G Corporation, Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling directly held approximately 77.78%, 4.00%, 3.30% and 1.50% of our Shares respectively.

As of the Latest Practicable Date, the Controlling Shareholders’ Group held an aggregate of approximately 86.58% of our Shares. And immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the Controlling Shareholders’ Group will hold an aggregate of approximately [REDACTED]% of our Shares.

M&G Group

M&G Group is a controlling shareholder of M&G Corporation. Its other businesses include equity investments, industrial operations, property holding and financial investments.

Keying Investment and Jiekui Investment

Keying Investment and Jiekui Investment are employee shareholding platforms for M&G Corporation.

M&G Corporation

M&G Corporation’s principal businesses include the R&D, manufacturing and sale of M&G-branded writing instruments, student stationery, office stationery and other products, as well as general materials specialized digital procurement solution (the business segment of our Group) and large retail store operations.

DELINEATION OF BUSINESS BETWEEN US AND M&G CORPORATION

We are a procurement solution provider who primarily serve three major procurement scenarios: (i) office supplies, (ii) MRO products and (iii) marketing gifts and employee welfare products.

M&G Corporation and its subsidiaries (excluding our Group) differ substantially from our Group. The specific details are as follows:

- Business models: M&G Corporation and its subsidiaries (excluding our Group) primarily focus on the R&D, manufacturing and sale of M&G-branded products, and operate as a manufacturing-oriented enterprise. Our Group operates as a service-oriented enterprise, primarily focuses on providing multi-scenario general materials digital procurement solutions to enterprise customer.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- Business segments, target customers and market: M&G Corporation and its subsidiaries (excluding our Group) primarily operate in M&G’s-branded products segment, serving end consumers and distributors in the massive consumer stationery market, whereas our Group focuses on providing general materials digital procurement solutions, serving enterprise customers including state-owned enterprises, financial institutions, Fortune Global 500 companies, China’s Top 500 private enterprises, and government agencies.
- Sales channels: M&G Corporation and its subsidiaries (excluding our Group) sell their products primarily through distribution networks, retail stores and e-commerce platforms. Our Group primarily adopts a direct sales approach and secures orders through participation in tenders and framework agreements.
- Scope of products sold/services provided: M&G Corporation and its subsidiaries (excluding our Group) primarily provide M&G-branded products to end consumers and distributors. Our Group provides multi-scenario procurement solutions including office supplies, MRO products, marketing gifts and employee welfare products from global brands.

Based on the above, there is a clear delineation between our business and those of M&G Corporation in terms of business models, business segments, target customers and market, sales channels, and scope of products sold/ services provided.

Each of our Controlling Shareholders and our Directors has confirmed that, as of the Latest Practicable Date, he, she or it did not have any interest in a business, apart from the business of our Company, which competes or is likely to compete, directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

Non-competition Undertaking

In order to limit potential competition between M&G Corporation and our Company, a non-competition undertaking dated March 30, 2026, was provided by M&G Corporation in our favor, pursuant to which, among others, M&G Corporation undertook:

1. during the period in which the M&G Corporation acts as the controlling shareholder of our Company, neither M&G Corporation nor its subsidiaries (excluding the Company and its subsidiaries) shall,
 - (i) directly or indirectly, engage in business that is the same as or similar to the principal business of the Company and its subsidiaries;
 - (ii) either within or outside the PRC, engage in business that is the same as or similar to the principal business of the Company and its subsidiaries through investment, acquisition, joint ventures, mergers, or entrusted management; and
2. in the event that M&G Corporation breaches the above undertaking and causes loss to any relevant party, M&G Corporation shall bear the corresponding liability for compensation in accordance with the relevant laws and regulations.

The above undertaking by M&G Corporation shall become effective from the date on which our Company submits its application documents to the Hong Kong Stock Exchange for the purpose of [REDACTED] and shall remain in force for as long as M&G Corporation remains as one of the controlling shareholders of our Company.

INDEPENDENCE FROM 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 respective close associates after the [REDACTED].

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Management Independence

Our business is managed and conducted by our Board and senior management. Our Board will comprise four executive Directors and three independent non-executive Directors upon [REDACTED].

The Directors are of the view that our Board and our senior management are capable of operating our business and managing all actual or potential conflicts of interest independently of M&G Group, Keying Investment, Jiekui Investment and M&G Corporation for the following reasons:

- (a) Except for Dr. Chen, there will not be any overlap of directors and senior management between M&G Group, Keying Investment, Jiekui Investment and M&G Corporation, and our Company in terms of directors and senior management. The executive Directors (other than Dr. Chen) and the members of our senior management are responsible for the day-to-day management of our business and none of them holds any directorships and/or other roles within M&G Group, Keying Investment, Jiekui Investment or M&G Corporation;
- (b) all of our independent non-executive Directors are independent of M&G Group, Keying Investment, Jiekui Investment and M&G Corporation and are professional parties having extensive experience in their respective areas of expertise. See “Directors and Senior Management” in this Document for more details;
- (c) our independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules to ensure that the decisions of our Board are made only after due consideration of independent and impartial opinions;
- (d) each Director is aware of his or her fiduciary duties as a director which require, among others, that he or she acts for the benefit and in the interest of our Company and does not allow his/her personal interest to interfere with our Company’s best interests;
- (e) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and our Directors or their respective associates, the interested Director(s) shall not vote on any resolutions of our Board approving any contract, arrangement or any other proposal in which he/she or any of his/her close associates has a material interest and shall not be counted in the quorum at the relevant Board meeting; and
- (f) we have adopted corporate governance measures and sufficient and effective control mechanism to manage conflicts of interest, if any, between our Company and our Controlling Shareholders, which would support our independent management. Please see “— Corporate Governance Measures” below in this section for other corporate governance measures we have adopted to manage conflicts of interest, if any, between our Group and our Controlling Shareholders.

Based on the above, our Directors are of the view that our Board of Directors and senior management are able to perform their managerial roles in our Company independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Operational Independence

We hold all material licenses and own all material intellectual properties (or rights to use intellectual properties) and research and development facilities necessary to carry on our business. We have sufficient capital, facilities, equipment and employees to operate our business independently from our Controlling Shareholders. We also have a separate management team and separate functional departments for essential administrative functions, including accounting and internal audit departments which operate independently from our Controlling Shareholders. We have also adopted a set of internal control procedures to maintain effective and independent operation of our business.

During the Track Record Period, we entered into certain lease agreements with M&G Group, one of our Controlling Shareholders, pursuant to which our Company agreed to rent properties as its office. Principal terms of such lease agreements are set forth as follows:

Lessor	Lessee	Property	Term	Use of Property	Property Size (square meters)	Rental and payment terms	Listing Rules Implications
M&G Group	Our Company	Units on the 1st, 3rd and 14th Floors, Building 2, No. 1528 Gumei Road, Xuhui District, Shanghai, PRC	January 1, 2024 to December 31, 2026	Office	4,747.71	RMB8,664,570.75 per annum and payable quarterly in advance; adjusted to RMB6,931,656.60 per annum for the period from January 1, 2026 to December 31, 2026.	Upon application of IFRS 16 since January 1, 2019, we have recognized right-of-use assets in relation to the fixed-term leases in the form of an asset (representing the right to use the underlying assets during the lease term) and a liability (for the obligation to make lease payments). These office lease agreements are subject to a fixed term and are regarded as a one off connected acquisition of capital asset under the Listing Rules. As these office lease agreements were entered into prior to the [REDACTED] and the transactions thereunder are one-off in nature, the rental payments contemplated thereunder will not be classified as continuing connected transactions under Chapter 14A of the Listing Rules.
		Units on the 11th Floors, Building 2, No. 1528 Gumei Road, Xuhui District, Shanghai, PRC	January 1, 2024 to December 31, 2026	Office	1,798.38	RMB3,282,043.50 per annum and payable quarterly in advance; adjusted to RMB2,625,634.80 per annum for the period from January 1, 2026 to December 31, 2026.	
		Units on the 12th Floors, Building 2, No. 1528 Gumei Road, Xuhui District, Shanghai, PRC	January 1, 2024 to December 31, 2026	Office	1,798.38	RMB3,282,043.50 per annum and payable quarterly in advance; adjusted to RMB2,625,634.80 per annum for the period from January 1, 2026 to December 31, 2026.	
		Units on the 15th Floors, Building 2, No. 1528 Gumei Road, Xuhui District, Shanghai, PRC	October 1, 2024 to December 31, 2026	Office	1,798.38	RMB3,282,043.50 per annum and payable quarterly in advance; adjusted to RMB2,625,634.80 per annum for the period from January 1, 2026 to December 31, 2026.	
		Units on the 16th Floors, Building 2, No. 1528 Gumei Road, Xuhui District, Shanghai, PRC	October 1, 2024 to December 31, 2026	Office	1,696.17	RMB3,095,510.25 per annum and payable quarterly in advance; adjusted to RMB2,476,408.20 per annum for the period from January 1, 2026 to December 31, 2026.	

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

In addition, we also entered into with M&G Group and M&G Corporation transactions concerning (i) lease of properties from M&G Corporation (and its subsidiaries), (ii) supply of products to M&G Group (for itself and on behalf of its subsidiaries (excluding M&G Corporation and its subsidiaries), (iii) supply of products to M&G Corporation and its subsidiaries (excluding our Group), and (iv) procurement of products from M&G Corporation and its subsidiaries (excluding our Group). See “Connected Transactions” for details of such transactions. For details about our related party transactions during the Track Record Period, see Note 34 to the Accountants’ Report as set forth in Appendix I of this Document.

Our Directors are of the view that the Continuing Connected Transactions will not undermine the operational independence of our Group on the basis that (i) with our access to independent sources and in a sufficiently competitive market, our Group has other suppliers, customers and lessors who are Independent Third Parties, and will be able to identify further suitable suppliers, customers, lessors or other suitable substitutes (including alternative office premises and warehouse facilities) through fair negotiation at similar terms and conditions to meet our business and operational needs, without causing any undue delay or material disruption to our operations; and (ii) each of the Continuing Connected Transactions with our Controlling Shareholders has been and will be conducted in the ordinary and usual course of business, on normal commercial terms or better, and on terms that are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

Based on the above, our Directors believe that our business is operationally independent of our Controlling Shareholders.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting, group credit and internal control of our Company. Our finance department is able to function without any undue influence from our Controlling Shareholders. We have also established an internal control system, an independent audit system, and a standardized financial and accounting system and have set our own accounting policy based on the applicable PRC accounting principles and standards. In addition, we have been and are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates (excluding our Company).

As of the Latest Practicable Date, we did not have any outstanding loans granted or guaranteed by any of our Controlling Shareholders to us.

Based on the above, our Directors are of the view that our Company is able to maintain financial independence from our Controlling Shareholders and their respective close associates (excluding our Company).

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We will adopt the following corporate governance measures to resolve actual or potential conflict of interests between our Company and our Controlling Shareholders:

- (a) under the Articles, where any member is, under the Listing Rules, required to abstain from voting only for or only against any particular resolution proposed at a Shareholders’ meeting, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted in the quorum in respect of such transactions;
- (b) we have established internal control mechanisms to identify connected transactions, and we will comply with the applicable Listing Rules if we enter into connected transactions with our Controlling Shareholders or any of their associates after [REDACTED];

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

- (c) the independent non-executive Directors will review, on an annual basis, whether there is any conflict of interests between our Company and our Controlling Shareholders (the “**Annual Review**”) (including review of the composition of the Board and consider whether the Board, in light of the management overlap and the matters requiring the overlapping Directors to abstain from voting, can maintain effective functioning) and provide impartial and professional advice to protect the interests of our minority Shareholders;
- (d) our Controlling Shareholders will undertake to provide all information necessary or requested by the independent non-executive Directors for the Annual Review, including all relevant financial, operational and market information;
- (e) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company’s expenses; and
- (f) we have appointed Red Solar Capital Limited as our compliance advisor for the period prescribed by the Listing Rules to provide advice and guidance to us in respect of compliance with the applicable laws and regulations, as well as the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors believe that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Company and our Controlling Shareholders, and to protect minority Shareholders’ interests after the [REDACTED].

CONNECTED TRANSACTIONS

Upon [REDACTED], certain transactions between our connected persons and us will constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute continuing connected transactions upon [REDACTED]:

Connected Relationship	Name
M&G Group and M&G Corporation are our Controlling Shareholders . .	– M&G Group
	– M&G Corporation and its subsidiaries (excluding our Group)

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Continuing Connected Transactions with M&G Group, M&G Corporation and its subsidiaries

Transactions	Applicable Listing Rules	Waivers sought	Proposed annual caps for the year ending December 31,		
			2026	2027	2028
			<i>RMB in million</i>		

Partially-exempt continuing connected transactions

Products Procurement Framework Agreement with M&G Corporation	14A.35 14A.76(2) 14A.105	Announcement	97.00	111.40	128.13
Products Supply Framework Agreement with M&G Group . .	14A.35 14A.76(2) 14A.105 14A.81	Announcement	0.10	0.12	0.14
Products Supply Framework Agreement with M&G Corporation	14A.35 14A.76(2) 14A.105 14A.81	Announcement	13.28	15.29	17.58
Warehouse Lease Agreement . . .	14A.35 14A.76(2) 14A.105	Announcement	12.99	13.70	14.50

CONNECTED TRANSACTIONS

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTION

1. Products Procurement Framework Agreement with M&G Corporation

Principal terms

On [●] 2026, our Company (for itself and on behalf of its subsidiaries) entered into a products procurement framework agreement with M&G Corporation (for itself and on behalf of its subsidiaries (excluding our Group)) (the “**Products Procurement Framework Agreement with M&G Corporation**”) to govern our procurement of products from M&G Corporation and its subsidiaries (excluding our Group).

The initial term of the Products Procurement Framework Agreement with M&G Corporation will commence on the [REDACTED] and will end on [December 31], 2028 subject to renewal upon the mutual consent of parties involved.

Reasons for the transaction

We are engaged in providing office supplies, MRO products, and marketing gifts and employee welfare products. M&G Corporation has a leading market position in the stationery and office supply in China. In the ordinary course of our business, we procure products from various suppliers based on our customers’ needs, among which M&G Corporation (excluding our Group) is one of our suppliers. We have been procuring mainly M&G products from M&G Corporation and its subsidiaries for our sales to our customers. We consider that it is in our best interest to continue such arrangements under the Products Procurement Framework Agreement with M&G Corporation, to benefit from the stable and reliable supply of quality products offered by M&G Corporation at a market comparable price. Our Directors believe that maintaining a stable and quality procurement business relationship with M&G Corporation will facilitate our business operations and growth.

Pricing policies

The price of the products to be procured by us from M&G Corporation and its subsidiaries (excluding our Group) shall be determined after arm’s length negotiations and with reference to the prices at which M&G Corporation and/or its subsidiaries (excluding our Group) offer the same or similar products to other clients under comparable conditions. The terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

The following table sets forth the historical transaction amounts of our procurement of products from M&G Corporation and its subsidiaries (excluding our Group) during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in million)		
Historical amounts	88.13	93.19	69.84

The fluctuations in historical transaction amounts were primarily attributable to our continuous expansion of product categories, which lowered the proportion of procurement of products.

CONNECTED TRANSACTIONS

Annual caps

With respect to the Products Procurement Framework Agreement with M&G Corporation, the transaction amounts to be paid by us to M&G Corporation and its subsidiaries (excluding our Group) for the years ending December 31, 2026, 2027 and 2028 shall not exceed the proposed annual caps as set forth below:

	For the year ending December 31,		
	2026	2027	2028
	(RMB in million)		
Proposed annual caps	97.00	111.40	128.13

Basis of caps

The above proposed annual caps are determined with reference to the following factors:

- (i) the historical amounts for the transactions during the Track Record Period; and
- (ii) the potential increase in the market demand for stationery products.

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Products Procurement Framework Agreement with M&G Corporation is more than 0.1% but less than 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company, which are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

2. Products Supply Framework Agreement with M&G Group

Principal terms

On [●] 2026, our Company (for itself and on behalf of its subsidiaries) entered into a products supply framework agreement with M&G Group (for itself and on behalf of its subsidiaries (excluding M&G Corporation and its subsidiaries)) (the “**Products Supply Framework Agreement with M&G Group**”). Pursuant to the Products Supply Framework Agreement with M&G Group, we shall supply office supplies and marketing gifts and employee welfare products to M&G Group and its subsidiaries (excluding M&G Corporation and its subsidiaries) on demand for their own use.

The initial term of the Products Supply Framework Agreement with M&G Group will commence on the [REDACTED] and end on [December 31], 2028, subject to renewal upon the mutual consent of both parties.

Reasons for the transaction

We are engaged in the procurement solutions of office supplies, MRO products, and marketing gifts and employee welfare products. M&G Group and its subsidiaries (excluding M&G Corporation and its subsidiaries) have demands for these products for their own use. The transaction is consistent with our business model of providing customers with convenient and comprehensive procurement solutions.

CONNECTED TRANSACTIONS

Pricing policies

The price of the products supplied by our Company to M&G Group shall be determined after arm’s length negotiation between our Company and M&G Group and its subsidiaries (excluding M&G Corporation and its subsidiaries) based on fair market rate with reference to (i) the market price of relevant products, and (ii) the price charged by us to other independent third party customers purchasing similar products, taking into account the transaction volume. The terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

	For the year ended December 31,		
	2023	2024	2025
	(RMB in million)		
Historical amounts	0.05	0.04	0.10

Annual caps

With respect to the Products Supply Framework Agreement with M&G Group, the transaction amounts for the years ending December 31, 2026, 2027 and 2028 shall not exceed the annual caps as set out below:

	For the year ending December 31,		
	2026	2027	2028
	(RMB in million)		
Proposed annual caps	0.10	0.12	0.14

Basis of caps

The above proposed annual caps are determined with reference to the following factors:

- (i) the historical transaction amounts for the transactions during the Track Record Period; and
- (ii) the expected increase in the demand for office supplies and other products by M&G Group and its subsidiaries (excluding M&G Corporation and its subsidiaries).

Listing Rules implications

In respect of the transactions contemplated under the Products Supply Framework Agreement with M&G Group, as the highest applicable percentage ratio, calculated based on the highest annual cap and with the transactions under the Products Supply Framework Agreement with M&G Group and the Products Supply Framework Agreement with M&G Corporation aggregated in accordance with Rule 14A.81 of the Listing Rules, is more than 0.1% but less than 5% on an annual basis. Accordingly, upon [REDACTED], such transactions will constitute continuing connected transactions of our Company, which are subject to the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

CONNECTED TRANSACTIONS

3. Products Supply Framework Agreement with M&G Corporation

Principal terms

On [●] 2026, our Company (for itself and on behalf of its subsidiaries) entered into a products supply framework agreement with M&G Corporation (for itself and on behalf of its subsidiaries (excluding our Group)) (the “**Products Supply Framework Agreement with M&G Corporation**”). Pursuant to the Products Supply Framework Agreement with M&G Corporation, we shall supply office supplies and marketing gifts and employee welfare products to M&G Corporation and its subsidiaries (excluding our Group) on demand for their own use.

The initial term of the Products Supply Framework Agreement with M&G Corporation will commence on the [REDACTED] and end on [December 31], 2028, subject to renewal upon the mutual consent of both parties.

Reasons for the transaction

We are engaged in the procurement solutions of office supplies, MRO products, and marketing gifts and employee welfare products. M&G Corporation and its subsidiaries (excluding our Group) have demands for these products for their own use. The transaction is consistent with our business model of providing customers with convenient and comprehensive procurement solutions.

Pricing policies

The price of the products supplied by our Company to M&G Corporation and its subsidiaries (excluding our Group) shall be determined after arm’s length negotiation between our Company and M&G Corporation and its subsidiaries (excluding our Group) with reference to (i) the fair market price of the relevant products, and (ii) the price charged by us to Independent Third Party customers purchasing similar products, taking into account the transaction volume. The terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

The following table sets forth the historical transaction amounts of the supply of products by us to M&G Corporation and its subsidiaries (excluding our Group) during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in million)		
Historical amounts	12.28	12.49	10.02

Annual caps

With respect to the Products Supply Framework Agreement with M&G Corporation, the transaction amounts for the years ending December 31, 2026, 2027 and 2028 shall not exceed the annual caps as set forth below:

	For the year ending December 31,		
	2026	2027	2028
	(RMB in million)		
Proposed annual caps	13.28	15.29	17.58

CONNECTED TRANSACTIONS

Basis of caps

The above proposed annual caps are determined with reference to the following factors:

- (i) the historical transaction amounts for the transactions during the Track Record Period; and
- (ii) the expected increase in the demand for office supplies and other products by M&G Corporation and its subsidiaries (excluding our Group).

Listing Rules implications

In respect of the transactions contemplated under the Products Supply Framework Agreement with M&G Corporation, as the highest applicable percentage ratio, calculated based on the highest annual cap and with the transactions under the Products Supply Framework Agreement with M&G Group and the Products Supply Framework Agreement with M&G Corporation aggregated in accordance with Rule 14A.81 of the Listing Rules, is more than 0.1% but less than 5% on an annual basis. Accordingly, upon [REDACTED], such transactions will constitute continuing connected transactions of our Company, which are subject to the annual reporting requirements under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

4. Warehouse Lease Agreement

Principal terms

On [●] 2026, our Company (for itself and on behalf of its subsidiaries) entered into a warehouse lease agreement with M&G Corporation (for itself and on behalf of its subsidiaries (excluding our Group)) (the “**Warehouse Lease Agreement**”). Pursuant to the Warehouse Lease Agreement, we agreed to lease certain warehouse premises in Shanghai and Guangdong PRC for operation fulfillment usage.

The initial term of the Warehouse Lease Agreement will commence on the [REDACTED] and continue for a term of one year. The parties may, by mutual agreement, renew the Warehouse Lease Agreement not less than 7 days nor more than 14 days prior to the expiry of the then current term.

Pricing policies

The rents payable by us to M&G Corporation and its subsidiaries (excluding our Group) pursuant to the Warehouse Lease Agreement are determined after arm’s length negotiation by both parties with reference to the then prevailing market price of leasing similar properties in the surrounding areas. The terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties.

Historical amounts

The following table sets forth the historical transaction amounts of the lease of the premises paid by us to M&G Corporation and its subsidiaries (excluding our Group) during the Track Record Period:

	For the year ended December 31,		
	2023	2024	2025
	(RMB in million)		
Historical amounts	10.33	10.33	11.54

CONNECTED TRANSACTIONS

Annual caps

The annual caps for the rents to be paid by us to M&G Corporation and its subsidiaries (excluding our Group) for the years ending December 31, 2026, 2027 and 2028 are as follows:

	For the year ending December 31,		
	2026	2027	2028
	<i>(RMB in million)</i>		
Proposed annual caps	12.99	13.70	14.50

The annual caps are determined by reference to (i) the rents payable under the Warehouse Lease Agreement; and (ii) the potential increase in the rents to be charged by M&G Corporation and its subsidiaries (excluding our Group).

Listing Rules implications

As the highest applicable percentage ratio of the transactions under the Warehouse Lease Agreement is more than 0.1% but less than 5% on an annual basis, such transactions will, upon [REDACTED], constitute continuing connected transactions of our Company, which are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules, but exempt from the independent Shareholders’ approval requirement under Rule 14A. 36 of the Listing Rules.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS’ INTERESTS

In order to further regulate the connected transactions of our Company and to ensure that such transactions do not prejudice the interests of our Company and our independent Shareholders, our Company has established the following internal control measures in relation to connected transactions:

- Our Company has established a comprehensive connected transaction management system. Under such system, the office of the Board is responsible for the collection and management of information relating to connected persons, identifying and maintaining a list of connected persons of the Company, reporting to the Board and disseminating the list of connected persons as confirmed to relevant personnel of the Company on a timely basis.
- The pricing or fees of connected transactions shall be fair and reasonable and shall not deviate from the pricing or fee standards offered by independent third parties in the market.
- Subject to applicable laws and regulations and where considered necessary by the Company, intermediary institutions shall be engaged to audit or evaluate the subject matter of the connected transactions.
- Connected transactions between our Company and its connected persons shall be entered into under written agreements and adhere to the principles of equality, voluntariness, and equivalent compensation. The terms of such agreements shall be clear and specific. In addition, depending on the nature and size of the connected transactions, such transactions will be submitted to the Board and/or the general meeting of the Company for consideration and approval in accordance with the requirements of the Listing Rules.
- Where required under the Listing Rules, or where connected transactions are subject to Shareholders’ approval, our Company will establish an independent Board committee and appoint an independent financial advisor to provide opinions and recommendations to the Shareholders in accordance with the Listing Rules.
- Our independent non-executive Directors will provide independent views on the connected transactions of our Company. In addition, our independent non-executive Directors and auditors will conduct annual reviews of continuing connected transactions.

CONNECTED TRANSACTIONS

WAIVERS [GRANTED] BY THE STOCK EXCHANGE

In respect of the continuing connected transactions as described above under each of the (i) Products Procurement Framework Agreement with M&G Corporation, (ii) the Products Supply Framework Agreement with M&G Group, (iii) the Products Supply Framework Agreement with M&G Corporation, and (iv) the Warehouse Lease Agreement (together, the “**Agreements**”), the highest applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules exceeds 0.1% but is less than 5% on an annual basis. Accordingly, the continuing connected transactions under the Agreements are subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the annual review requirement under Rules 14A.55 and 14A.56 of the Listing Rules.

As the continuing connected transactions contemplated under the Agreements are expected to be carried out on a recurring basis, our Directors consider that strict compliance with the announcement requirement will be impractical, and such requirement will lead to unnecessary administrative costs and create an onerous burden on us. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted] us, pursuant to Rule 14A.105 of the Listing Rules, waivers from strict compliance with the announcement requirement under Rules 14A.35 of the Listing Rules in respect of the continuing connected transactions under each of the Agreements, provided that the total amounts of transactions for the years ending December 31, 2026, 2027 and 2028 will not exceed the relevant proposed annual caps as set forth in this section.

The independent non-executive Directors and auditors of the Company will conduct annual review of the continuing connected transactions contemplated under the Agreements and provide annual confirmation in accordance with Rules 14A.55 and 14A.56 of the Listing Rules.

Apart from the announcement requirement from which a waiver is sought, the Company will comply with the applicable requirements under Chapter 14A of the Listing Rules.

DIRECTORS’ CONFIRMATION

Our Directors (including independent non-executive Directors) are of the view that: (i) the non-exempt continuing connected transactions as set forth above have been and will be carried out in our ordinary and usual course of business and on normal commercial terms or better, and are fair and reasonable, and in the interests of our Company and our Shareholders as a whole, and (ii) the proposed annual caps for those transactions are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

SOLE SPONSOR’S CONFIRMATION

The Sole Sponsor has (i) reviewed the relevant documents and information provided by our Company in relation to the above non-exempt continuing connected transactions under the Agreements; (ii) obtained necessary representations and confirmations from our Company and the Directors, and (iii) participated in the due diligence and discussions with the management of our Group.

Based on the above, the Sole Sponsor is of the view that the non-exempt continuing connected transactions under the Agreements, for which waivers have been sought, have been and will be entered into in the ordinary and usual course of our business on normal commercial terms, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps in respect of the non-exempt continuing connected transactions under the Agreements are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the [REDACTED] and provided that no other changes are made to the issued share capital of our Company between the Latest Practicable Date and [REDACTED], the following persons will have an interest or short position (as applicable) in our Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other member of our Group:

Name of Shareholder	Capacity/ Nature of interest	Shares held as of the Latest Practicable Date		Shares held immediately following the completion of the [REDACTED] and Conversion of Unlisted Shares into [REDACTED] (assuming the [REDACTED] is not exercised)			
		Number of Shares	Approximate percentage in the total issued share capital ⁽¹⁾	Description of Shares	Number of Shares	Approximate percentage in Unlisted Shares/ H Shares ⁽¹⁾	Approximate percentage in the total issued share capital ⁽¹⁾
M&G Corporation . . .	Beneficial owner	462,000,000 Unlisted Shares	77.78%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
M&G Group	Interest in controlled corporation ^{(2)&(3)}	462,000,000 Unlisted Shares	77.78%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Dr. Chen Huwen	Beneficial owner	23,760,000 Unlisted Shares	4.00%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation ^{(2)&(3)}	462,000,000 Unlisted Shares	77.78%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Chen Huxiong	Beneficial owner	19,602,000 Unlisted Shares	3.30%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation ^{(2)&(3)}	462,000,000 Unlisted Shares	77.78%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
Ms. Chen Xueling	Beneficial owner	8,910,000 Unlisted Shares	1.50%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%
	Interest in controlled corporation ^{(2)&(3)}	462,000,000 Unlisted Shares	77.78%	[REDACTED]	[REDACTED]	[REDACTED]%	[REDACTED]%

SUBSTANTIAL SHAREHOLDERS

Notes:

- (1) For the avoidance of doubt, both Unlisted Shares and H Shares are ordinary Shares in the share capital of our Company, and are considered as one class of Shares. All interests stated are long positions. The calculation is based on the total number of [REDACTED] Unlisted Shares and [REDACTED] H Shares in issue immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised).
- (2) As of the Latest Practicable Date, (i) M&G Corporation held approximately 77.78% of our issued Shares; and (ii) M&G Group held 58.20% equity interest in M&G Corporation. M&G Group is deemed to be interested in the Shares held by M&G Corporation pursuant to the SFO.
- (3) As of the Latest Practicable Date, Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling held approximately 38%, 38% and 24% of the equity interest of M&G Group, respectively. Dr. Chen Huwen was the general partner of and held approximately 79.33% of the partnership interests in Keying Investment. Mr. Chen Huxiong was the general partner of and held approximately 73.34% of the partnership interests in Jiekui Investment. Pursuant to the SFO, Dr. Chen Huwen, Mr. Chen Huxiong and Ms. Chen Xueling are deemed to be interested in the Shares held by M&G Corporation.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have an interest or short position in our Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, 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 our Company. Our Directors are not aware of any arrangement which may result in any change of control of our Company at any subsequent date.

SHARE CAPITAL

OUR SHARE CAPITAL

Before the [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB594,000,000, comprising 594,000,000 Unlisted Shares with a nominal value of RMB1.00 each.

Upon Completion of the [REDACTED]

Immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised), the share capital of our Company will be as follows:

Description of Shares	Number of Shares	% of the total issued share capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]%
H Shares to [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

Assuming the [REDACTED] is exercised in full, the share capital of our Company immediately following the [REDACTED] and conversion of Unlisted Shares into H Shares will be as follows:

Description of Shares	Number of Shares	% of the total issued share capital of our Company
Unlisted Shares in issue	[REDACTED]	[REDACTED]%
H Shares to be converted from Unlisted Shares ⁽¹⁾	[REDACTED]	[REDACTED]%
H Shares to [REDACTED] pursuant to the [REDACTED]	[REDACTED]	[REDACTED]%
Total	[REDACTED]	100.00%

Note:

- (1) Following the completion of the [REDACTED], [REDACTED] Unlisted Shares held by our existing Shareholders will be converted into H Shares on a one-for-one basis and [REDACTED] on the Stock Exchange for [REDACTED].

SHARES OF OUR COMPANY

Upon completion of the [REDACTED] and conversion of Unlisted Shares into H Shares, our Shares will consist of Unlisted Shares and H Shares. Unlisted Shares and H Shares are both ordinary Shares in the share capital of our Company and are regarded as the same class of Shares under the Articles of Association. However, H Shares generally may not be [REDACTED] by, or [REDACTED] between, legal or natural persons of the PRC, apart from

SHARE CAPITAL

certain qualified domestic institutional [REDACTED] in the PRC, the qualified PRC [REDACTED] under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect, and other persons who are entitled to hold H Shares pursuant to relevant PRC laws and regulations or upon approval by any competent authorities.

Unlisted Shares and H Shares carry the same rights and 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 H Shares are to be declared in RMB and paid by our Company in Hong Kong dollars or RMB, whereas all dividends for Unlisted Shares will be paid in RMB. Other than cash, dividends could also be paid in the form of Shares or a combination of cash and Shares.

CONVERSION OF UNLISTED SHARES INTO H SHARES

According to the regulations issued by the securities regulatory authorities of the State Council and the Articles of Association, the Unlisted Shares may be converted into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been filed with the CSRC. Additionally, such conversion, trading and listing shall meet any requirement of internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Pursuant to the filing notice of the CSRC dated [●], 2026, [REDACTED] Unlisted Shares, which constitutes [REDACTED]% of the issued and outstanding share capital of our Company immediately before the completion of the [REDACTED], will be converted to H Shares on a one-for-one basis and be [REDACTED] for [REDACTED] on the Stock Exchange upon completion of the [REDACTED].

Listing Review and Filing with the CSRC

In accordance with the Overseas Listing Trial Measures and guidelines announced by the CSRC, H-share listed companies shall file with the CSRC for the Conversion of Unlisted Shares into H Shares for Listing and circulation on the Stock Exchange. An unlisted domestic joint stock company may file for “full circulation” when applying for an overseas Listing.

[REDACTED]

SHARE CAPITAL

[REDACTED] Approval by the Hong Kong Stock Exchange

We have applied to the [REDACTED] of the Hong Kong Stock Exchange for the granting of [REDACTED] of, and permission to [REDACTED], our H Shares to [REDACTED] pursuant to the [REDACTED] and the H Shares to be converted from [REDACTED] Unlisted Shares on the Hong Kong Stock Exchange, which is subject to the approval by the Hong Kong Stock Exchange.

We will perform the following procedures for the Conversion of Unlisted Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (i) giving instructions to our [REDACTED] regarding relevant [REDACTED] of the converted H Shares; and (ii) enabling the converted H Shares to be accepted as eligible securities by [REDACTED] for deposit, clearance and settlement in the CCASS. Registration on our H Share register will be conditional on (a) our [REDACTED] lodging with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the [REDACTED] of members and the due dispatch of [REDACTED]; and (b) the admission of the H Shares to [REDACTED] on the Hong Kong Stock Exchange in compliance with the Listing Rules, 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. The Full Circulation Participating Shareholders may only [REDACTED] the Shares upon completion of following domestic procedures. No approval by the general meeting of Shareholders is required for the [REDACTED] and [REDACTED] such converted Shares on an overseas 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 the Shareholders and the public of any [REDACTED].

Domestic Procedures

The Full Circulation Participating Shareholders may only [REDACTED] the Shares upon completion of the below arrangement procedures for the registration, deposit and transaction settlement in relation to the conversion and [REDACTED]:

- (i) We will appoint China Securities Depository and Clearing Corporation Limited (“CSDC”) as the nominal holder to deposit the relevant securities at CSDC (Hong Kong), which will then deposit the securities at HKSCC in its own name. CSDC, as the nominal holder of the Full Circulation Participating Shareholders, shall handle all custody, maintenance of detailed records, cross-border settlement and corporate actions, etc. relating to the converted H Shares for the Full Circulation Participating Shareholders;
- (ii) We will engage a domestic securities company (the “**Domestic Securities Company**”) to provide services such as sending orders for trading of the converted H Shares and receipt of transaction returns. The Domestic Securities Company will engage a Hong Kong securities company (the “**Hong Kong Securities Company**”) for settlement of share transactions. We will make an application to CSDC, Shenzhen Branch for the maintenance of a detailed record of the initial holding of the converted H Shares held by our Shareholders. Meanwhile, we will submit applications for a domestic transaction commission code and abbreviation, which shall be confirmed by CSDC, Shenzhen Branch as authorized by Shenzhen Stock Exchange;
- (iii) The Shenzhen Stock Exchange shall authorize Shenzhen Securities Communication Co., Ltd. to provide services relating to transmission of trading orders and transaction returns in respect of the converted H Shares between the Domestic Securities Company and the Hong Kong Securities Company, and the real-time market forwarding services of the H Shares;

SHARE CAPITAL

- (iv) According to the Notice on Issues Concerning the Administration of Funds Related to Overseas Listings of Domestic Enterprises (《關於境內企業境外上市資金管理有關問題的通知》), promulgated by the People’s Bank of China and the State Administration of Foreign Exchange on December 24, 2025, and implemented on April 1, 2026, after an overseas listing by a domestic enterprise, domestic shareholders participating in the full circulation of H shares who intend to reduce their holdings of overseas listed shares shall, either prior to such reduction or within 30 working days thereafter, submit to the bank at the place where such domestic shareholders are located an application for registration of such reduction, together with the filing materials with the CSRC for participation in the H-share full circulation business and the relevant supporting documents evidencing the conversion of the original non-overseas listed shares into overseas listed shares;
- (v) The Full Circulation Participating Shareholders shall submit trading orders of the converted H Shares through the Domestic Securities Company. Trading orders of the Full Circulation Participating Shareholders for the relevant Shares will be submitted to the Stock Exchange through the securities trading account opened by the Domestic Securities Company at the Hong Kong Securities Company. Upon completion of the transaction, settlements between each of the Hong Kong Securities Company and CSDC (Hong Kong), CSDC (Hong Kong) and CSDC, CSDC and the Domestic Securities Company, and the Domestic Securities Company and the Full Circulation Participating Shareholders, will all be conducted separately.

As a result of the conversion, the shareholding of the relevant Full Circulation Participating Shareholders in our Unlisted Shares shall be reduced by the number of Unlisted Shares converted and the number of H Shares shall be increased by the number of converted H Shares.

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

The Company Law provides that in relation to [REDACTED] share [REDACTED] of a company, the shares of the company which have been issued prior to the [REDACTED] shall not be transferred within one year from the date of the [REDACTED]. Accordingly, Shares issued by our Company prior to the [REDACTED] shall be subject to this statutory restriction and shall not be transferred for a period of one year from the [REDACTED].

Pursuant to the Company Law, the shares transferred by our Directors and members of the senior management each year during their respective terms of office, as determined at the time of their appointment, shall not exceed 25% of their respective total shareholdings in the Company. The Shares that the aforementioned persons held in the Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in the Company. The Articles of Association may contain other restrictions on the transfer of our Shares held by our Directors and members of senior management, a summary of which is set forth in “Summary of Articles of Association” in Appendix III to this Document.

SHAREHOLDERS’ GENERAL MEETINGS

For details of circumstances under which our Shareholders’ general meeting is required, see “Summary of Articles of Association” in Appendix III to this Document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See “Summary of Articles of Association” in Appendix III to this Document.

FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with our audited consolidated financial information, including the notes thereto, included in the Accountants’ Report in Appendix I to this Document. Our consolidated financial information has been prepared in accordance with IFRS Accounting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties. In evaluating our business, you should carefully consider the information provided in this Document, including but not limited to the sections headed “Risk Factors,” “Forward-Looking Statements” and “Business.”

For the purpose of this section, unless the context otherwise requires, references to 2023, 2024 and 2025 refer to our financial years ended December 31 of such years. Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a leading multi-scenario general materials digital procurement solution provider in China, primarily serving large and influential enterprise customers, including state-owned enterprises, financial institutions, Fortune Global 500 companies, China’s Top 500 private enterprises, and government agencies. Our business helps customers to navigate through complex procurement environments characterized by multi-layered organizational structures, diverse procurement scenarios, where procurement activities are subject to demanding fulfillment standards and stringent compliance requirements.

During the Track Record Period, we achieved steady revenue growth. Our revenue increased from RMB13,307.0 million in 2023 to RMB13,831.4 million in 2024 and further to RMB15,048.2 million in 2025. Our gross profit remained relatively stable at RMB1,075.0 million, RMB1,067.1 million and RMB1,115.4 million in 2023, 2024 and 2025, respectively. We recorded net profit of RMB401.2 million, RMB321.8 million and RMB334.6 million in 2023, 2024 and 2025, respectively. Excluding the impact of share-based payment expenses, we recorded adjusted net profit (non-IFRS measure) of RMB395.1 million, RMB397.3 million and RMB362.0 million in 2023, 2024 and 2025, respectively.

BASIS OF PREPARATION

Our 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. All IFRS Accounting Standards are effective for the accounting period commencing from January 1, 2025, together with the relevant transitional provisions that we early adopted in the preparation of the historical financial information during the Track Record Period.

The historical financial information has been prepared on a historical cost convention, except for financial assets at fair value through profit or loss (“FVPL”) and financial assets at fair value through other comprehensive income (“FVOCI”), which have been measured at fair value. Further details of the material accounting policy information adopted are set forth in Note 2.3 to the Accountants’ Report in Appendix I to this Document.

FINANCIAL INFORMATION

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are influenced by broader factors affecting the development of China’s general materials digital procurement solution industry. Such factors include, among others, market adoption and penetration of digital procurement solutions, enterprises’ demand for procurement efficiency, cost reduction and operational optimization, the pace of technological advancement and application of intelligent technologies across the procurement value chain, government policy support and favorable regulatory initiatives, and the availability, reliability and scalability of information technology infrastructure supporting digital procurement transformation. Any adverse developments in these general industry conditions could dampen demand for our solutions and may have a material and adverse impact on our business, results of operations and financial condition.

While our business is influenced by general factors affecting China’s general materials digital procurement solution industry, we believe our results of operations are more directly affected by company-specific factors, including the major factors discussed below.

Our Ability to Attract, Retain and Deepen Customer Relationships and Procurement Depth

During the Track Record Period, we generated revenue primarily from the sales of products to state-owned enterprises, financial institutions, Fortune Global 500 companies, China’s Top 500 private enterprises, and government agencies under a direct sales model. Our growth was primarily driven by our ability to attract new customers and expand spending from our existing customers.

Our results of operations during the Track Record Period were materially influenced by our ability to attract, retain and deepen relationships with our key accounts. We attract customers mainly through competitive tendering and long-term framework agreements, supported by our track record, service reputation and ability to support digital procurement integration at scale. Through these capabilities, customers are integrated into our systems and standardized order execution framework, which supports customer onboarding, renewal and deeper procurement over time. As of December 31, 2025, we served approximately 58.3 thousand key accounts. Once onboarded, customers typically expand their procurement scope and transaction volumes over time as additional product categories and organizational units are incorporated into established procurement arrangements. As a result, our transaction value retention rate for key accounts remained consistently high at 117.0%, 96.6% and 101.3% in 2023, 2024 and 2025, respectively, indicating stable and deepening customer relationships and supporting the sustainability of our results of operations. Accordingly, our ability to continue attracting new customers and increasing procurement depth among existing customers during the Track Record Period had a direct impact on our revenue growth and results of operations.

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Our Ability to Optimize Product Mix, Pricing Strategy and Procurement Costs

Our overall gross profit margin reflects the combined impact of the revenue contribution and margin profile of each of our principal product categories. As these categories differ in pricing dynamics and procurement costs, changes in product mix affected both gross profit and gross profit margin. Our overall gross profit margin was 8.1%, 7.7% and 7.4% in 2023, 2024 and 2025, respectively.

Our ability to improve gross profit margin depends in part on our ability to optimize product mix toward product categories with more favorable margin profiles, while continuing to support broader customer procurement demand across different scenarios. It also depends on our ability to maintain pricing discipline under different customer arrangements, including tender and bidding processes and framework agreements, and to respond appropriately to customer-specific pricing requirements as we expand our business across product categories and customer groups.

In addition, our ability to improve gross profit margin depends on our ability to manage procurement costs effectively. Our cost of sales primarily consists of the cost of purchasing products that we sell directly, and our procurement costs are affected by supplier pricing, product category mix and sourcing arrangements. Leveraging our centralized product governance and supply chain management framework, we seek to optimize procurement costs, improve pricing and sourcing efficiency and support margin improvement over time.

Accordingly, our ability to optimize product mix, pricing strategy and procurement costs had a direct impact on our gross profit and results of operations during the Track Record Period and is expected to remain important to our future performance.

Our Ability to Scale Fulfillment and Execution across Product Categories

Our ability to support growing order volumes, broader product coverage and more complex customer requirements through a standardized and scalable execution framework affects our results of operations. Our business model is designed not only to support customer acquisition and procurement growth, but also to convert such demand into executable orders and consistent fulfillment across multiple product categories and delivery requirements.

Our ability to scale operations depends on the effectiveness of our order flow, product governance framework, supply chain coordination capabilities and nationwide warehousing and logistics infrastructure. Through these capabilities, we are able to process growing transaction volumes, manage broader product coverage and coordinate suppliers, inventories, warehousing and delivery execution across different customer scenarios and geographic locations while maintaining consistent execution and reliable fulfillment.

This operating scalability is particularly important as we expand into product categories with higher execution complexity, such as the supply of MRO products, which typically involve more fragmented demand, broader product coverage, more diverse delivery requirements and more stringent execution standards than procurement of office supplies. Our ability to continue scaling fulfillment and execution capabilities while maintaining service quality, operational discipline and compliance was an important factor affecting our revenue growth and results of operations during the Track Record Period and is expected to remain important to our future performance.

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Our Ability to Improve Operating Efficiency

We leverage our information technology and digital capabilities across key stages of our operation, including opportunity identification, tendering and bidding, contract execution, fulfillment and delivery, reconciliation and settlement, and cash collection management. Through standardized and automated workflows, enterprise-wide integration and digitized supply chain execution, this digital framework helps enhance operational visibility and management control, enabling us to support growing transaction volumes and increasingly complex procurement requirements with greater efficiency.

Our results of operations during the Track Record Period were affected in part by our ability to manage operating costs, including selling and distribution expenses as well as administrative expenses, through improvement of operating efficiency. As our business scaled across product categories, particularly in execution-intensive areas such as MRO products, our digital framework supported the optimization of fulfillment workflows, more efficient resource utilization and cost discipline across customer service, logistics, warehousing and payment processes. In addition to our digital operating framework, we manage operating expenses through centralized operating structures, standardized operating processes and disciplined resource allocation. These measures include centralized procurement and fulfillment management, shared service arrangements across regions and product categories, standardized operating procedures and performance-based resource planning, which together support operating leverage and cost discipline as transaction volumes grow. As a result, our ability to manage operating expenses in a cost-effective manner while scaling our operations was an important factor affecting our operating efficiency and results of operation during the Track Record Period.

MATERIAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our financial statements. Material accounting policies, judgments and estimates that are significant for understanding our financial condition and results of operations are set forth in detail in Notes 2.3 and 3 to the Accountants' Report in Appendix I to this Document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Actual results could differ from those estimates. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and other factors that we believe to be relevant under the circumstances. Our management has discussed the development, selection and disclosure of these estimates with our Board of Directors. Since our financial reporting process inherently relies on the use of estimates and assumptions, actual results may differ from these estimates under different assumptions or conditions. When reviewing our financial statements, our [REDACTED] should consider the judgments and uncertainties affecting the application of key accounting policies and the sensitivity of reported results and changes in estimates caused by the application of accounting policies. Our accounting policy information, judgments and estimates on revenue from contracts with customers, and trade and bills receivables as detailed in Notes 2.3 and 3 to the Accountants' Report in Appendix I to this Document are critical and involve the most important estimates and judgments we used in preparing our financial statements.

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DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

The following table sets forth a summary of our results of operations in absolute amounts and as percentages of our revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except for percentages)</i>					
Revenue	13,306,994	100.0	13,831,436	100.0	15,048,206	100.0
Cost of sales	(12,231,985)	(91.9)	(12,764,367)	(92.3)	(13,932,829)	(92.6)
Gross profit	1,075,009	8.1	1,067,069	7.7	1,115,377	7.4
Other income and gains	95,825	0.7	136,212	1.0	96,684	0.6
Fulfillment expenses	(155,061)	(1.2)	(139,781)	(1.0)	(168,678)	(1.1)
Selling and distribution expenses	(362,739)	(2.7)	(374,330)	(2.7)	(380,591)	(2.5)
Administrative expenses	(108,081)	(0.8)	(201,950)	(1.5)	(161,894)	(1.1)
Research and development expenses	(24,889)	(0.2)	(27,251)	(0.2)	(29,676)	(0.2)
Other expenses	(3,602)	(0.0)	(4,071)	(0.0)	(6,185)	(0.0)
Impairment losses on financial assets, net	(22,121)	(0.2)	(21,969)	(0.2)	(12,024)	(0.1)
Operating Profit	494,341	3.7	433,929	3.1	453,013	3.0
Finance costs	(1,073)	(0.0)	(2,264)	(0.0)	(1,752)	(0.0)
Profit before tax	493,268	3.7	431,665	3.1	451,261	3.0
Income tax expense	(92,061)	(0.7)	(109,882)	(0.8)	(116,614)	(0.8)
Profit for the year	401,207	3.0	321,783	2.3	334,647	2.2

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Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS Accounting Standards, we also use adjusted net profit (non-IFRS measure) as the additional financial measures, which are not required by, or presented in accordance with, IFRS Accounting Standards. We believe that the non-IFRS measure provides useful information to [REDACTED] and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted net profit (non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of such non-IFRS measure has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for an analysis of, our results of operations or financial condition as reported under IFRS Accounting Standards.

We define adjusted net profit (non-IFRS measure) as net profit for the years adjusted by adding back share-based payment expenses. The following table reconciles our adjusted net profit (non-IFRS measure) for the years presented in accordance with IFRS Accounting Standards, which is net profit for the years:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Reconciliation of net profit to adjusted net profit (non-IFRS measure)			
Net profit for the year	401,207	321,783	334,647
Add:			
– Share-based payment expenses ⁽¹⁾	(6,066)	75,566	27,363
Adjusted net profit (non-IFRS measure)	395,141	397,349	362,010

Note:

- (1) Share-based payment expenses were non-cash in nature and represented the arrangement under which we receive services from employees as consideration for our equity instruments. Share-based payment expenses are not expected to result in future cash payments.

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Revenue

During the Track Record Period, we generated all of our revenue from the sales of products, primarily including (i) office supplies, (ii) MRO products and (iii) marketing gifts and employee welfare products. An insignificant portion of our revenue was generated from products under our proprietary brand, Colipu, which contributed to less than 1.5% of our total revenue in each year during the Track Record Period. The table below sets forth a breakdown of our revenue by product category in absolute amounts and as percentages of total revenue for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except for percentages)</i>					
Office supplies	5,879,856	44.2	5,753,498	41.6	5,609,396	37.3
MRO products	2,698,276	20.3	3,574,533	25.8	4,269,009	28.4
Marketing gifts and employee welfare products	4,728,862	35.5	4,503,405	32.6	5,169,801	34.3
Total	13,306,994	100.0	13,831,436	100.0	15,048,206	100.0

Cost of Sales

Our cost of sales primarily consisted of the procurement cost of products that we sold directly to customers. The following table sets forth a breakdown of our cost of sales by product category in absolute amounts and as percentages of our total cost of sales for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except for percentages)</i>					
Office supplies	5,355,427	43.8	5,268,192	41.3	5,144,430	36.9
MRO products	2,470,868	20.2	3,305,055	25.9	3,966,969	28.5
Marketing gifts and employee welfare products	4,405,690	36.0	4,191,120	32.8	4,821,430	34.6
Total	12,231,985	100.0	12,764,367	100.0	13,932,829	100.0

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Gross Profit and Gross Profit Margin

Gross profit margins vary across product categories due to differences in market dynamics, cost structures, and competitive positioning. The following table sets forth a breakdown of our gross profit and gross profit margin by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except for percentages)</i>						
Office supplies	524,429	8.9	485,306	8.4	464,966	8.3
MRO products	227,408	8.4	269,478	7.5	302,040	7.1
Marketing gifts and employee welfare products	323,172	6.8	312,285	6.9	348,371	6.7
Total	<u>1,075,009</u>	8.1	<u>1,067,069</u>	7.7	<u>1,115,377</u>	7.4

Other Income and Gains

During the Track Record Period, our other income and gains mainly consisted of (i) government grants and subsidies, (ii) bank interest income, and (iii) fair value gains on financial assets at fair value through profit or loss, which represented gains arising from our investment in wealth management products. The following table sets forth a breakdown of our other income and gains for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Government grants and subsidies			
– related to income	60,806	84,964	67,080
– related to assets	11,215	2,080	2,017
Bank interest income	14,312	17,929	14,125
Fair value gains on financial assets at fair value through profit or loss	7,009	8,561	12,558
Gain arising from disposal of items of property, plant and equipment	637	372	115
Others	1,846	22,306	789
Total	<u>95,825</u>	<u>136,212</u>	<u>96,684</u>

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Our government grants and subsidies consisted of grants related to income and grants related to assets. Grants related to income were mainly received as rewards for our contribution to local economic growth and were recognized in profit or loss upon receipt, with no unfulfilled conditions or contingencies during the Track Record Period. Grants related to assets were primarily received in connection with investments in intelligent warehouses and were recognized in profit or loss over the useful lives of the relevant assets. The availability, timing and amount of future government grants may vary depending on applicable government policies, budget allocation and the satisfaction of relevant requirements.

Fulfillment Expenses

Our fulfillment expenses primarily consisted of (i) customer service expenses, primarily comprising platform service fees, and (ii) logistics and other service expenses, mainly representing the payment for fulfillment services to our logistics and other suppliers. The following table sets forth a breakdown of our fulfillment expenses both in absolute amounts and as percentages of total fulfillment expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except for percentages)</i>					
Customer service expenses . . .	83,033	53.5	72,353	51.8	89,604	53.1
Logistics and other service expenses	72,028	46.5	67,428	48.2	79,074	46.9
Total	155,061	100.0	139,781	100.0	168,678	100.0

Selling and Distribution Expenses

Our selling and distribution expenses mainly consisted of (i) employee benefit expenses for sales and marketing personnel, (ii) service fees, which primarily comprised labor outsourcing service fee and marketing advisory fee, and (iii) office and travel expenses. The following table sets forth a breakdown of our selling and distribution expenses by nature both in absolute amounts and as percentages of total selling and distribution expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except for percentages)</i>					
Employee benefit expenses . . .	166,081	45.8	177,028	47.3	187,245	49.2
Service fees	106,899	29.5	112,802	30.1	110,413	29.0
Office and travel expenses . . .	53,330	14.7	51,521	13.8	52,123	13.7
Rental and property management expenses	13,124	3.6	13,856	3.7	14,570	3.8
Depreciation and amortization	14,255	3.9	11,788	3.2	8,751	2.3
Marketing and promotion expenses	6,467	1.8	5,534	1.5	4,947	1.3
Others	2,583	0.7	1,801	0.4	2,542	0.7
Total	362,739	100.0	374,330	100.0	380,591	100.0

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Administrative Expenses

Our administrative expenses primarily consisted of (i) employee benefit expenses for administrative personnel, (ii) share-based payment expenses, (iii) depreciation and amortization, (iv) office and travel expenses, and (v) service fees, which primarily comprised labor outsourcing service fee and certain consultancy fee incurred in connection with professional services. The following table sets forth a breakdown of our administrative expenses by nature both in absolute amounts and as percentages of total administrative expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except for percentages)</i>						
Employee benefit expenses . . .	58,962	54.6	63,582	31.5	68,062	42.0
Share-based payment expenses	(6,066)	(5.6)	75,566	37.4	27,363	16.9
Depreciation and amortization	19,747	18.3	23,386	11.6	27,310	16.9
Office and travel expenses . . .	18,773	17.4	19,825	9.8	20,687	12.8
Service fees	11,802	10.9	14,700	7.3	11,715	7.2
Rental and property management expenses	3,593	3.3	4,278	2.1	5,327	3.3
Others	1,270	1.1	613	0.3	1,430	0.9
Total	108,081	100.0	201,950	100.0	161,894	100.0

Research and Development Expenses

Our research and development expenses primarily consisted of (i) employee benefit expenses for our research and development personnel, and (ii) technology service fees. The following table sets forth a breakdown of our research and development expenses by nature both in absolute amounts and as percentages of total research and development expenses for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except for percentages)</i>						
Employee benefit expenses . . .	19,427	78.1	21,625	79.4	25,097	84.6
Technology service fees	5,433	21.8	5,607	20.6	4,569	15.4
Others	29	0.1	19	0.0	10	0.0
Total	24,889	100.0	27,251	100.0	29,676	100.0

Other Expenses

During the Track Record Period, our other expenses primarily consisted of compensatory expenses incurred in connection with fulfillment activities. In 2023, 2024 and 2025, our other expenses amounted to RMB3.6 million, RMB4.1 million and RMB6.2 million, respectively.

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Impairment Losses on Financial Assets, Net

Our net impairment losses on financial assets mainly consisted of net impairment losses on trade and bills receivables. The following table sets forth a breakdown of our net impairment losses on financial assets by nature both in absolute amounts and as percentages of total net impairment losses on financial assets for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
<i>(RMB in thousands, except for percentages)</i>						
Impairment losses on trade and bills receivables, net . . .	18,076	81.7	15,502	70.6	10,794	89.8
Impairment losses on other receivables, net	4,045	18.3	6,467	29.4	1,230	10.2
Total	22,121	100.0	21,969	100.0	12,024	100.0

Finance Costs

Our finance costs consisted of interest on lease liabilities. In 2023, 2024 and 2025, our finance costs amounted to RMB1.1 million, RMB2.3 million and RMB1.8 million, respectively.

Income Tax Expense

Our income tax expenses mainly represented current tax and deferred tax in accordance with the relevant laws and regulations in the PRC where the members of the Group are domiciled and operated. In 2023, 2024 and 2025, our income tax expenses amounted to RMB92.1 million, RMB109.9 million and RMB116.6 million, respectively.

Pursuant to the PRC corporate income tax law (“**CIT Law**”) and the relevant regulations, our Company and our subsidiaries are subject to a CIT rate of 25% on the taxable income during the Track Record Period.

One of our subsidiaries was accredited as a double soft certification enterprise (“**DSE**”) under the CIT Law. Starting from 2020, such subsidiary was exempted from corporate income tax for two years, followed by a 50% reduction of the applicable corporate income tax rate for the subsequent three years from 2022 to 2024, subject to continued satisfaction of the DSE qualification criteria. Certain of our subsidiaries are qualified as small and micro enterprises and were entitled to preferential corporate income tax rates of 5% during the Track Record Period. See Note 10 to the Accountants’ Report in Appendix I to this Document for more information.

During the Track Record Period and up to the Latest Practicable Date, we did not have any dispute with any tax authority, and we were not subject to any material tax investigation enquiries, penalties or surcharges.

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YEAR-TO-YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended December 31, 2025 Compared with the Year Ended December 31, 2024

Revenue

Our total revenue increased by 8.8% from RMB13,831.4 million in 2024 to RMB15,048.2 million in 2025, primarily attributable to the improvement in our service and execution capabilities supported by Puyuan, which contributed to (i) our business expansion and the growth of customer base for MRO and marketing gifts and employee welfare products, and (ii) the increase in purchases from our key accounts.

- Our revenue generated from the sales of office supplies remained relatively stable at RMB5,753.5 million and RMB5,609.4 million in 2024 and 2025, respectively, as we maintained relatively stable engagement with our key accounts, primarily through our continued inclusion in their bidding and tendering processes and the renewal of relevant sales contracts on a recurring basis.
- Our revenue generated from the sales of MRO products increased by 19.4% from RMB3,574.5 million in 2024 to RMB4,269.0 million in 2025, primarily due to (i) our continuous acquisition of new customers, (ii) expanded sales of MRO products to existing customers across additional product categories, and (iii) improved MRO product sales as a result of an enriched SKU portfolio.
- Our revenue generated from the sales of marketing gifts and employee welfare products increased by 14.8% from RMB4,503.4 million in 2024 to RMB5,169.8 million in 2025, primarily attributable to (i) our continuous acquisition of new customers, and (ii) expanded cross-category selling of marketing gifts and employee welfare products among existing customers.

Cost of Sales

Our cost of sales increased by 9.2% from RMB12,764.4 million in 2024 to RMB13,932.8 million in 2025, which was generally in line with the growth in our revenue. Furthermore, we faced an increase in the procurement prices of certain MRO products from suppliers due to the price volatility driven by market supply conditions, which was managed through our scale aggregation, supplier diversification and contractual arrangements. See “Business — Our Product Flow — Our Supplier Management System.”

Gross Profit and Gross Profit Margin

We recorded gross profit of RMB1,067.1 million and RMB1,115.4 million in 2024 and 2025, respectively. Our gross profit margin remained relatively stable at 7.7% and 7.4% in 2024 and 2025, respectively.

Our gross profit margin for office supplies remained relatively stable at 8.4% and 8.3% in 2024 and 2025, respectively. Our gross profit for MRO products increased by 12.1% from RMB269.5 million in 2024 to RMB302.0 million in 2025, with gross profit margin remaining relatively stable at 7.5% and 7.1% in respective years. Our gross profit for marketing gifts and employee welfare products increased from RMB312.3 million in 2024 to RMB348.4 million in 2025, with a relatively stable gross profit margin of 6.9% and 6.7% in respective years.

FINANCIAL INFORMATION

Other Income and Gains

Our other income and gains decreased by 29.0% from RMB136.2 million in 2024 to RMB96.7 million in 2025, primarily attributable to the decrease in our government grants and subsidies related to income from RMB85.0 million in 2024 to RMB67.1 million in 2025 as a result of fewer grants and subsidies received from local government authorities in 2025.

Fulfillment Expenses

Our fulfillment expenses increased by 20.7% from RMB139.8 million in 2024 to RMB168.7 million in 2025, primarily due to the growth in both customer service expenses and logistics-related expenses, consistent with our growing fulfillment activities.

Selling and Distribution Expenses

Our selling and distribution expenses increased from RMB374.3 million in 2024 to RMB380.6 million in 2025, primarily due to higher employee benefit expenses, as a result of the expansion of our sales and marketing workforce and higher average annual compensation levels, in line with our normal operational and staffing practices.

Administrative Expenses

Our administrative expenses decreased by 19.8% from RMB202.0 million in 2024 to RMB161.9 million in 2025, primarily because our share-based payment expense decreased by 63.8% from RMB75.6 million in 2024 to RMB27.4 million in 2025.

Research and Development Expenses

Our research and development expenses increased by 8.9% from RMB27.3 million in 2024 to RMB29.7 million in 2025, primarily due to the increase in employee benefit expenses as a result of higher average salary base for research and development personnel.

Other Expenses

Our other expenses increased by 51.9% from RMB4.1 million in 2024 to RMB6.2 million in 2025, primarily due to compensatory expenses incurred in connection with fulfillment activities.

Impairment Losses on Financial Assets, Net

Our net impairment losses on financial assets decreased by 45.3% from RMB22.0 million in 2024 to RMB12.0 million in 2025, primarily due to a decrease in the expected credit loss allowance of our trade and bills receivables and prepayments, other receivables and other assets, as we enhanced our collection of receivables in 2025.

Finance Costs

Our finance costs decreased by 22.6% from RMB2.3 million in 2024 to RMB1.8 million in 2025, mainly attributable to lower interest expenses on lease liabilities as the number of our office leases decreased.

Income Tax Expense

Our income tax expenses increased by 6.1% from RMB109.9 million in 2024 to RMB116.6 million in 2025, primarily due to an increase in our taxable profit from operations.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 4.0% from RMB321.8 million in 2024 to RMB334.6 million in 2025.

FINANCIAL INFORMATION

Year Ended December 31, 2024 Compared with the Year Ended December 31, 2023

Revenue

Our total revenue increased by 3.9% from RMB13,307.0 million in 2023 to RMB13,831.4 million in 2024, primarily attributable to the growth in revenue from the sales of MRO products, which increased by 32.5% from RMB2,698.3 million in 2023 to RMB3,574.5 million in 2024. The growth in MRO product sales was mainly attributable to our strategic focus on market expansion, including targeted efforts to acquire more customers and improve cross-selling of MRO products to our existing customers. The revenue generated from the sales of office supplies and marketing gifts and employee welfare products remained relatively stable in the respective years.

Cost of Sales

Our cost of sales increased by 4.4% from RMB12,232.0 million in 2023 to RMB12,764.4 million in 2024, primarily due to the increase in procurement costs. The increase in procurement costs was mainly attributable to changes in product mix, as we increased the proportion of MRO products, which generally carry higher unit costs. In particular, cost of sales for MRO products increased by 33.8% from RMB2,470.9 million in 2023 to RMB3,305.1 million in 2024, driven by the expansion of MRO product sales and the corresponding increase in procurement volume.

Gross Profit and Gross Profit Margin

Our gross profit remained relatively stable at RMB1,075.0 million and RMB1,067.1 million in 2023 and 2024, respectively. Our gross profit margin decreased from 8.1% in 2023 to 7.7% in 2024, primarily attributable to (i) the decrease in gross profit margin for office supplies from 8.9% in 2023 to 8.4% in 2024 due to the price fluctuations in global supply chain, resulting in the increase of the procurement costs of office supplies, and (ii) the decrease in gross profit margin for our MRO products from 8.4% in 2023 to 7.5% in 2024.

Other Income and Gains

Our other income and gains increased by 42.1% from RMB95.8 million in 2023 to RMB136.2 million in 2024, primarily attributable to the increase in government grants and subsidies related to income from RMB60.8 million in 2023 to RMB85.0 million in 2024.

Fulfillment Expenses

Our fulfillment expenses decreased by 9.9% from RMB155.1 million in 2023 to RMB139.8 million in 2024, primarily attributed to the decreases in customer service expenses and logistic and other service expenses as we continued to optimize our operating efficiency.

Selling and Distribution Expenses

Our selling and distribution expenses increased by 3.2% from RMB362.7 million in 2023 to RMB374.3 million in 2024, primarily due to the expansion of our sales and marketing personnel.

Administrative Expenses

Our administrative expenses increased by 86.9% from RMB108.1 million in 2023 to RMB202.0 million in 2024, primarily attributable to the increase in share-based payment expense in 2024. We incurred a share-based payment expense of RMB75.6 million in 2024 as we granted incentive shares to certain eligible employees under our share incentive scheme.

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Research and Development Expenses

Our research and development expenses increased by 9.5% from RMB24.9 million in 2023 to RMB27.3 million in 2024, mainly attributable to the increase in the employee benefit expenses as a result of the increases in our numbers of research and development personnel and average salary base.

Other Expenses

Our other expenses increased by 13.0% from RMB3.6 million in 2023 to RMB4.1 million in 2024, primarily due to the increase in compensatory expenses incurred in connection with fulfillment activities.

Impairment Losses on Financial Assets, Net

Our net impairment losses on financial assets remained relatively stable at RMB22.1 million and RMB22.0 million in 2023 and 2024, respectively.

Finance Costs

Our finance costs increased significantly from RMB1.1 million in 2023 to RMB2.3 million in 2024, primarily due to the increase in our interest on lease liabilities, as a result of the increased number of leases for office use.

Income Tax Expense

Our income tax expenses increased by 19.4% from RMB92.1 million in 2023 to RMB109.9 million in 2024, primarily due to the increase in our taxable profit for operations.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 19.8% from RMB401.2 million in 2023 to RMB321.8 million in 2024.

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DISCUSSION OF CERTAIN KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Non-current assets			
Property, plant and equipment . . .	15,651	18,918	21,644
Right-of-use assets	57,339	50,180	26,879
Intangible assets	423	228	187
Other non-current assets	228	60	174
Deferred tax assets	99,322	89,582	79,373
Total non-current assets	172,963	158,968	128,257
Non-current liabilities			
Deferred tax liabilities	27,368	27,258	32,174
Deferred income	8,640	6,560	4,543
Lease liabilities	27,545	18,841	5,182
Total non-current liabilities	63,553	52,659	41,899

Property, Plant and Equipment

Our property, plant and equipment primarily consisted of (i) machinery, (ii) office equipment, (iii) motor vehicle, (iv) leasehold improvements, and (v) construction in progress. The following table sets forth a breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Machinery	6,325	4,837	3,343
Office equipment	5,452	4,730	6,401
Motor vehicle	3,262	2,545	2,716
Leasehold improvements	612	601	9,162
Construction in progress	—	6,205	22
Total	15,651	18,918	21,644

Our property, plant and equipment increased from RMB15.7 million as of December 31, 2023 to RMB18.9 million as of December 31, 2024, primarily because we incurred construction in progress of RMB6.2 million in 2024, as a result of the renovation of certain of our leased office spaces, which was reclassified under leasehold improvements in 2025. Our property, plant and equipment increased from RMB18.9 million as of December 31, 2024 to RMB21.6 million as of December 31, 2025, primarily attributable to the increases in office equipment and leasehold improvements due to the renovation of our leased office spaces.

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Right-of-use Assets

Our right-of-use assets comprised of (i) office premises, warehouses and carports, and (ii) equipment. The following table sets forth a breakdown of our right-of-use assets as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Office premises, warehouses and carports	57,183	50,055	26,879
Equipment	156	125	—
Total	57,339	50,180	26,879

Our right-of-use assets decreased by 12.5% from RMB57.3 million as of December 31, 2023 to RMB50.2 million as of December 31, 2024, and further by 46.4% to RMB26.9 million as of December 31, 2025, primarily due to the decrease in leased office premises, warehouses and carports by 12.5% from RMB57.2 million in 2023 to RMB50.1 million in 2024, and further by 46.3% to RMB26.9 million in 2025. This was primarily due to (i) the decrease in our leases due to relocation arrangements or expiration of lease contracts, and (ii) depreciation charges.

Deferred Tax Assets

Our deferred tax assets primarily arose from (i) impairment of assets, (ii) lease liabilities, (iii) deferred income, and (iv) accruals and others. Our deferred tax assets decreased by 9.8% from RMB99.3 million as of December 31, 2023 to RMB89.6 million as of December 31, 2024, primarily due to the decreases in accruals and others. Our deferred tax assets further decreased by 11.4% to RMB79.4 million as of December 31, 2025, primarily due to decreases in lease liabilities as the number of our office leases decreased.

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Current Assets and Liabilities

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

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Current assets			
Inventories	92,227	117,381	109,931
Trade and bills receivables	3,135,578	3,350,493	4,119,433
Prepayments, other receivables and other assets	143,498	143,972	186,504
Financial assets at fair value through profit or loss	303,839	412,400	1,023,669
Financial assets at fair value through other comprehensive income	39,533	28,475	31,212
Restricted cash and time deposits	106,514	3,675	108,780
Cash and cash equivalents	1,913,417	2,670,275	2,556,694
Total current assets	5,734,606	6,726,671	8,136,223
Current liabilities			
Trade payables	3,922,512	4,156,034	5,085,637
Other payables and accruals	262,746	240,518	342,713
Tax payables	47,125	55,997	60,686
Lease liabilities	24,732	26,632	17,736
Total current liabilities	4,257,115	4,479,181	5,506,772
Net current assets	1,477,491	2,247,490	2,629,451

Inventories

Our inventories primarily consisted of finished goods and 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
	<i>(RMB in thousands)</i>		
Finished goods	89,466	111,140	108,267
Goods in transit	2,911	6,600	2,801
Provision for impairment of inventories	(150)	(359)	(1,137)
Total	92,227	117,381	109,931

Our inventories increased from RMB92.2 million as of December 31, 2023 to RMB117.4 million as of December 31, 2024, primarily attributable to the increase in our finished goods due to our increasingly diverse product offerings with expanded product categories. Our inventories remained relatively stable at RMB117.4 million and RMB109.9 million as of December 31, 2024 and 2025, respectively.

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The following table sets forth an aging analysis of our inventories as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within one year	92,231	116,532	109,532
One to two years	140	1,183	477
Over two years	6	25	1,059
Total	92,377	117,740	111,068

The following table sets forth our inventory turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Inventory turnover days ⁽¹⁾	3.7	3.0	3.0

Note:

- (1) Inventory turnover days are calculated using the average of opening balance and closing balance of gross inventories (before provision for impairment) for a year divided by cost of sales for the relevant year and multiplied by 360 days for the year.

Our inventory turnover days remained relatively stable at 3.7 days, 3.0 days and 3.0 days in 2023, 2024 and 2025, respectively, primarily attributable to the continued optimization of our inventory structure and ongoing improvements of supply chain management efficiency, such as our swift order fulfillment capability, supplemented by our warehousing, logistic infrastructure, and digital framework. See “Business — Our Warehousing and Logistics System.”

As of March 31, 2026, RMB94.5 million, or 85.1% of inventories as of December 31, 2025, had been subsequently used, consumed or sold.

Trade and Bills Receivables

Our trade and bills receivables consisted of (i) trade receivables, which represented receivables arising from sales to our customers on credit in our ordinary course of business, and (ii) bills receivables at amortized cost, which represented sales made through commercial acceptance bills in accordance with customers’ settlement preferences. The following table sets forth a breakdown of our trade and bills receivables, net of impairment, as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Trade receivables	3,137,545	3,372,382	4,114,533
Bills receivables, at amortized cost	40,318	28,707	64,767
Impairment	(42,285)	(50,596)	(59,867)
Total	3,135,578	3,350,493	4,119,433

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Our trade and bills receivables increased from RMB3,135.6 million as of December 31, 2023 to RMB3,350.5 million as of December 31, 2024, and further increased to RMB4,119.4 million as of December 31, 2025, primarily in line with our revenue growth in respective years.

The following table sets forth an aging analysis of our trade and bills receivables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 6 months	2,865,497	3,001,922	3,676,819
6 months to 1 year	220,210	276,132	330,322
1 to 2 years	46,443	69,093	110,317
2 to 3 years	3,428	3,346	1,975
Total	3,135,578	3,350,493	4,119,433

The following table sets forth our trade and bills receivables turnover days for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Trade and bills receivables turnover days ⁽¹⁾	77.1	85.6	90.7

Note:

- (1) Trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of gross trade and bills receivables (before provision for impairment) for a year divided by revenue for the relevant year and multiplied by 360 days for the year.

Our trade and bills receivables turnover days increased from 77.1 days in 2023 to 85.6 days in 2024, and further increased to 90.7 days in 2025, primarily because certain of our customers were granted extended payment terms in light of our long-term and in-depth business relationships. During the Track Record Period, we usually granted our customers a credit term of 30 days to 180 days.

As of March 31, 2026, RMB2,767.7 million, or 66.2% of our trade and bills receivables as of December 31, 2025, had been subsequently settled.

Trade Payables

Our trade payables primarily represented the amounts payable to our suppliers. Our trade payables increased from RMB3,922.5 million as of December 31, 2023 to RMB4,156.0 million as of December 31, 2024, and further increased to RMB5,085.6 million as of December 31, 2025, primarily attributable to the increase in our procurement, in line with the growth in our revenue in the respective years.

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The following table sets forth an aging analysis of our trade payables as of the dates indicated:

	As of December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Within 1 year	3,849,083	3,931,198	4,819,886
1 to 2 years	64,808	172,736	198,290
2 to 3 years	7,463	43,543	44,842
Over 3 years	1,158	8,557	22,619
Total	3,922,512	4,156,034	5,085,637

The following table sets forth our trade payables turnover days for the Track Record Period:

	Year ended December 31,		
	2023	2024	2025
	<i>(days)</i>		
Trade payables turnover days ⁽¹⁾ . . .	104.2	113.9	119.4

Note:

- (1) Trade payables turnover days are calculated using the average of opening balance and closing balance of trade payables for a year divided by cost of sales used for the relevant year and multiplied by 360 days for the year.

Our trade payables turnover days increased from 104.2 days in 2023 to 113.9 days in 2024, and further to 119.4 days in 2025, primarily due to more favorable payment arrangements with our suppliers as a result of strengthened supplier relationships. During the Track Record Period, our suppliers typically granted us a credit term of 30 days to 180 days.

As of March 31, 2026, RMB3,610.4 million, or 71.0% of our trade payables as of December 31, 2025, had been subsequently settled.

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Prepayments, Other Receivables and Other Assets

Our prepayments, other receivables and other assets consisted primarily of (i) deposits, comprised primarily performance bonds, (ii) right-of-return assets, (iii) rebate receivables, and (iv) prepayments to suppliers. 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
	<i>(RMB in thousands)</i>		
Deposits	51,020	63,420	78,103
Right-of-return assets	52,696	49,388	78,149
Rebate receivables	25,931	25,202	29,432
Prepayments to suppliers	27,904	8,689	13,798
Prepayment for income tax	—	6,890	—
Prepaid expenses	6,964	4,133	2,301
Value-added tax recoverable	1,692	2,666	2,972
Others	3,839	3,599	2,744
	170,046	163,987	207,499
Impairment	(26,548)	(20,015)	(20,995)
Total	143,498	143,972	186,504

Our prepayments, other receivables and other assets remained relatively stable at RMB143.5 million and RMB144.0 million as of December 31, 2023 and 2024, respectively. Our prepayments, other receivables and other assets increased by 29.5% from RMB144.0 million as of December 31, 2024 to RMB186.5 million as of December 31, 2025, primarily due to the increases in (i) right-of-return assets for a higher anticipation of returnable goods, which is in line with increase in product sales, (ii) deposits, primarily attributable to higher performance bonds paid for increasing tendering and bidding activities, and (iii) prepayments to suppliers as a result of enlarged procurement value.

Financial Assets at Fair Value through Profit or Loss

Our financial assets at fair value through profit or loss consisted of conservative wealth management products. Our financial assets at fair value through profit or loss increased from RMB303.8 million as of December 31, 2023 to RMB412.4 million as of December 31, 2024, and further increased to RMB1,023.7 million as of December 31, 2025, primarily because we acquired more conservative wealth management products in light of our adequate cash position. We have implemented internal policies governing the purchase and management of wealth management products. Our finance department monitors weekly cash balances and initiates investment proposals when excess funds are identified. The investment decisions are made on a case-by-case basis after careful consideration of a number of factors, such as general market conditions, credit of the commercial banks, our cash flow performance and the expected profit or potential loss of the investments. Our annual investment budget is formulated and subject to approval at the beginning of each financial year by the general manager and the chief financial officer who have robust experience in corporate governance and investment. See “Directors and Senior Management — Senior Management.” To the extent that any such investment constitutes a notifiable transaction under Chapter 14 of the Listing Rules, we will comply with the relevant requirements thereunder, including the applicable announcement, reporting and/or shareholders’ approval requirements.

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Other Payables and Accruals

Our other payables and accruals primarily represented (i) accrued expenses, (ii) refund liabilities, (iii) tax payable other than corporate income tax, (iv) payroll and welfare payable, (v) unexpired endorsement transfers and factoring transfers, and (vi) deposits. 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
	<i>(RMB in thousands)</i>		
Accrued expenses	67,555	61,796	70,894
Refund liabilities	56,752	53,072	83,608
Tax payable other than corporate income tax	55,790	48,299	53,897
Payroll and welfare payable	29,928	31,394	33,916
Unexpired endorsement transfers and factoring transfers	30,380	21,075	49,680
Deposits	19,042	22,681	45,393
Others	3,299	2,201	5,325
Total	262,746	240,518	342,713

Our other payables and accruals remains relatively stable at RMB262.7 million as of December 31, 2023 and RMB240.5 million as of December 31, 2024, and increased to RMB342.7 million as of December 31, 2025, primarily due to (i) higher refund liabilities, which mainly represented higher anticipation of product returns as a result of the increase in product sales, (ii) an increase in unexpired endorsed bills and factoring transfers, mainly due to a higher volume of bills endorsed and transferred to suppliers, and (iii) higher deposits and advances paid to suppliers in connection with expanded business scale and procurement activities.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from cash generated from operations and capital contributions from our Shareholders. After the [REDACTED], we intend to finance our future capital requirements through cash generated from operations and the [REDACTED] from the [REDACTED]. We do not anticipate any changes to the availability of financing to fund our operations in the future.

We monitor and maintain a level of cash and cash equivalents deemed adequate to finance our operations and mitigate the effects of fluctuations in cash flows. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB1,913.4 million, RMB2,670.3 million and RMB2,556.7 million, respectively. Taking into account the [REDACTED] from the [REDACTED] and the financial resources available to us, including our cash and cash equivalents and cash flows from operating activities, our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this Document.

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Current Assets and Liabilities

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

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			<i>(Unaudited)</i>
Current assets				
Inventories	92,227	117,381	109,931	105,421
Trade and bills receivables	3,135,578	3,350,493	4,119,433	3,932,270
Prepayments, other receivables and other assets	143,498	143,972	186,504	179,848
Financial assets at fair value through profit or loss	303,839	412,400	1,023,669	875,564
Financial assets at fair value through other comprehensive income	39,533	28,475	31,212	28,579
Restricted cash and time deposits	106,514	3,675	108,780	7,688
Cash and cash equivalents	1,913,417	2,670,275	2,556,694	1,574,106
Total current assets	5,734,606	6,726,671	8,136,223	6,703,476
Current liabilities				
Trade payables	3,922,512	4,156,034	5,085,637	3,663,932
Other payables and accruals . . .	262,746	240,518	342,713	280,266
Tax payables	47,125	55,997	60,686	34,651
Lease liabilities	24,732	26,632	17,736	14,428
Total current liabilities	4,257,115	4,479,181	5,506,772	3,993,277
Net current assets	1,477,491	2,247,490	2,629,451	2,710,199

Our net current assets increased from RMB2,629.5 million as of December 31, 2025 to RMB2,710.2 million as of March 31, 2026, primarily due to a decrease in trade payables, partially offset by a decrease in cash and cash equivalents, mainly because we settled more payments with suppliers in the first quarter of the year.

Our net current assets increased from RMB2,247.5 million as of December 31, 2024 to RMB2,629.5 million as of December 31, 2025, primarily due to (i) an increase in trade and bills receivables in line with our growing product sales, and (ii) an increase in financial assets at fair value through profit or loss as we acquired more conservative wealth management products in light of our adequate cash position.

Our net current assets increased from RMB1,477.5 million as of December 31, 2023 to RMB2,247.5 million as of December 31, 2024, primarily due to (i) an increase in cash and cash equivalents, (ii) an increase in trade and bills receivables in line with our growing product sales, and (iii) an increase in financial assets at fair value through profit or loss as we acquired more conservative wealth management products.

FINANCIAL INFORMATION

Cash Flow

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

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Net cash generated from operating activities	638,358	527,092	524,767
Net cash generated from/(used in) investing activities	2,766	(107,944)	(608,464)
Net cash generated from/(used in) financing activities	(27,640)	337,710	(29,884)
Net increase/(decrease) in cash and cash equivalents	613,484	756,858	(113,581)
Cash and cash equivalents at the beginning of the year	1,299,933	1,913,417	2,670,275
Cash and cash equivalents at the end of the year	<u>1,913,417</u>	<u>2,670,275</u>	<u>2,556,694</u>

Net Cash Generated from Operating Activities

In 2025, our net cash generated from operating activities was RMB524.8 million, reflecting our profit before tax of RMB451.3 million, adjusted by non-cash and non-operating items, movements in working capital and payment of income tax of RMB96.8 million. Adjustments of non-cash and non-operating items primarily comprised (i) depreciation of right-of-use assets of RMB28.9 million, and (ii) equity-settled share-based payment expenses of RMB27.4 million, partially offset by interest income of RMB14.1 million and fair value changes in financial assets at fair value through profit or loss, net, of RMB12.6 million. Our movements in working capital primarily comprised of (a) increase in trade payables of RMB929.6 million, and (b) increase in other payables and accruals of RMB102.2 million, partially offset by increase in trade and bills receivables of RMB779.7 million.

In 2024, our net cash generated from operating activities was RMB527.1 million, reflecting our profit before tax of RMB431.7 million, adjusted by non-cash and non-operating items, movements in working capital and payment of income tax of RMB91.4 million. Adjustments of non-cash and non-operating items primarily comprised (i) equity-settled share-based payment expenses of RMB75.6 million, and (ii) depreciation of right-of-use assets of RMB29.9 million, partially offset by interest income of RMB17.9 million. Our movements in working capital primarily comprised of increase in trade payables of RMB233.5 million, partially offset by increase in trade and bills receivables of RMB230.4 million.

In 2023, our net cash generated from operating activities was RMB638.4 million, reflecting our profit before tax of RMB493.3 million, adjusted by non-cash and non-operating items, movements in working capital and payment of income tax of RMB109.3 million. Adjustments of non-cash and non-operating items primarily comprised (i) depreciation of right-of-use assets of RMB26.5 million, and (ii) impairment losses recognized on financial assets, net of RMB22.1 million, partially offset by interest income of RMB14.3 million. Our movements in working capital primarily comprised (a) increase in trade payables of RMB766.6 million, and (b) decrease in inventories of RMB69.4 million, partially offset by increase in trade and bills receivables of RMB654.3 million.

FINANCIAL INFORMATION

Net Cash Generated from / (Used in) Investing Activities

In 2025, our net cash used in investing activities was RMB608.5 million, primarily attributable to the purchases of (i) financial assets at fair value through profit or loss of RMB800.0 million, and (ii) items of property, plant and equipment of RMB9.9 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB200.0 million.

In 2024, our net cash used in investing activities was RMB107.9 million, primarily attributable to the purchases of (i) financial assets at fair value through profit or loss of RMB200.0 million, and (ii) items of property, plant and equipment of RMB8.4 million, partially offset by proceeds from disposal of financial assets at fair value through profit or loss of RMB100.0 million.

In 2023, our net cash generated from investing activities was RMB2.8 million, primarily attributable to (i) interest received from financial assets at fair value through profit or loss of RMB4.3 million and (ii) proceeds from disposal of items of property, plant and equipment of RMB0.7 million, partially offset by the purchase of items of property, plant and equipment of RMB1.9 million.

Net Cash Generated from / (Used in) Financing Activities

In 2025, our net cash used in financing activities was RMB29.9 million, primarily attributable to principal portion of lease payments of RMB28.1 million and interest portion of lease payments of RMB1.8 million.

In 2024, our net cash generated from financing activities was RMB337.7 million, primarily attributable to capital contribution from shareholders of RMB758.9 million, partially offset by (i) payment of dividends of RMB306.1 million, and (ii) capital deduction by shareholders of RMB83.3 million.

In 2023, our net cash used in financing activities was RMB27.6 million, which was attributable to principal portion of lease payments of RMB26.6 million and interest portion of lease payments of RMB1.1 million.

INDEBTEDNESS

During the Track Record Period, our indebtedness included lease liabilities, and up to March 31, 2026:

	As of December 31,			As of March 31,
	2023	2024	2025	2026
	(RMB in thousands)			(Unaudited)
Current				
Lease liabilities	24,732	26,632	17,736	14,428
Non-current				
Lease liabilities	27,545	18,841	5,182	3,393
Total	52,277	45,473	22,918	17,821

As of March 31, 2026, our unutilized bank facilities amounted to RMB967.4 million.

FINANCIAL INFORMATION

Lease Liabilities

As of December 31, 2023, 2024, 2025 and March 31, 2026, we had lease liabilities of RMB52.3 million, RMB45.5 million, RMB22.9 million and RMB17.8 million, respectively, mainly representing lease contracts for various buildings and space used in our operations, which typically have lease terms of one to three years. During the Track Record Period, our lease liabilities decreased by 13.0% from RMB52.3 million as of December 31, 2023 to RMB45.5 million as of December 31, 2024, by 49.6% to RMB22.9 million as of December 31, 2025, and further by 22.2% to RMB17.8 million as of March 31, 2026, primarily due to our payment of leases.

Contingent Liabilities and Guarantees

As of December 31, 2023, 2024 and 2025, we did not have any contingent liabilities.

Indebtedness Statement

Save as disclosed above, as of March 31, 2026, being the latest practicable date for determining our indebtedness, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or any material contingent liabilities in connection therewith. After due and careful consideration, our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in our indebtedness since March 31, 2026.

KEY FINANCIAL RATIOS

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

	Year ended/as of December 31,		
	2023	2024	2025
Gross profit margin(%) ⁽¹⁾	8.1	7.7	7.4
Net profit margin(%) ⁽²⁾	3.0	2.3	2.2
Return on equity(%) ⁽³⁾	28.9	16.3	13.2
Current ratio ⁽⁴⁾	1.3	1.5	1.5
Quick ratio ⁽⁵⁾	1.3	1.5	1.5
Cash conversion cycle ⁽⁶⁾	(23.4)	(25.3)	(25.7)

Notes:

- (1) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.
- (2) Net profit margin equals profit for the year divided by revenue and multiplied by 100%.
- (3) Return on equity equals profit for the year divided by the average of the beginning and ending total equity multiplied by 100%.
- (4) Current ratio is calculated by dividing current assets by current liabilities.
- (5) Quick ratio is calculated by dividing current assets less inventories by current liabilities.
- (6) The cash conversion cycle is calculated by adding inventory turnover days and trade and bills receivables turnover days, then subtracting trade payables turnover days.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements.

FINANCIAL INFORMATION

CAPITAL COMMITMENTS

Our capital commitments consisted of contractual commitments but not provided for property, plant and equipment. The following table sets forth our capital commitments for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Contracted, but not provided for: property, plant and equipment . .	1,028	5,566	390

CAPITAL EXPENDITURES

Our capital expenditures consisted of purchases of property, plant and equipment and purchases of intangible assets. The following table sets forth our capital expenditures for the years indicated:

	Year ended December 31,		
	2023	2024	2025
	<i>(RMB in thousands)</i>		
Purchase of property, plant and equipment	1,854	8,394	9,877
Purchase of intangible assets	297	25	118
Total	2,151	8,419	9,995

We funded our capital expenditure requirements during the Track Record Period mainly from cash flow generated from operating activities. We intend to fund our future capital expenditures with a combination of operating cashflow and [REDACTED] from the [REDACTED].

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties, mainly with our holding company and fellow subsidiaries, i.e., M&G Group, M&G Corporation and its subsidiaries from time to time. Our transactions during the Track Record Period with our related parties primarily comprised trade-related transactions of (i) purchase of products from M&G Corporation, (ii) sale of goods to our related parties, and (iii) leasing transactions with our related parties. We only entered into sporadic non-trade related transactions with M&G Corporation. For details about our related party transactions during the Track Record Period, see Note 34 to Appendix I to this Document. All of our balances with related parties that were non-trade in nature will be fully settled prior to the [REDACTED].

Our Directors believe that our transactions with related parties during the Track Record Period were conducted on an arm’s length basis and they did not distort our results of operations or make our historical results not reflective of our future performance.

FINANCIAL INFORMATION

FINANCIAL RISK DISCLOSURE

Our activities expose us to a variety of financial risks, including credit risk and liquidity risk. Our overall risk management program focuses on the macroeconomic dynamic and unpredictability of financial markets while seeking to minimize potential adverse effects on our financial performance. For more details of our financial risk and management measures, see Note 38 to Appendix I to this Document.

DIVIDEND

On May 28, 2024, we declared dividends of RMB306.1 million to our Shareholders, which were paid in May 2024. No other dividend was paid or declared by our Group or other entities comprising our Group during the Track Record Period. Any declaration and payment, as well as the amount of dividends, will be subject to our Articles of Association and the relevant PRC laws. We currently do not have a formal dividend policy or any fixed dividend pay-out ratio. No dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution.

DISTRIBUTABLE RESERVES

As of December 31, 2025, we had distributable reserves of RMB197.3 million.

[REDACTED] EXPENSE

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] range stated in this Document), the aggregate [REDACTED], together with the Stock Exchange [REDACTED], AFRC transaction levy, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the [REDACTED], which are payable by us, are estimated to amount in aggregate to be approximately RMB[REDACTED], accounting for [REDACTED]% of the [REDACTED] from the [REDACTED]. By nature, our [REDACTED] are composed of (i) [REDACTED] of approximately RMB[REDACTED], and (ii) non-[REDACTED] related expenses of approximately RMB[REDACTED], which consist of fees and expenses of legal advisors and Reporting Accountants of approximately RMB[REDACTED] and other fees and expenses of approximately RMB[REDACTED]. We did not incur any [REDACTED] expenses during the Track Record Period. Approximately RMB[REDACTED] of the total [REDACTED] expenses is expected to be charged to profit and loss after the Track Record Period, and approximately RMB [REDACTED] is directly attributable to the [REDACTED] and [REDACTED] and will be deducted from equity upon the [REDACTED].

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

See “Appendix II — Unaudited [REDACTED] Financial Information.”

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that, up to the date of this Document, there has been no material adverse change in our financial or trading position or prospects since December 31, 2025, being the end date of our latest audited financial statements and there has been no event since December 31, 2025 that would materially affect the information shown in the Accountants’ Report 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 was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for a detailed discussion of our future plans.

USE OF [REDACTED]

Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the [REDACTED] Range stated in this Document), we estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED] after deducting the [REDACTED] and other estimated expenses paid and payable by us in connection with the [REDACTED] and assuming that the [REDACTED] is not exercised. In line with our strategies, we intend to use our [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used to strengthen our global supply chain and digitalized operational capabilities. This is intended to better support the complex and multi-scenario procurement needs of enterprise customers, and to enhance the stability, responsiveness and execution certainty of our end-to-end service delivery. In particular:
 - o Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used to further strengthen our digital infrastructure, with a focus on enhancing our data governance capabilities and the application of intelligent technologies, and improving coordination efficiency and operational stability across key operating processes, including procurement, fulfillment, settlement and risk management. In particular, such [REDACTED] will be used to:
 - (i) deploy cloud-based technical infrastructure, including cloud-native computing environments, cross-regional disaster recovery capabilities and cloud security protection systems;
 - (ii) purchase and upgrade IT hardware facilities and related technical and software services, to enhance system integration and interface connectivity, facilitate data connectivity across key business processes such as products, orders, inventory, logistics, settlement and invoicing, reduce system integration complexity and shorten the onboarding cycle for new businesses;
 - (iii) improve our data governance framework, indicator systems and decision-support tools, to support the use of operating data to inform and enhance key operating processes, including procurement planning, fulfillment coordination, risk monitoring, inventory management, customer service and operational support;
 - (iv) deploy AI-enabled applications and robotic process automation (“RPA”) modules in selected business scenarios, to enhance process automation and improve operating efficiency; and
 - (v) recruit over 50 technical personnel and product managers to support the continued iteration of our core systems, data governance initiatives, intelligent application development and system security assurance. Such personnel are expected to possess experience in software development, system architecture, data engineering, AI applications, information security or relevant product management fields.
 - o Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used to enhance our supply chain fulfillment capabilities, with a view to improving delivery reliability and supporting the scalable and intelligent expansion of our operations. We plan to carry out intelligent upgrades and expand and renovate our warehouses across China.

FUTURE PLANS AND USE OF [REDACTED]

These investments are expected to primarily involve (i) warehouse leasing, expansion or renovation to accommodate multi-category storage and support higher inventory turnover; (ii) procurement and deployment of intelligent warehousing and sorting equipment, including dense storage systems, AGV/AMR goods-to-person systems, robotic arms, automated packaging machines and high-speed sorting modules, to comprehensively enhance automation in order picking and sorting and improve operating efficiency; (iii) upgrades to warehouse-related fulfillment support equipment, including the deployment of gravity racks, simple conveyor lines, electric forklifts, pallet trucks and portable handheld terminals, to strengthen efficient integration and process coordination between warehousing operations and downstream delivery activities; and (iv) recruitment of approximately 70 employees in phases, including warehouse management personnel and front-line operators.

- o Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used to comprehensively build and upgrade our globalized sourcing and procurement system. In particular:
 - (i) we plan to recruit approximately 120 professionals, including industry supply chain experts, MRO product specialists, gift planning and design personnel and market analysts, to enhance the product development ability, optimize our product offering structure, and improve our ability to provide comprehensive solution for enterprise procurement; and
 - (ii) we plan to establish a full-stack digitalized procurement management system and build a supplier relationship management (“SRM”) system to support standardized supplier access, centralized procurement processes and data interconnectivity. We will also promote integration between the SRM system and our existing enterprise information platform to enable deeper linkage with our internal systems and data interoperability. In connection with the foregoing, we will invest in procurement application servers and related hardware, expand and upgrade storage capacity, engage operation and maintenance services and conduct staff training.
- Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used for strategic investments and acquisitions to support our business expansion and supplement our existing operations. We expect to focus on small-to medium-sized companies with established operations, identifiable brand or channel strengths and a track record of stable development, taking into account factors such as asset profile, profitability, operational complexity and scalability. In particular, we intend to pursue opportunities in sectors and business areas that align with our current operations, as well as companies with product categories closely related to our customer base.

Subject to market conditions, the availability of suitable targets and the outcome of commercial negotiations, our potential targets may include companies with: (i) specialized hardware or component capabilities; (ii) consumer-oriented light tool or home tool product expertise; (iii) industrial products and personal protective equipment distribution capabilities; and/or (iv) industrial-grade tool and equipment brands with strong customization and manufacturing capabilities.

These investments are expected to expand our product offering, improve our ability to serve scenario-based customer needs, increase the diverse value of the products and services we provide, and enhance capabilities in delivering more technology-intensive product solutions, thereby enhancing customer stickiness. As advised by Frost & Sullivan, our target markets offer a sufficient pool of potential acquisition targets that meet our selection criteria. As of the Latest Practicable Date, we had not entered into any letter of intent or definitive agreement in respect of any acquisition.

FUTURE PLANS AND USE OF [REDACTED]

- Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used to expand our sales and service network, strengthen our industry-specific solution capabilities, increase market outreach and brand development efforts, upgrade our customer service system and refine sales incentive mechanisms. Such investment will be used to recruit a team of approximately 100 personnel, including sales management, account managers, solution experts, pre-sales consultants and brand marketing professionals.

Based on the above hire, we plan to: (i) expand our sales network and improve regional and industry coverage of our frontline sales team to improve customer reach and market penetration, and further enhance responsiveness to customer demand; (ii) continue refining our industry-specific solutions by investing in customized offerings for different sectors, including office supplies, MRO products, marketing gifts and employee welfare products; (iii) attend industry conferences, professional exhibitions and conducting targeted online marketing and advertising, in order to improve our brand awareness, industry influence and support customer acquisition; (iv) upgrade professional pre-sales consultation, solution support, project follow-up and after-sales service functions, optimizing service processes and response mechanisms to shorten service response time. We will also improve our customer management framework to enhance customer experience and satisfaction; and (v) refine our sales incentive schemes to enhance sales force motivation, improve alignment with customer needs and support higher repurchase rates, while continuing to promote our core products and expand their market presence.

- Approximately [REDACTED]%, or HK\$[REDACTED], of the [REDACTED] will be used for working capital and general corporate purposes.

If the [REDACTED] is set at the [REDACTED] of the [REDACTED] range or the [REDACTED] of the [REDACTED] range, the [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED], respectively. To the extent our [REDACTED] from the [REDACTED] (including the [REDACTED] from the exercise of the [REDACTED]) are either more or less than expected, we will adjust our [REDACTED] of the [REDACTED] for the above purposes on a pro rata basis.

If the [REDACTED] is fully exercised, our Company will receive additional [REDACTED] of approximately HK\$[REDACTED] for [REDACTED] Shares to be allotted and issued upon the full exercise of the [REDACTED] based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the [REDACTED] of the [REDACTED] range, and after deducting the [REDACTED] and [REDACTED] payable by our Company. The additional amount raised will be applied to the above areas of use of [REDACTED] on a pro-rata basis.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would render the development of any of our projects not viable, or the occurrence of *force majeure* events, we will carefully evaluate the situation and may [REDACTED] the [REDACTED] from the [REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, we will only deposit the unused [REDACTED] into 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).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report on Colipu Technologies Group Co., Ltd., prepared for the purpose of incorporation in this document received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong.

[To insert the firm’s letterhead with official address]

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF COLIPU TECHNOLOGIES GROUP CO., LTD. AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Colipu Technologies Group Co., Ltd. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-59, which comprises the consolidated statements of profit or loss and other 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-59 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 11 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 AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December		
		2023	2024	2025
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
REVENUE	5	13,306,994	13,831,436	15,048,206
Cost of sales		(12,231,985)	(12,764,367)	(13,932,829)
Gross profit		1,075,009	1,067,069	1,115,377
Other income and gains	5	95,825	136,212	96,684
Fulfillment expenses	6	(155,061)	(139,781)	(168,678)
Selling and distribution expenses ..		(362,739)	(374,330)	(380,591)
Administrative expenses		(108,081)	(201,950)	(161,894)
Research and development expenses		(24,889)	(27,251)	(29,676)
Other expenses		(3,602)	(4,071)	(6,185)
Impairment losses on financial assets, net	6	(22,121)	(21,969)	(12,024)
OPERATING PROFIT		494,341	433,929	453,013
Finance costs	7	(1,073)	(2,264)	(1,752)
PROFIT BEFORE TAX	6	493,268	431,665	451,261
Income tax expense	10	(92,061)	(109,882)	(116,614)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>401,207</u>	<u>321,783</u>	<u>334,647</u>
Attributable to:				
Owners of the parent		<u>401,207</u>	<u>321,783</u>	<u>334,647</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT				
Basic and diluted (RMB)	12	<u>1.34</u>	<u>0.75</u>	<u>0.56</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment . . .	13	15,651	18,918	21,644
Right-of-use assets	14(a)	57,339	50,180	26,879
Intangible assets	15	423	228	187
Other non-current assets	16	228	60	174
Deferred tax assets	17	99,322	89,582	79,373
Total non-current assets		172,963	158,968	128,257
CURRENT ASSETS				
Inventories	18	92,227	117,381	109,931
Trade and bills receivables	19	3,135,578	3,350,493	4,119,433
Prepayments, other receivables and other assets	20	143,498	143,972	186,504
Financial assets at fair value through profit or loss	21	303,839	412,400	1,023,669
Financial assets at fair value through other comprehensive income	22	39,533	28,475	31,212
Restricted cash and time deposits .	23	106,514	3,675	108,780
Cash and cash equivalents	23	1,913,417	2,670,275	2,556,694
Total current assets		5,734,606	6,726,671	8,136,223
CURRENT LIABILITIES				
Trade payables	24	3,922,512	4,156,034	5,085,637
Other payables and accruals	25	262,746	240,518	342,713
Tax payables		47,125	55,997	60,686
Lease liabilities	14(b)	24,732	26,632	17,736
Total current liabilities		4,257,115	4,479,181	5,506,772
NET CURRENT ASSETS		1,477,491	2,247,490	2,629,451
TOTAL ASSETS LESS				
CURRENT LIABILITIES		1,650,454	2,406,458	2,757,708

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		31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Deferred tax liabilities	17	27,368	27,258	32,174
Deferred income	26	8,640	6,560	4,543
Lease liabilities	14(b)	27,545	18,841	5,182
Total non-current liabilities		63,553	52,659	41,899
NET ASSETS		1,586,901	2,353,799	2,715,809
EQUITY				
Equity attributable to owners of the parent				
Paid-in capital/share capital	27	300,000	594,000	594,000
Reserves	28	1,286,901	1,759,799	2,121,809
TOTAL EQUITY		1,586,901	2,353,799	2,715,809

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the parent				
	Paid-in capital	Capital reserve*	Statutory surplus reserve*	Retained earnings*	Total equity
	<i>RMB'000</i> (<i>Note 27</i>)	<i>RMB'000</i> (<i>Note 28</i>)	<i>RMB'000</i> (<i>Note 28</i>)	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	300,000	62,801	48,631	780,328	1,191,760
Profit for the year	–	–	–	401,207	401,207
Total comprehensive income for the year	–	–	–	401,207	401,207
Share-based payments (<i>Note 29</i>)	–	(6,066)	–	–	(6,066)
Transfer from retained earnings	–	–	27,241	(27,241)	–
As at 31 December 2023	<u>300,000</u>	<u>56,735</u>	<u>75,872</u>	<u>1,154,294</u>	<u>1,586,901</u>
As at 1 January 2024	300,000	56,735	75,872	1,154,294	1,586,901
Profit for the year	–	–	–	321,783	321,783
Total comprehensive income for the year	–	–	–	321,783	321,783
Capital contribution from shareholders	367,473	391,425	–	–	758,898
Capital deduction by shareholders	(73,473)	(9,796)	–	–	(83,269)
Share-based payments (<i>Note 29</i>)	–	75,566	–	–	75,566
Dividends paid to shareholders	–	–	–	(306,080)	(306,080)
Transfer from retained earnings	–	–	26,327	(26,327)	–
As at 31 December 2024	<u>594,000</u>	<u>513,930</u>	<u>102,199</u>	<u>1,143,670</u>	<u>2,353,799</u>

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	Attributable to owners of the parent				
	Paid-in capital/ Share capital	Capital reserve*	Statutory surplus reserve*	Retained earnings*	Total equity
	<i>RMB'000</i> (<i>Note 27</i>)	<i>RMB'000</i> (<i>Note 28</i>)	<i>RMB'000</i> (<i>Note 28</i>)	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2025	594,000	513,930	102,199	1,143,670	2,353,799
Profit for the year	—	—	—	334,647	334,647
Total comprehensive income for the year	—	—	—	334,647	334,647
Conversion into a joint stock company	—	819,894	(114,087)	(705,807)	—
Share-based payments (<i>Note 29</i>) . . .	—	27,363	—	—	27,363
Transfer from retained earnings	—	—	33,816	(33,816)	—
As at 31 December 2025	<u>594,000</u>	<u>1,361,187</u>	<u>21,928</u>	<u>738,694</u>	<u>2,715,809</u>

* These reserve accounts comprise the consolidated reserves of RMB1,286,901,000, RMB1,759,799,000 and RMB2,121,809,000 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 FLOWS

		Year ended 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		493,268	431,665	451,261
Adjustments for:				
Depreciation of property, plant and equipment	13	7,186	5,024	7,024
Depreciation of right-of-use assets	14(a)	26,534	29,930	28,878
Amortisation of intangible assets	15	282	220	159
Fair value changes on financial assets at fair value through profit or loss, net	6	(7,009)	(8,561)	(12,558)
Gain on disposal of items of property, plant and equipment	6	(637)	(372)	(115)
Deferred income recognised in profit or loss	5	(11,215)	(2,080)	(2,017)
Impairment losses on financial assets, net	6	22,121	21,969	12,024
Impairment/(reversal of impairment) of inventories	6	(502)	209	778
Equity-settled share-based payment expenses	6	(6,066)	75,566	27,363
Interest income	5	(14,312)	(17,929)	(14,125)
Finance costs	7	1,073	2,264	1,752
		510,723	537,905	500,424
Decrease/(increase) in other non-current assets		207	168	(114)
Decrease/(increase) in inventories		69,412	(25,363)	6,672
Increase in trade and bills receivables		(654,252)	(230,417)	(779,734)
Decrease/(increase) in financial assets at fair value through other comprehensive income		(20,064)	11,058	(2,737)
Increase in prepayments, other receivables and other assets		(16,619)	(6,941)	(43,762)
Decrease/(increase) in restricted cash and time deposits		178	102,839	(105,105)
Increase in trade payables		766,576	233,522	929,603
Increase/(decrease) in other payables and accruals		77,190	(22,228)	102,195
Cash generated from operations		733,351	600,543	607,442
Income tax paid		(109,305)	(91,380)	(96,800)
Interest received		14,312	17,929	14,125
Net cash flows generated from operating activities		638,358	527,092	524,767

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		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of items of property, plant and equipment		(1,854)	(8,394)	(9,877)
Proceeds from disposal of items of property, plant and equipment		657	475	242
Purchases of intangible assets		(297)	(25)	(118)
Purchase of financial assets at fair value through profit or loss		–	(200,000)	(800,000)
Proceeds from disposal of financial assets at fair value through profit or loss		–	100,000	200,000
Interest received from financial assets at fair value through profit or loss		4,260	–	1,289
Net cash flows generated from/(used in) investing activities		2,766	(107,944)	(608,464)
CASH FLOWS FROM FINANCING ACTIVITIES				
Principal portion of lease payments	14	(26,567)	(29,575)	(28,132)
Interest portion of lease payments	14	(1,073)	(2,264)	(1,752)
Capital contribution from shareholders		–	758,898	–
Capital deduction by shareholders		–	(83,269)	–
Dividends paid	11	–	(306,080)	–
Net cash flows generated from/(used in) financing activities		(27,640)	337,710	(29,884)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		613,484	756,858	(113,581)
Cash and cash equivalents at beginning of year		1,299,933	1,913,417	2,670,275
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,913,417	2,670,275	2,556,694
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and cash equivalents	23	1,913,417	2,670,275	2,556,694
Cash and cash equivalents as stated in the consolidated statements of cash flows and consolidated statements of financial position		1,913,417	2,670,275	2,556,694

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ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property, plant and equipment . . .	13	15,562	18,885	21,627
Right-of-use assets	14(a)	48,534	44,310	24,553
Intangible assets	15	423	228	187
Other non-current assets	16	228	60	174
Investments in subsidiaries		6,000	6,000	6,000
Deferred tax assets	17	45,308	42,687	47,801
Total non-current assets		116,055	112,170	100,342
CURRENT ASSETS				
Inventories	18	92,227	117,381	109,931
Trade and bills receivables	19	3,136,015	3,350,737	4,119,392
Prepayments, other receivables and other assets	20	152,337	153,879	221,175
Financial assets at fair value through profit or loss	21	303,839	412,400	1,023,669
Financial assets at fair value through other comprehensive income	22	39,533	28,475	31,212
Restricted cash and time deposits .	23	106,514	3,675	108,780
Cash and cash equivalents	23	1,893,750	2,643,148	2,549,043
Total current assets		5,724,215	6,709,695	8,163,202
CURRENT LIABILITIES				
Trade payables	24	3,922,512	4,156,034	5,085,637
Other payables and accruals	25	660,101	691,547	854,554
Tax payables		41,921	55,988	55,650
Lease liabilities	14(b)	21,932	23,698	15,904
Total current liabilities		4,646,466	4,927,267	6,011,745
NET CURRENT ASSETS		1,077,749	1,782,428	2,151,457
TOTAL ASSETS LESS CURRENT LIABILITIES				
		1,193,804	1,894,598	2,251,799

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		31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Deferred tax liabilities	17	26,267	26,525	31,593
Deferred income	26	8,640	6,560	4,543
Lease liabilities	14(b)	22,320	16,551	5,182
Total non-current liabilities		57,227	49,636	41,318
NET ASSETS				
		1,136,577	1,844,962	2,210,481
EQUITY				
Paid-in capital/share capital	27	300,000	594,000	594,000
Reserves	28	836,577	1,250,962	1,616,481
TOTAL EQUITY		1,136,577	1,844,962	2,210,481

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ACCOUNTANTS’ REPORT

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Company is a limited liability company established in the People’s Republic of China (the “PRC”) on 5 December 2012. The registered office of the Company is located at 16/F, 11/F, Building 2, No. 1528 Gumei Road, Xuhui District, Shanghai, PRC.

During the Relevant Periods, the Company and its subsidiaries were principally engaged in the provision of multi-scenario general materials digital procurement solutions through sale of a wide range of products in the PRC.

In the opinion of the directors, the Company’s holding company is Shanghai M&G Stationery Inc., (“M&G Corporation” or the “Holding Company”), a company established in the PRC and listed on the Shanghai Stock Exchange. The Company’s ultimate holding company is M&G Holdings (Group) Co., Ltd., (“M&G Group” or the “Ultimate Holding Company”), which is incorporated in the Cayman Islands.

Information about subsidiaries

As at the date of this report, the Company had direct or indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Notes	Place and date of incorporation/ registration and place of operations	Registered share capital	Percentage of equity attributable to the Company		Principal activities
				Direct	Indirect	
Shanghai Colipu Technology Development Co., Ltd.	(1)	PRC/Chinese mainland 30 November 2023	RMB100,000,000	100%	–	Technology services
Shanghai Colipu Information Technology Co., Ltd.	(2)	PRC/Chinese mainland 3 January 2020	RMB5,000,000	100%	–	Software development
Lianyungang Colipu Office Supplies Co. Ltd.	(1)	PRC/Chinese mainland 9 March 2017	RMB1,000,000	100%	–	Sales of products
Shenyang Colipu Office Supplies Trading Co., Ltd.	(1)	PRC/Chinese mainland 26 March 2019	RMB500,000	100%	–	Sales of products

The English names of the companies registered in the PRC represent the best efforts made by the management of the Company to translate the Chinese names of these companies as they do not have official English names.

- (1) No statutory audited financial statements of these entities have been prepared for the years ended 31 December 2023, 2024 and 2025.
- (2) The statutory financial statements of the entity for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with PRC generally accepted accounting principles and regulations have been audited by Shanghai Heyi Certified Public Accountants, a certified public accounting firm registered in the PRC.

2. ACCOUNTING POLICIES

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 early 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 financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial information of the Company and its subsidiary 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.

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The financial statements of the subsidiaries are prepared for the same reporting period 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.

IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
IFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</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 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended standards upon initial application. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specific totals and subtotals. It also requires disclosure of management-defined performance measures in a note and introduces new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group’s presentation of the statement of profit or loss and disclosures of the Group’s financial performance. So far, except for IFRS 18, the Group considers that the new and amended standards are unlikely to have a significant impact on the Group’s results of operations and financial position.

2.3 MATERIAL ACCOUNTING POLICIES

Fair value measurement

The Group measures its wealth management products and financial assets at fair value through other comprehensive income 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.

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All assets and liabilities for which fair value is measured or disclosed in the Historical Financial Information 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 Historical Financial Information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing 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 reporting 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, financial assets and deferred tax 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.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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 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 reporting period 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 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;

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.

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Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to 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 principal annual rates used for this purpose are as follows:

Category	Principal annual rates
Machinery	9.0%-9.5%
Office equipment	9.5%-47.5%
Motor vehicle	9.0%-25.0%
Leasehold improvements	Over the 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 least at each financial year end.

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 profit or loss in the reporting period 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

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 5 years, which is the licence period of the software.

Research and development costs

All research costs are charged to 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:

Office premises, warehouses and carports	1-3 years
Equipment	1-3 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.

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(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.

(c) *Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of office premises and warehouses (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).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Financial assets at fair value through profit or loss

Wealth management products are classified as financial assets at fair value through profit or loss (“FVTPL Assets”). FVTPL Assets are measured and recorded at fair value with net changes in fair value recognised in profit or loss.

Purchases and 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.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the profit or loss.

Trade, bills and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. The Group initially measures receivables, except for trade and bills receivables that do not contain a significant financing component, at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade and bills receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for “Revenue recognition” below.

Receivables are stated at amortised cost, using the effective interest method less allowance for credit losses.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding and the Group has a business model to hold the asset in order to collect contractual cash flows.

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.

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.

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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 fair value through other comprehensive income and 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 and bills 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 and bills 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.

Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated 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.

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 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.

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Cash and cash equivalents

Cash and cash equivalents in the 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, are 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.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each of the Relevant Periods of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

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 reporting period, 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 reporting period 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, 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, 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 reporting period 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 at the end of the reporting period.

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 profit or loss over the expected useful life of the relevant asset by equal annual instalments.

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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 generates revenue from the sale of products through digital platforms. The Group recognises the product revenue from the online direct sales on a gross basis as the Group is acting as a principal in these transactions and is responsible for fulfilling the promise to provide the specified goods. Product revenue is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the products.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period subject to applicable return conditions, 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.

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.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Other employee benefits

Pension scheme

The employees of the Group’s subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries operating in the Chinese mainland are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Share-based payments

The Company operates a share incentive 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 29 to the Historical Financial Information.

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 profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

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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.

Foreign currencies

These financial statements are presented in RMB, which is the Company’s functional currency because the Group’s principal operations are carried out in the PRC. 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 the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its 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. Proposed final dividends are disclosed in the notes to the financial statements.

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, and the disclosure of contingent liabilities. 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:

Gross versus net revenue recognition

The determination of whether revenue should be reported on a gross or net basis is based on an assessment of whether the Group is acting as a principal or an agent in the transaction. If the Group is acting as a principal in a transaction, the Group reports revenue on a gross basis. The determination of whether the Group is acting as a principal or an agent in a transaction involves judgement and is based on an evaluation of the terms of the arrangement. The Group is considered a principal if it controls a promised good before transferring that good to the customer. The Group considers several factors to determine if it controls the good and therefore is the principal. These factors include: (a) if the Group is primarily responsible for fulfilling the promise to provide the specified good; (b) if the Group has inventory risk before the specified good has been transferred to a customer or after the transfer of control to the customer; and (c) if the Group has discretion in establishing price for the specified good.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and 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 included in note 17 to the Historical Financial Information.

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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

The Group estimates variable consideration to be included in the transaction price for the sale of products with rights of return.

The Group has developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with 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 updates its assessment of expected returns quarterly. Estimates of expected return are sensitive to changes in circumstances and the Group’s past experience regarding returns may not be representative of customers’ actual returns in the future. As at 31 December 2023, 2024 and 2025, the amounts recognised as refund liabilities were RMB56,752,000, RMB53,072,000 and RMB83,608,000 for the expected returns, respectively.

Provision for expected credit losses on trade and bills receivables

The Group uses a provision matrix to calculate ECLs for trade and bills receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group’s historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the multi-scenario general materials digital procurement solutions 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 and bills 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).

4. OPERATING SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company. During the Relevant Periods, the Group was principally engaged in the provision of multi-scenario general materials digital procurement solutions through sale of a wide range of products. Management reviews the operating results of the Group’s business as one operating segment for the purpose of making decisions about resource allocation and performance assessment. Therefore, the chief operating decision maker of the Company regards that there is only one segment which is used to make strategic decisions.

Geographical information

No geographical information is presented as the Group’s revenue from the external customers is derived solely from its operations in the Chinese mainland and no non-financial long term assets of the Group are located outside the Chinese mainland.

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Information about major customers

Revenue from major customers, including a group of entities which are known to be under common control, accounted for over 10% of the Group’s total revenue during the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Customer A	1,992,246	2,437,918	2,980,567
Customer B	1,818,941	N/A*	N/A*

* The corresponding revenue of the customers are not disclosed as the revenue individually did not account for 10% or more of the Group’s revenue during the Relevant Periods.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents income from the sale of products during the Relevant Periods.

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			
Types of goods			
Sale of products	13,306,994	13,831,436	15,048,206
Geographical market			
Chinese mainland	13,306,994	13,831,436	15,048,206
Timing of revenue recognition			
Revenue recognised at a point in time	13,306,994	13,831,436	15,048,206

Information about the Group’s performance obligations is summarised below:

Sale of products

The performance obligation of sale of products is satisfied upon delivery of the products and payment is generally due within 30 to 180 days from delivery.

There were unsatisfied performance obligations for sale of products at the end of each of the Relevant Periods. As permitted under IFRS 15, the Group applies the practical expedient, and does not disclose the transaction price allocated to unsatisfied performance obligations for contracts of sale of products, which are generally with an original expected duration of one year or less.

An analysis of other income and gains is as follows:

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB’000	RMB’000	RMB’000
Government grants and subsidies				
– related to income	(i)	60,806	84,964	67,080
– related to assets	(ii)	11,215	2,080	2,017
Bank interest income		14,312	17,929	14,125
Fair value gains on financial assets at fair value through profit or loss		7,009	8,561	12,558
Gain arising from disposal of items of property, plant and equipment		637	372	115
Others		1,846	22,306	789
Total		95,825	136,212	96,684

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- (i) The government grants and subsidies related to income have been received to reward for the Group’s contribution to the local economic growth. These grants are related to income and recognised in profit or loss upon receipt of these grants. There are no unfulfilled conditions or contingencies relating to these grants.
- (ii) The Group has received certain government grants related to the investments in intelligent warehouses. The grants related to assets were recognised in profit or loss over the useful lives of relevant assets. Details of these grants related to assets are set out in note 26 to the Historical Financial Information.

6. 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*		12,231,985	12,764,367	13,932,829
Customer service expenses**		83,033	72,353	89,604
Logistics and other service expenses**		72,028	67,428	79,074
Depreciation of property, plant and equipment	13	7,186	5,024	7,024
Depreciation of right-of-use assets	14(a)	26,534	29,930	28,878
Amortisation of intangible assets	15	282	220	159
Lease payments not included in the measurement of lease liabilities	14(c)	10,920	11,243	12,087
Employee benefit expense (including directors’ remuneration as set out in note 8):				
Wages and salaries		190,830	204,262	218,070
Pension scheme contributions and social welfare***		51,544	57,002	60,962
Equity-settled share-based payment expenses	29	(6,066)	75,566	27,363
Other employee fees		2,096	971	1,371
		<u>238,404</u>	<u>337,801</u>	<u>307,766</u>
Impairment losses on financial assets, net:				
Impairment losses on trade and bills receivables, net	19	18,076	15,502	10,794
Impairment losses on other receivables, net	20	4,045	6,467	1,230
		<u>22,121</u>	<u>21,969</u>	<u>12,024</u>
Impairment/(reversal of impairment) of inventories		(502)	209	778
Fair value changes of financial assets at fair value through profit or loss, net	5	(7,009)	(8,561)	(12,558)
Gain on disposal of items of property, plant and equipment	5	(637)	(372)	(115)

* The amount of cost of inventories sold as stated herein excludes those included in the depreciation of property, plant and equipment, depreciation of right-of-use assets, impairment of inventories and employee benefit expense.

** The amounts of customer service expenses and logistics and other service expenses as stated constitute fulfillment expenses in consolidated statements of profit or loss and other comprehensive income.

*** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

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7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on lease liabilities	1,073	2,264	1,752

8. DIRECTORS’ AND CHIEF EXECUTIVE’S REMUNERATION

Certain of the directors received remuneration from the subsidiaries now comprising the Group prior to their appointment as the directors of the Company. Details of the remuneration received or receivable by the directors from the group entities for the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Fees:			
Directors	—	—	—
Other emoluments:			
Salaries, allowances and benefits in kind	—	1,155	3,530
Performance related bonuses*	—	—	1,570
Pension scheme contributions and social welfare	—	133	387
Equity-settled share-based payments	—	44,906	6,967
	—	46,194	12,454
	—	46,194	12,454

* Certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

(a) Independent non-executive directors

Subsequent to the end of the Relevant Periods, Mr. Li Peng, Mr. Sze Tin Yeung Randoll and Mr. Huang Jia were appointed as independent non-executive directors of the Company. There were no fees and other emoluments paid to the independent non-executive directors during the Relevant Periods.

(b) Executive directors, non-executive directors and the chief executive

Year ended 31 December 2023

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Executive director, chairman of the board and general manager:				
Dr. Chen Huwen ⁽ⁱ⁾	—	—	—	—
Executive directors:				
Ms. Li Jingyi ⁽ⁱⁱ⁾	—	—	—	—
Mr. Liao Xiang ⁽ⁱⁱ⁾	—	—	—	—
Ms. Chen Yile ⁽ⁱⁱⁱ⁾	—	—	—	—
	—	—	—	—
	—	—	—	—

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Year ended 31 December 2024

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Equity- settled share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive director, chairman of the board and general manager:					
Dr. Chen Huwen ⁽ⁱ⁾	1,155	—	133	44,906	46,194
Executive directors:					
Ms. Li Jingyi ⁽ⁱⁱ⁾	—	—	—	—	—
Mr. Liao Xiang ⁽ⁱⁱ⁾	—	—	—	—	—
Ms. Chen Yile ⁽ⁱⁱⁱ⁾	—	—	—	—	—
	—	—	—	—	—
	1,155	—	133	44,906	46,194

Year ended 31 December 2025

	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions and social welfare	Equity- settled share-based payments	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive director, chairman of the board and general manager:					
Dr. Chen Huwen ⁽ⁱ⁾	1,260	413	145	—	1,818
Executive directors:					
Ms. Li Jingyi ⁽ⁱⁱ⁾	1,800	656	121	4,450	7,027
Mr. Liao Xiang ⁽ⁱⁱ⁾	470	501	121	2,517	3,609
Ms. Chen Yile ⁽ⁱⁱⁱ⁾	—	—	—	—	—
	2,270	1,157	242	6,967	10,636
	3,530	1,570	387	6,967	12,454

Notes:

- (i) In December 2012, Dr. Chen Huwen was appointed as an executive director, the chairman of the board of directors and the general manager of the Company.
- (ii) In March 2025, Ms. Li Jingyi and Mr. Liao Xiang were appointed as executive directors of the Company.
- (iii) In April 2026, Ms. Chen Yile was appointed as an executive director of the Company.

No remunerations were paid or payable by the Group to the directors as an inducement to join or upon joining the Group or a compensation for loss of office during the Relevant Periods.

There was no arrangement under which a director waived or agreed to waive any remunerations during the Relevant Periods.

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9. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group for the Relevant Periods included none, one and two directors disclosed above, respectively. Details of the directors’ remuneration are set out in note 8 above. Details of the remuneration of the remaining five, four and three highest paid employees, respectively, who are neither a director nor chief executive of the Company for the Relevant Periods are as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Salaries, allowances and benefits in kind	4,162	3,504	1,285
Performance related bonuses*	2,560	2,086	1,086
Pension scheme contributions and social welfare	712	581	436
Equity-settled share-based payments	–	10,094	5,346
	<u>7,434</u>	<u>16,265</u>	<u>8,153</u>

* Certain highest paid employees of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

The numbers of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December		
	2023	2024	2025
HK\$1,000,001 to HK\$1,500,000	4	–	–
HK\$1,500,001 to HK\$2,000,000	–	–	1
HK\$3,000,001 to HK\$3,500,000	1	2	1
HK\$3,500,001 to HK\$4,000,000	–	–	1
HK\$4,000,001 to HK\$4,500,000	–	1	–
HK\$6,500,001 to HK\$7,000,000	–	1	–
	<u>5</u>	<u>4</u>	<u>3</u>

10. INCOME TAX EXPENSE

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 operated.

PRC corporate income tax was provided at the rate of 25% on the taxable profits of the Company and the Group’s PRC subsidiaries for the Relevant Periods.

One of the Group’s PRC subsidiaries was accredited as a double soft certification enterprise (“DSE”) under the Corporate Income Tax Law during 2023 and 2024. According to the relevant tax regulations, the qualified subsidiary was exempted from corporate income tax (“CIT”) for two years, followed by a 50% reduction in the applicable tax rates for the next three years if the criteria of DSE are met each year, commencing from 2020, the first year of profitable operation.

Certain of the Group’s PRC subsidiaries have been qualified as small and micro enterprises and were entitled to preferential corporate income tax rates of 5% during the Relevant Periods.

The income tax expense of the Group for the Relevant Periods is analysed as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Current – PRC income taxes			
Charge for the year	95,613	100,252	101,489
Deferred (Note 17)	(3,552)	9,630	15,125
	<u>92,061</u>	<u>109,882</u>	<u>116,614</u>

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A reconciliation of tax expense applicable to profit before tax at the statutory rate for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the income tax expense at the effective income tax rate for each of the Relevant Periods is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	493,268	431,665	451,261
Tax at the PRC corporate income tax rate of 25%	123,317	107,916	112,815
Effect of tax concessions	(35,607)	(10,615)	(8,310)
Expenses not deductible for tax	3,499	11,642	11,049
Tax losses and temporary differences not recognised	852	939	1,060
	<u>92,061</u>	<u>109,882</u>	<u>116,614</u>
Tax charge at the Group’s effective rate			

11. DIVIDENDS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Dividends	—	306,080	—

On 28 May 2024, the Company declared dividends of RMB306,080,000 to its shareholders and were paid in May 2024.

12. 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 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the Relevant Periods. The weighted average number of ordinary shares in issue before the conversion into a joint stock company was determined by assuming that the paid-in capital had been fully converted into share capital at the same conversion ratio as upon transformation into a joint stock company in March 2025.

The calculation of basic earnings per share is based on:

Earnings per share		Year ended 31 December		
		2023	2024	2025
Earnings				
Profit attributable to ordinary equity holders of the parent (RMB'000)		401,207	321,783	334,647
Shares				
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation		300,000,000	426,590,238	594,000,000
Basic earnings per share (RMB)		<u>1.34</u>	<u>0.75</u>	<u>0.56</u>

The Group has no dilutive potential ordinary shares and accordingly, the diluted earnings per share for the Relevant Periods were the same as the basic earnings per share, respectively.

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13. PROPERTY, PLANT AND EQUIPMENT

The Group

	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023						
At 1 January 2023:						
Cost	8,020	24,738	15,949	10,076	168	58,951
Accumulated depreciation	(256)	(17,970)	(11,546)	(8,176)	–	(37,948)
Net carrying amount	<u>7,764</u>	<u>6,768</u>	<u>4,403</u>	<u>1,900</u>	<u>168</u>	<u>21,003</u>
At 1 January 2023, net of accumulated depreciation	7,764	6,768	4,403	1,900	168	21,003
Additions	64	1,724	–	66	–	1,854
Depreciation provided during the year	(1,503)	(3,195)	(1,134)	(1,354)	–	(7,186)
Transfers	–	168	–	–	(168)	–
Disposals	–	(13)	(7)	–	–	(20)
At 31 December 2023, net of accumulated depreciation	<u>6,325</u>	<u>5,452</u>	<u>3,262</u>	<u>612</u>	<u>–</u>	<u>15,651</u>
At 31 December 2023:						
Cost	8,084	25,747	14,765	10,142	–	58,738
Accumulated depreciation	(1,759)	(20,295)	(11,503)	(9,530)	–	(43,087)
Net carrying amount	<u>6,325</u>	<u>5,452</u>	<u>3,262</u>	<u>612</u>	<u>–</u>	<u>15,651</u>
	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024						
At 1 January 2024:						
Cost	8,084	25,747	14,765	10,142	–	58,738
Accumulated depreciation	(1,759)	(20,295)	(11,503)	(9,530)	–	(43,087)
Net carrying amount	<u>6,325</u>	<u>5,452</u>	<u>3,262</u>	<u>612</u>	<u>–</u>	<u>15,651</u>
At 1 January 2024, net of accumulated depreciation	6,325	5,452	3,262	612	–	15,651
Additions	–	1,674	218	286	6,216	8,394
Depreciation provided during the year	(1,488)	(2,327)	(912)	(297)	–	(5,024)
Transfers	–	11	–	–	(11)	–
Disposals	–	(80)	(23)	–	–	(103)
At 31 December 2024, net of accumulated depreciation	<u>4,837</u>	<u>4,730</u>	<u>2,545</u>	<u>601</u>	<u>6,205</u>	<u>18,918</u>
At 31 December 2024:						
Cost	8,084	26,289	14,509	10,429	6,205	65,516
Accumulated depreciation	(3,247)	(21,559)	(11,964)	(9,828)	–	(46,598)
Net carrying amount	<u>4,837</u>	<u>4,730</u>	<u>2,545</u>	<u>601</u>	<u>6,205</u>	<u>18,918</u>

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	<u>Machinery</u>	<u>Office equipment</u>	<u>Motor vehicle</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025						
At 1 January 2025:						
Cost	8,084	26,289	14,509	10,429	6,205	65,516
Accumulated depreciation	(3,247)	(21,559)	(11,964)	(9,828)	–	(46,598)
Net carrying amount	<u>4,837</u>	<u>4,730</u>	<u>2,545</u>	<u>601</u>	<u>6,205</u>	<u>18,918</u>
At 1 January 2025, net of accumulated depreciation	4,837	4,730	2,545	601	6,205	18,918
Additions	–	2,266	1,131	1,809	4,671	9,877
Depreciation provided during the year	(1,473)	(2,480)	(916)	(2,155)	–	(7,024)
Transfers	–	1,947	–	8,907	(10,854)	–
Disposals	(21)	(62)	(44)	–	–	(127)
At 31 December 2025, net of accumulated depreciation	<u>3,343</u>	<u>6,401</u>	<u>2,716</u>	<u>9,162</u>	<u>22</u>	<u>21,644</u>
At 31 December 2025:						
Cost	8,063	29,454	14,797	12,138	22	64,474
Accumulated depreciation	(4,720)	(23,053)	(12,081)	(2,976)	–	(42,830)
Net carrying amount	<u>3,343</u>	<u>6,401</u>	<u>2,716</u>	<u>9,162</u>	<u>22</u>	<u>21,644</u>
The Company						
	<u>Machinery</u>	<u>Office equipment</u>	<u>Motor vehicle</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Total</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2023						
At 1 January 2023:						
Cost	8,020	24,613	15,459	10,052	168	58,312
Accumulated depreciation	(256)	(17,865)	(11,148)	(8,169)	–	(37,438)
Net carrying amount	<u>7,764</u>	<u>6,748</u>	<u>4,311</u>	<u>1,883</u>	<u>168</u>	<u>20,874</u>
At 1 January 2023, net of accumulated depreciation	7,764	6,748	4,311	1,883	168	20,874
Additions	64	1,703	–	66	–	1,833
Depreciation provided during the year	(1,503)	(3,178)	(1,106)	(1,350)	–	(7,137)
Transfers	–	168	–	–	(168)	–
Disposals	–	(1)	(7)	–	–	(8)
At 31 December 2023, net of accumulated depreciation	<u>6,325</u>	<u>5,440</u>	<u>3,198</u>	<u>599</u>	<u>–</u>	<u>15,562</u>
At 31 December 2023:						
Cost	8,084	25,676	14,274	10,118	–	58,152
Accumulated depreciation	(1,759)	(20,236)	(11,076)	(9,519)	–	(42,590)
Net carrying amount	<u>6,325</u>	<u>5,440</u>	<u>3,198</u>	<u>599</u>	<u>–</u>	<u>15,562</u>

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	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2024						
At 1 January 2024:						
Cost	8,084	25,676	14,274	10,118	–	58,152
Accumulated depreciation	(1,759)	(20,236)	(11,076)	(9,519)	–	(42,590)
Net carrying amount	<u>6,325</u>	<u>5,440</u>	<u>3,198</u>	<u>599</u>	<u>–</u>	<u>15,562</u>
At 1 January 2024, net of accumulated depreciation	6,325	5,440	3,198	599	–	15,562
Additions	–	1,649	218	286	6,216	8,369
Depreciation provided during the year	(1,488)	(2,322)	(883)	(293)	–	(4,986)
Transfers	–	11	–	–	(11)	–
Disposals	–	(53)	(7)	–	–	(60)
At 31 December 2024, net of accumulated depreciation	<u>4,837</u>	<u>4,725</u>	<u>2,526</u>	<u>592</u>	<u>6,205</u>	<u>18,885</u>
At 31 December 2024:						
Cost	8,084	26,219	14,357	10,403	6,205	65,268
Accumulated depreciation	(3,247)	(21,494)	(11,831)	(9,811)	–	(46,383)
Net carrying amount	<u>4,837</u>	<u>4,725</u>	<u>2,526</u>	<u>592</u>	<u>6,205</u>	<u>18,885</u>
	Machinery	Office equipment	Motor vehicle	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
31 December 2025						
At 1 January 2025:						
Cost	8,084	26,219	14,357	10,403	6,205	65,268
Accumulated depreciation	(3,247)	(21,494)	(11,831)	(9,811)	–	(46,383)
Net carrying amount	<u>4,837</u>	<u>4,725</u>	<u>2,526</u>	<u>592</u>	<u>6,205</u>	<u>18,885</u>
At 1 January 2025, net of accumulated depreciation	4,837	4,725	2,526	592	6,205	18,885
Additions	–	2,263	1,131	1,809	4,671	9,874
Depreciation provided during the year	(1,473)	(2,478)	(906)	(2,150)	–	(7,007)
Transfers	–	1,947	–	8,907	(10,854)	–
Disposals	(21)	(62)	(42)	–	–	(125)
At 31 December 2025, net of accumulated depreciation	<u>3,343</u>	<u>6,395</u>	<u>2,709</u>	<u>9,158</u>	<u>22</u>	<u>21,627</u>
At 31 December 2025:						
Cost	8,063	29,382	14,646	12,113	22	64,226
Accumulated depreciation	(4,720)	(22,987)	(11,937)	(2,955)	–	(42,599)
Net carrying amount	<u>3,343</u>	<u>6,395</u>	<u>2,709</u>	<u>9,158</u>	<u>22</u>	<u>21,627</u>

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14. LEASES

The Group as a lessee

The Group has lease contracts for items of office premises, warehouses, carports and equipment used in its operations. Leases of office premises, warehouses, carports and equipment generally have lease terms between 1 and 3 years. Generally, the Group is restricted from assigning and subleasing the leased office premises, warehouses, carports and equipment outside the Group.

(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:

	Office premises, warehouses and carports	Equipment	Total
	RMB’000	RMB’000	RMB’000
As at 1 January 2023	32,004	–	32,004
Additions	52,423	170	52,593
Termination	(724)	–	(724)
Depreciation charge	(26,520)	(14)	(26,534)
As at 31 December 2023 and 1 January 2024 . .	<u>57,183</u>	<u>156</u>	<u>57,339</u>
Additions	24,621	–	24,621
Termination	(1,850)	–	(1,850)
Depreciation charge	(29,899)	(31)	(29,930)
As at 31 December 2024 and 1 January 2025 . .	<u>50,055</u>	<u>125</u>	<u>50,180</u>
Additions	11,816	–	11,816
Termination	(6,114)	(125)	(6,239)
Depreciation charge	(28,878)	–	(28,878)
As at 31 December 2025	<u>26,879</u>	<u>–</u>	<u>26,879</u>

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Carrying amount at beginning of year	26,975	52,277	45,473
New leases	52,593	24,621	11,816
Accretion of interest recognised during the year	1,073	2,264	1,752
Payments	(27,640)	(31,839)	(29,884)
Termination	(724)	(1,850)	(6,239)
Carrying amount at end of year	<u>52,277</u>	<u>45,473</u>	<u>22,918</u>
Analysed into:			
Current portion	24,732	26,632	17,736
Non-current portion	<u>27,545</u>	<u>18,841</u>	<u>5,182</u>
Analysed into:			
Within one year	24,732	26,632	17,736
In the second year	16,872	17,909	3,151
In the third year, inclusive	<u>10,673</u>	<u>932</u>	<u>2,031</u>
	<u>52,277</u>	<u>45,473</u>	<u>22,918</u>

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As at 31 December 2023, 2024 and 2025, the Group had lease liabilities to M&G Group, its Ultimate Holding Company, with balances of RMB37,672,000, RMB35,391,000 and RMB12,588,000, respectively.

- (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	1,073	2,264	1,752
Depreciation charge of right-of-use assets	26,534	29,930	28,878
Expense relating to short-term leases	10,920	11,243	12,087
Total amount recognised in profit or loss	38,527	43,437	42,717

- (d) The total cash outflows for leases are disclosed in note 30(c) to the Historical Financial Information.

The Company as a lessee

(a) Right-of-use assets

The carrying amounts of the Company’s right-of-use assets and the movements during the Relevant Periods are as follows:

	Office premises, warehouses and carparks	Equipment	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	29,323	–	29,323
Additions	42,864	170	43,034
Termination	(724)	–	(724)
Depreciation charge	(23,085)	(14)	(23,099)
As at 31 December 2023 and 1 January 2024 . .	48,378	156	48,534
Additions	22,730	–	22,730
Termination	(1,850)	–	(1,850)
Depreciation charge	(25,073)	(31)	(25,104)
As at 31 December 2024 and 1 January 2025 . .	44,185	125	44,310
Additions	9,697	–	9,697
Termination	(5,200)	(125)	(5,325)
Depreciation charge	(24,129)	–	(24,129)
As at 31 December 2025	24,553	–	24,553

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(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Carrying amount at beginning of year	24,937	44,252	40,249
New leases	43,034	22,730	9,697
Accretion of interest recognised during the year	1,025	1,939	1,573
Payments	(24,020)	(26,822)	(25,108)
Termination	(724)	(1,850)	(5,325)
Carrying amount at end of year	44,252	40,249	21,086
Analysed into:			
Current portion	21,932	23,698	15,904
Non-current portion	22,320	16,551	5,182
Analysed into:			
Within one year	21,932	23,698	15,904
In the second year	13,939	15,619	3,151
In the third year, inclusive	8,381	932	2,031
	44,252	40,249	21,086

15. INTANGIBLE ASSETS

The Group and the Company

	Software
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	4,789
Accumulated amortisation	(4,381)
Net carrying amount	408
At 1 January 2023, net of accumulated amortisation	408
Additions	297
Amortisation provided during the year	(282)
At 31 December 2023, net of accumulated amortisation	423
At 31 December 2023:	
Cost	5,086
Accumulated amortisation	(4,663)
Net carrying amount	423

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	Software
	<i>RMB’000</i>
31 December 2024	
At 1 January 2024:	
Cost	5,086
Accumulated amortisation	(4,663)
Net carrying amount	423
At 1 January 2024, net of accumulated amortisation	423
Additions	25
Amortisation provided during the year	(220)
At 31 December 2024, net of accumulated amortisation	228
At 31 December 2024:	
Cost	5,111
Accumulated amortisation	(4,883)
Net carrying amount	228
31 December 2025	
At 1 January 2025:	
Cost	5,111
Accumulated amortisation	(4,883)
Net carrying amount	228
At 1 January 2025, net of accumulated amortisation	228
Additions	118
Amortisation provided during the year	(159)
At 31 December 2025, net of accumulated amortisation	187
At 31 December 2025:	
Cost	5,229
Accumulated amortisation	(5,042)
Net carrying amount	187
16. OTHER NON-CURRENT ASSETS	
The Group and the Company	
	31 December
	2023 2024 2025
	<i>RMB’000 RMB’000 RMB’000</i>
Long-term prepayment for service fee	228 60 174

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17. DEFERRED TAX

The Group

The movements in deferred tax assets during the Relevant Periods are as follows:

	Impairment of assets	Lease liabilities	Deferred income	Accruals and others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	12,174	6,490	4,964	62,135	85,763
Deferred tax credited/(charged) to profit or loss during the year	5,021	5,576	(2,804)	5,766	13,559
Deferred tax assets at 31 December 2023	17,195	12,066	2,160	67,901	99,322
At 1 January 2024	17,195	12,066	2,160	67,901	99,322
Deferred tax credited/(charged) to profit or loss during the year	533	(1,351)	(520)	(8,402)	(9,740)
Deferred tax assets at 31 December 2024	17,728	10,715	1,640	59,499	89,582
At 1 January 2025	17,728	10,715	1,640	59,499	89,582
Deferred tax credited/(charged) to profit or loss during the year	2,772	(4,985)	(504)	(7,492)	(10,209)
Deferred tax assets at 31 December 2025	20,500	5,730	1,136	52,007	79,373

As at 31 December 2023, 2024 and 2025, the Group has tax losses arising in the Chinese mainland of RMB13,699,000, RMB17,829,000, and RMB21,030,000, respectively, that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following items:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deductible temporary differences	37	16	1
Tax losses	13,699	17,829	21,030
	13,736	17,845	21,031

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The movements in deferred tax liabilities during the Relevant Periods are as follows:

	Right-of-use assets	Fair value changes on financial assets at fair value through profit or loss	Right-of-return assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	7,667	272	9,422	17,361
Deferred tax charged to profit or loss during the year . . .	5,567	688	3,752	10,007
Deferred tax liabilities at 31 December 2023	13,234	960	13,174	27,368
At 1 January 2024	13,234	960	13,174	27,368
Deferred tax charged/(credited) to profit or loss during the year . . .	(1,423)	2,140	(827)	(110)
Deferred tax liabilities at 31 December 2024	11,811	3,100	12,347	27,258
At 1 January 2025	11,811	3,100	12,347	27,258
Deferred tax charged/(credited) to profit or loss during the year . . .	(5,091)	2,817	7,190	4,916
Deferred tax liabilities at 31 December 2025	6,720	5,917	19,537	32,174

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The Company

The movements in deferred tax assets during the Relevant Periods are as follows:

	Impairment of assets	Lease liabilities	Deferred income	Accruals and others	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	12,163	6,234	4,964	12,018	35,379
Deferred tax credited/(charged) to profit or loss during the year . .	<u>4,990</u>	<u>4,829</u>	<u>(2,804)</u>	<u>2,914</u>	<u>9,929</u>
Deferred tax assets at 31 December 2023	<u>17,153</u>	<u>11,063</u>	<u>2,160</u>	<u>14,932</u>	<u>45,308</u>
At 1 January 2024	17,153	11,063	2,160	14,932	45,308
Deferred tax credited/(charged) to profit or loss during the year . .	<u>563</u>	<u>(1,000)</u>	<u>(520)</u>	<u>(1,664)</u>	<u>(2,621)</u>
Deferred tax assets at 31 December 2024	<u>17,716</u>	<u>10,063</u>	<u>1,640</u>	<u>13,268</u>	<u>42,687</u>
At 1 January 2025	17,716	10,063	1,640	13,268	42,687
Deferred tax credited/(charged) to profit or loss during the year . .	<u>2,776</u>	<u>(4,791)</u>	<u>(504)</u>	<u>7,633</u>	<u>5,114</u>
Deferred tax assets at 31 December 2025	<u>20,492</u>	<u>5,272</u>	<u>1,136</u>	<u>20,901</u>	<u>47,801</u>

The movements in deferred tax liabilities during the Relevant Periods are as follows:

	Right-of-use assets	Fair value changes on financial assets at fair value through profit or loss	Right-of-return assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	7,331	272	9,422	17,025
Deferred tax charged to profit or loss during the year . . .	<u>4,802</u>	<u>688</u>	<u>3,752</u>	<u>9,242</u>
Deferred tax liabilities at 31 December 2023	<u>12,133</u>	<u>960</u>	<u>13,174</u>	<u>26,267</u>
At 1 January 2024	12,133	960	13,174	26,267
Deferred tax charged/(credited) to profit or loss during the year . . .	<u>(1,055)</u>	<u>2,140</u>	<u>(827)</u>	<u>258</u>
Deferred tax liabilities at 31 December 2024	<u>11,078</u>	<u>3,100</u>	<u>12,347</u>	<u>26,525</u>
At 1 January 2025	11,078	3,100	12,347	26,525
Deferred tax charged/(credited) to profit or loss during the year . . .	<u>(4,939)</u>	<u>2,817</u>	<u>7,190</u>	<u>5,068</u>
Deferred tax liabilities at 31 December 2025	<u>6,139</u>	<u>5,917</u>	<u>19,537</u>	<u>31,593</u>

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18. INVENTORIES

The Group and the Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Finished goods	89,466	111,140	108,267
Goods in transit	2,911	6,600	2,801
	92,377	117,740	111,068
Provision for impairment of inventories	(150)	(359)	(1,137)
	92,227	117,381	109,931

19. TRADE AND BILLS RECEIVABLES

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	3,137,545	3,372,382	4,114,533
Bills receivables, at amortised cost	40,318	28,707	64,767
Impairment	(42,285)	(50,596)	(59,867)
Net carrying amount	3,135,578	3,350,493	4,119,433

The Group’s trade and bills receivables are usually generated from sales to its customers. The Group usually grants a credit period of about 30 to 180 days to its customers. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. The balances of trade and bills receivables are non-interest-bearing. As at 31 December 2023, 2024 and 2025, included in the Group’s trade and bills receivables were amounts due from the Group’s related parties of RMB2,812,000, RMB3,234,000 and RMB1,466,000, respectively.

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the dates of delivery of goods and net of loss allowance, is as follows:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within 6 months	2,865,497	3,001,922	3,676,819
6 months to 1 year	220,210	276,132	330,322
1 to 2 years	46,443	69,093	110,317
2 to 3 years	3,428	3,346	1,975
	3,135,578	3,350,493	4,119,433

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The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	25,617	42,285	50,596
Impairment losses recognised, net	18,076	15,502	10,794
Amount written off as uncollectible	(1,408)	(7,191)	(1,523)
At end of year	42,285	50,596	59,867

The Group applies the simplified approach in calculating ECLs for trade and bills receivables. Trade and bills receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade and bills receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off according to management’s approval.

During the Relevant Periods, there was no significant fluctuation for the overall expected credit loss rates, so the Group adopted similar expected credit loss rates.

Set out below is the information about the credit risk exposure on the Group’s trade and bills receivables using a provision matrix:

As at 31 December 2023

	Expected credit loss rate (%)	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	RMB'000	RMB'000
Provision on an individual basis	100.00	7,442	7,442	–
Provision on a collective basis				
Within 6 months	0.50	2,879,883	14,386	2,865,497
6 months to 1 year	5.00	231,800	11,590	220,210
1 to 2 years	10.00	51,603	5,160	46,443
2 to 3 years	50.00	6,856	3,428	3,428
Over 3 years	100.00	279	279	–
Total		3,177,863	42,285	3,135,578

As at 31 December 2024

	Expected credit loss rate (%)	Gross carrying amount	Expected credit losses	Net carrying amount
		RMB'000	RMB'000	RMB'000
Provision on an individual basis	100.00	9,204	9,204	–
Provision on a collective basis				
Within 6 months	0.50	3,016,991	15,069	3,001,922
6 months to 1 year	5.00	290,665	14,533	276,132
1 to 2 years	10.00	76,771	7,678	69,093
2 to 3 years	50.00	6,692	3,346	3,346
Over 3 years	100.00	766	766	–
Total		3,401,089	50,596	3,350,493

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As at 31 December 2025

	Expected credit loss rate (%)	Gross carrying amount <i>RMB’000</i>	Expected credit losses <i>RMB’000</i>	Net carrying amount <i>RMB’000</i>
Provision on an individual basis	100.00	9,062	9,062	–
Provision on a collective basis				
Within 6 months	0.50	3,695,289	18,470	3,676,819
6 months to 1 year	5.00	347,703	17,381	330,322
1 to 2 years	10.00	122,575	12,258	110,317
2 to 3 years	50.00	3,950	1,975	1,975
Over 3 years	100.00	721	721	–
Total		<u>4,179,300</u>	<u>59,867</u>	<u>4,119,433</u>

The Company

	31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade receivables	3,137,945	3,372,610	4,114,488
Bills receivables, at amortised cost	40,318	28,707	64,767
Impairment	<u>(42,248)</u>	<u>(50,580)</u>	<u>(59,863)</u>
Net carrying amount	<u>3,136,015</u>	<u>3,350,737</u>	<u>4,119,392</u>

An ageing analysis of the trade and bills receivables as at the end of each of the Relevant Periods, based on the invoice date and net of loss allowance, is as follows:

	31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within 6 months	2,865,934	3,001,390	3,676,778
6 months to 1 year	220,210	276,702	330,322
1 to 2 years	46,443	69,299	110,317
2 to 3 years	<u>3,428</u>	<u>3,346</u>	<u>1,975</u>
	<u>3,136,015</u>	<u>3,350,737</u>	<u>4,119,392</u>

The movements in the loss allowance for impairment of trade and bills receivables are as follows:

	31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At beginning of year	25,580	42,248	50,580
Impairment losses recognised, net	18,076	15,523	10,806
Amount written off as uncollectible	<u>(1,408)</u>	<u>(7,191)</u>	<u>(1,523)</u>
At end of year	<u>42,248</u>	<u>50,580</u>	<u>59,863</u>

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The Company apply the simplified approach in calculating ECLs for trade and bills receivables. Trade and bills receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for impairment allowance. The remaining trade and bills receivables are grouped and collectively assessed for impairment allowance. Under the collective approach, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the ageing analysis for grouping of customers that have similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade and bills receivables are written off according to management’s approval.

Set out below is the information about the credit risk exposure on the Company’s trade and bills receivables using a provision matrix:

As at 31 December 2023

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	(%)	RMB’000	RMB’000	RMB’000
Provision on an individual basis	100.00	7,442	7,442	–
Provision on a collective basis				
Within 6 months	0.50	2,880,283	14,349	2,865,934
6 months to 1 year	5.00	231,800	11,590	220,210
1 to 2 years	10.00	51,603	5,160	46,443
2 to 3 years	50.00	6,856	3,428	3,428
Over 3 years	100.00	279	279	–
Total		<u>3,178,263</u>	<u>42,248</u>	<u>3,136,015</u>

As at 31 December 2024

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	(%)	RMB’000	RMB’000	RMB’000
Provision on an individual basis	100.00	9,204	9,204	–
Provision on a collective basis				
Within 6 months	0.50	3,016,443	15,053	3,001,390
6 months to 1 year	5.00	291,235	14,533	276,702
1 to 2 years	10.00	76,977	7,678	69,299
2 to 3 years	50.00	6,692	3,346	3,346
Over 3 years	100.00	766	766	–
Total		<u>3,401,317</u>	<u>50,580</u>	<u>3,350,737</u>

As at 31 December 2025

	Expected credit loss rate	Gross carrying amount	Expected credit losses	Net carrying amount
	(%)	RMB’000	RMB’000	RMB’000
Provision on an individual basis	100.00	9,062	9,062	–
Provision on a collective basis				
Within 6 months	0.50	3,695,244	18,466	3,676,778
6 months to 1 year	5.00	347,703	17,381	330,322
1 to 2 years	10.00	122,575	12,258	110,317
2 to 3 years	50.00	3,950	1,975	1,975
Over 3 years	100.00	721	721	–
Total		<u>4,179,255</u>	<u>59,863</u>	<u>4,119,392</u>

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20. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposits	51,020	63,420	78,103
Right-of-return assets	52,696	49,388	78,149
Rebate receivables	25,931	25,202	29,432
Prepayments to suppliers	27,904	8,689	13,798
Prepayment for income tax	–	6,890	–
Prepaid expenses	6,964	4,133	2,301
Value-added tax recoverable	1,692	2,666	2,972
Others	3,839	3,599	2,744
	170,046	163,987	207,499
Impairment	(26,548)	(20,015)	(20,995)
	143,498	143,972	186,504

As at 31 December 2023, 2024 and 2025, included in the Group’s prepayments, other receivables and other assets were amounts due from the Group’s related parties of RMB999,000, RMB974,000 and RMB1,143,000, respectively, which were unsecured, interest-free and repayable on demand.

The movements in the loss allowance for impairment of prepayments, other receivables and other assets are as follows:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	22,503	26,548	20,015
Impairment losses recognised, net	4,045	6,467	1,230
Amount written off as uncollectible	–	(13,000)	(250)
At end of year	26,548	20,015	20,995

Financial assets included in prepayments, other receivables and other assets are unsecured, non-interest-bearing and repayable on demand. The impairment of financial assets included in prepayments, other receivables and other assets was measured based on 12-month expected credit losses if they had no significant increase in credit risk since initial recognition. Otherwise, they were measured based on lifetime expected credit losses.

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The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deposits	51,020	63,420	78,103
Right-of-return assets	52,696	49,388	78,149
Rebate receivables	25,931	25,202	29,432
Due from subsidiaries	15,177	18,566	36,974
Prepayments to suppliers	27,904	8,689	13,798
Value-added tax recoverable	1,653	2,665	1,546
Prepaid expenses	333	2,278	1,397
Others	3,839	3,598	2,743
	178,553	173,806	242,142
Impairment	(26,216)	(19,927)	(20,967)
	152,337	153,879	221,175

As at 31 December 2023, 2024 and 2025, included in the Company’s prepayments, other receivable and other assets were amounts due from the Company’s related parties of RMB999,000, RMB974,000 and RMB1,143,000, respectively. Amounts due from subsidiaries and related parties are unsecured, non-interest-bearing and repayable on demand.

The movements in the loss allowance for impairment of prepayments, other receivables and other assets are as follows:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	22,418	26,216	19,927
Impairment losses recognised, net	3,798	6,711	1,290
Amount written off as uncollectible	–	(13,000)	(250)
At end of year	26,216	19,927	20,967

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group and the Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products	303,839	412,400	1,023,669

The above unlisted investments were wealth management products issued by banks in the Chinese mainland with a maturity period within one year or due on demand. 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.

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22. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group and the Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Bills receivables, at fair value	39,533	28,475	31,212

Certain of the Group’s bills receivables are held within a business model with the objective of both holding to collect contractual cash flows and selling, which are classified as financial assets at fair value through other comprehensive income.

23. CASH AND CASH EQUIVALENTS, RESTRICTED CASH AND TIME DEPOSITS

The Group

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	2,019,931	2,673,950	2,665,474
Less: Restricted cash and time deposits	106,514	3,675	108,780
Cash and cash equivalents	1,913,417	2,670,275	2,556,694
Denominated in:			
RMB	1,913,417	2,670,275	2,556,694

The RMB is not freely convertible into other currencies, however, under the 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 and deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximated to their fair values.

As at 31 December 2023, 2024 and 2025, restricted cash of RMB6,514,000, RMB3,675,000 and RMB8,780,000 was pledged for performance guarantee, respectively, as disclosed in note 32 to the Historical Financial Information. As at 31 December 2023, 2024 and 2025, RMB100,000,000, nil and RMB100,000,000 were time deposits.

The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Cash and bank balances	2,000,264	2,646,823	2,657,823
Less: Restricted cash and time deposits	106,514	3,675	108,780
Cash and cash equivalents	1,893,750	2,643,148	2,549,043
Denominated in:			
RMB	1,893,750	2,643,148	2,549,043

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24. TRADE PAYABLES

The Group and the Company

Trade payables are non-interest bearing and normally settled on terms of 30 to 180 days. An ageing analysis of the trade payables as at the end of each of the Relevant Periods, based on the dates of delivery of goods, is as follows:

	31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	3,849,083	3,931,198	4,819,886
1 to 2 years	64,808	172,736	198,290
2 to 3 years	7,463	43,543	44,842
Over 3 years	1,158	8,557	22,619
	<u>3,922,512</u>	<u>4,156,034</u>	<u>5,085,637</u>

As at 31 December 2023, 2024 and 2025, included in the Group’s trade payables were amounts due to the related parties of RMB6,140,000, RMB6,763,000 and RMB5,183,000, respectively.

25. OTHER PAYABLES AND ACCRUALS

The Group

	31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Accrued expenses	67,555	61,796	70,894
Refund liabilities	56,752	53,072	83,608
Tax payable other than corporate income tax	55,790	48,299	53,897
Payroll and welfare payable	29,928	31,394	33,916
Unexpired endorsement transfers and factoring transfers	30,380	21,075	49,680
Deposits	19,042	22,681	45,393
Others	3,299	2,201	5,325
	<u>262,746</u>	<u>240,518</u>	<u>342,713</u>

Other payables are unsecured, non-interest-bearing and repayable on demand.

As at 31 December 2023, 2024 and 2025, included in the Group’s other payables and accruals were amounts due to the Group’s related parties of RMB14,000, RMB25,000 and RMB17,000, respectively, which are interest-free, unsecured and repayable on demand.

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The Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Due to subsidiaries	399,004	455,163	515,642
Accrued expenses	67,541	61,796	70,894
Refund liabilities	56,752	53,072	83,608
Tax payable other than corporate income tax	54,521	47,704	53,683
Payroll and welfare payable	29,563	27,869	30,350
Unexpired endorsement transfers and factoring transfers	30,380	21,075	49,680
Deposits	19,042	22,681	45,393
Others	3,298	2,187	5,304
	<u>660,101</u>	<u>691,547</u>	<u>854,554</u>

As at 31 December 2023, 2024 and 2025, included in the Company’s other payables and accruals were amounts due to the Company’s related parties of RMB14,000, RMB25,000 and RMB17,000, respectively. Amounts due to subsidiaries and related parties are unsecured, non-interest-bearing and repayable on demand.

26. DEFERRED INCOME

The Group and the Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Government grants	<u>8,640</u>	<u>6,560</u>	<u>4,543</u>

Movements in government grants of the Group during the Relevant Periods are as follows:

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
At beginning of year	19,855	8,640	6,560
Credited to profit or loss during the year	<u>(11,215)</u>	<u>(2,080)</u>	<u>(2,017)</u>
At end of year	<u>8,640</u>	<u>6,560</u>	<u>4,543</u>

The Group received government grants for capital expenditure incurred for property, plant and equipment. The amounts are deferred and amortised over the estimated useful lives of the respective assets.

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27. PAID-IN CAPITAL/SHARE CAPITAL

The Group and the Company

	31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Authorised:			
Ordinary shares with par value of RMB1.00 each	660,000	594,000	594,000
Issued and fully paid:			
Ordinary shares with par value of RMB1.00 each	300,000	594,000	594,000

A summary of movements in the Company’s paid-in capital/share capital during the Relevant Periods is as follows:

Paid-in capital	Total
	RMB'000
At 1 January 2023 and 31 December 2023	300,000
Capital deduction by shareholders (a)	(73,473)
Capital contribution from shareholders (a)	367,473
At 31 December 2024	594,000
Share capital	Total
	RMB'000
At 1 January 2023, 31 December 2023 and 31 December 2024	–
Issue of ordinary shares upon conversion into a joint stock company (b)	594,000
At 31 December 2025	594,000

Notes:

- (a) In May 2024, the Company reduced its capital by the repurchase of the equity interest from its shareholders for the purpose of optimising the shareholding structure. In June 2024, the Company further increased its capital to RMB594,000,000 by capital injection from shareholders, including employees’ shareholding platforms.
- (b) On 28 October 2024, the Company convened the inaugural meeting and passed related resolutions approving the conversion of the Company into a joint stock limited company. On 28 March 2025, the Company completed the conversion. The net assets of the Company as of the conversion base date, including paid-in capital and reserves, amounting to approximately RMB1,961,614,000 were converted into 594,000,000 ordinary shares of RMB1.00 each. The excess of the net assets converted over the nominal value of the ordinary shares was credited to the Company’s capital reserve.

28. RESERVES

The Group

The amounts of the Group’s reserves and the movements therein for the Relevant Periods are presented in the consolidated statements of changes in equity.

(i) Statutory surplus reserve

In accordance with the PRC Company Law and the articles of association of the subsidiaries established in the PRC, the Group is required to allocate 10% of its net profit after tax, as determined under the Chinese Accounting Standards, to the statutory surplus funds until the reserve balance reaches 50% of its registered share capital. Subject to certain restrictions set out in the relevant PRC regulations and in the articles of association of these subsidiaries, the statutory surplus funds may be used either to offset losses, or to be converted to increase the share capital of the subsidiaries provided that the balance after such conversion is not less than 25% of the registered share capital of them. The reserve cannot be used for purposes other than those for which it is created and is not distributable as cash dividends.

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(ii) Capital reserve

The capital reserve of the Group included the excess of the consideration received for subscription of the registered share capital of the Company and reserves arising from equity-settled share-based payment transactions. Details of the movements in capital reserve are set out in the consolidated statements of changes in equity of the Historical Financial Information.

The Company

A summary of the Company’s reserves is as follows:

	Capital reserve	Statutory reserve	Retained earnings	Total
	RMB’000	RMB’000	RMB’000	RMB’000
At 1 January 2023	98,827	48,631	422,780	570,238
Profit for the year	–	–	272,405	272,405
Total comprehensive income for the year	–	–	272,405	272,405
Share-based payments (<i>Note 29</i>)	(6,066)	–	–	(6,066)
Transfer from retained earnings	–	27,241	(27,241)	–
At 31 December 2023 and 1 January 2024	92,761	75,872	667,944	836,577
Profit for the year	–	–	263,270	263,270
Total comprehensive income for the year	–	–	263,270	263,270
Capital contribution from shareholders	391,425	–	–	391,425
Capital deduction by shareholders	(9,796)	–	–	(9,796)
Share-based payments (<i>Note 29</i>)	75,566	–	–	75,566
Dividends paid to shareholders	–	–	(306,080)	(306,080)
Transfer from retained earnings	–	26,327	(26,327)	–
At 31 December 2024 and 1 January 2025	549,956	102,199	598,807	1,250,962
Profit for the year	–	–	338,156	338,156
Total comprehensive income for the year	–	–	338,156	338,156
Conversion into a joint stock company	819,894	(114,087)	(705,807)	–
Share-based payments (<i>Note 29</i>)	27,363	–	–	27,363
Transfer from retained earnings	–	33,816	(33,816)	–
At 31 December 2025	1,397,213	21,928	197,340	1,616,481

29. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

M&G Corporation share incentive scheme

In order to incentivise directors, senior management and employees, the Holding Company adopted a share incentive scheme (the “**M&G Corporation Scheme**”) in May 2020, under which 1,007,200 shares in total were granted to the Group’s certain eligible employees with performance and service conditions. On and subject to the limitations and conditions of the M&G Corporation Scheme and the terms and conditions of the respective grant letter, the shares shall be vested from the date of grant to 2023. During the year ended 31 December 2023, as performance conditions of certain shares granted to the Group’s certain employees under the M&G Corporation Scheme were not met, the Group reversed share-based payment expenses of RMB6,066,000 accordingly.

Colipu share incentive scheme

In order to incentivise directors, senior management and employees, the Group adopted a share incentive scheme (the “**Colipu Scheme**”). On 8 May 2024, the Board approved to grant restricted share units (“**RSUs**”) to selected eligible employees, including executive directors, at a consideration of RMB4.40 per share to incentivise them for the Group’s future development under the Colipu Scheme. On and subject to the limitations and conditions of the Colipu Scheme and the terms and conditions of the respective grant letter,

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the RSUs of 23,760,000 granted to the Dr. Chen Huwen have been vested immediately, and the RSUs of 79,728,000 granted to other directors, senior management and employees are vested in one tranche within the vesting period from the grant date to the estimated date of completion of the qualified [REDACTED] of the Company, subject to employees’ continuous service to the Company.

The fair value of the RSUs included in the Colipu Scheme granted in May 2024 was RMB6.29 per share. The fair value of the Colipu Scheme at the grant date was determined by reference to the fair value of the underlying ordinary shares of the Company on the date of grant. The grant date fair value of the underlying ordinary shares was determined with the assistance of an independent valuer. The discounted cash flow method under the income approach has been applied in the determination of the fair value of the equity interest of the Company. The discounted cash flow derived by management has taken into consideration the Group’s future business plan, specific business and financial risks, the stage of development of the Group’s operations and economic and competitive elements affecting the Group’s business, industry and market.

During the Relevant Periods, the Group recognised share-based payment expenses of nil, RMB75,566,000, and RMB27,363,000 under the Colipu Scheme, respectively.

30. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

During the Relevant Periods, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB52,593,000 and RMB52,593,000, RMB24,621,000 and RMB24,621,000, and RMB11,816,000 and RMB11,816,000, respectively, in respect of lease arrangements for office premises, warehouses, carports and equipment.

(b) Changes in liabilities arising from financing activities

	Lease liabilities
	<i>RMB’000</i>
At 1 January 2023	26,975
Changes from financing cash flows	(27,640)
New leases	52,593
Lease termination	(724)
Interest expense	1,073
At 31 December 2023 and 1 January 2024	52,277
Changes from financing cash flows	(31,839)
New leases	24,621
Lease termination	(1,850)
Interest expense	2,264
At 31 December 2024 and 1 January 2025	45,473
Changes from financing cash flows	(29,884)
New leases	11,816
Lease termination	(6,239)
Interest expense	1,752
At 31 December 2025	22,918

(c) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statements of cash flows is as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Within operating activities	10,920	11,243	12,087
Within financing activities	27,640	31,839	29,884
	38,560	43,082	41,971

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31. CONTINGENT LIABILITIES

As at the end of each of the Relevant Periods, the Group did not have any material contingent liabilities.

32. PLEDGE OF ASSETS

Details of the Group’s assets pledged for the Group’s performance guarantee are included in note 23 to the Historical Financial Information.

33. COMMITMENTS

The Group had the following contractual commitments at the end of each of the Relevant Periods.

	31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Contracted, but not provided for:			
Property, plant and equipment	1,028	5,566	390

34. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

The Group had the following material transactions carried out with related parties during the Relevant Periods:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Purchase of products:			
The Holding Company and fellow subsidiaries of the Group (the “M&G Corporation Group”) (i)	88,130	93,194	69,837
An associate of the Holding Company (i)	7	1	11
	<u>88,137</u>	<u>93,195</u>	<u>69,848</u>
Sale of goods:			
M&G Corporation Group (ii)	11,985	12,443	10,046
The Ultimate Holding Company (ii)	49	41	101
A company influenced by key management personnel of the Holding Company (ii)	236	121	190
An associate of the Holding Company (ii)	314	66	—
	<u>12,584</u>	<u>12,671</u>	<u>10,337</u>
Rental fees:			
M&G Corporation Group (i)	<u>10,325</u>	<u>10,325</u>	<u>11,543</u>
Leasing as lessee:			
The Ultimate Holding Company (i)	<u>14,458</u>	<u>17,409</u>	<u>18,915</u>
Interest expenses on lease liabilities:			
The Ultimate Holding Company (i)	<u>204</u>	<u>1,655</u>	<u>1,212</u>

Notes:

- (i) The prices for the products, rental fees and leasing contracts were determined in accordance with the terms and conditions mutually agreed by the contracting parties.
- (ii) The sales to the related parties were made according to the published prices and conditions offered to the major customers.

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(b) Outstanding balances with related parties

		31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
Trade related				
Trade and bills receivables				
M&G Corporation Group		2,661	3,192	1,370
The Ultimate Holding Company . .		—	20	2
A company influenced by key management personnel of the Holding Company		72	22	94
An associate of the Holding Company		79	—	—
	19	2,812	3,234	1,466
Trade related				
Prepayments, other receivables and other assets				
M&G Corporation Group	20	999	974	1,143
Trade related				
Trade payables				
M&G Corporation Group		6,139	6,763	5,180
An associate of the Holding Company		1	—	3
	24	6,140	6,763	5,183
Non-trade related				
Other payables and accruals				
The Holding Company	25	14	25	17
Lease liabilities				
The Ultimate Holding Company . .	14(b)	37,672	35,391	12,588

As at 31 December 2023, 2024 and 2025, the Group’s outstanding balances with related parties were all unsecured, interest-free and repayable on demand.

In the opinion of the directors, all the above related party balances which are non-trade in nature will be settled prior to [REDACTED].

(c) Compensation of key management personnel of the Group

	Year ended 31 December		
	2023	2024	2025
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Salaries, allowances and benefits in kind	3,526	5,016	5,430
Performance related bonuses	2,293	2,202	2,655
Pension scheme contributions and social welfare	570	799	872
Equity-settled share-based payments	–	53,826	8,164
Total compensation paid to key management personnel	<u>6,389</u>	<u>61,843</u>	<u>17,121</u>

Further details of directors’ and the chief executive’s emoluments are included in note 8 to the Historical Financial Information.

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35. TRANSFERS OF FINANCIAL ASSETS

Transferred financial assets that are not derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivables (the “Endorsed Bills”) with carrying amounts of RMB27,880,000, RMB21,075,000 and RMB45,648,000, respectively, to certain of its suppliers in order to settle the trade payables due to such suppliers (the “Endorsement”). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amounts of the trade payables settled by the Endorsed Bills to which the suppliers have recourse were RMB98,095,000, RMB51,946,000 and RMB107,883,000 during the Relevant Periods, respectively.

As part of its normal business, the Group entered into receivables factoring arrangements and transferred certain bills receivables to financial institutions. Pursuant to the arrangements, the Group may be required to repay the payment if any trade debtors delay payment. The Group retain substantially all risks and rewards of the ownership of financial assets, and does not derecognise the financial assets. Subsequent to the transfer, the Group did not retain any rights on the use of the bills receivables, including the sale, transfer or pledge of the bills receivables to any other third parties. The carrying amounts of the bills receivables transferred under the arrangements that have not been settled as at 31 December 2023, 2024 and 2025 were RMB2,500,000, nil and RMB4,032,000, respectively.

Transferred financial assets that are derecognised in their entirety

At 31 December 2023, 2024 and 2025, the Group endorsed certain bills receivables that were not due accepted by banks in the Chinese mainland to certain of its suppliers in order to settle the trade payables due to such suppliers with carrying amounts in aggregate of RMB14,783,000, RMB25,153,000 and RMB26,468,000, respectively, (the “Derecognised Bills”). The Derecognised Bills had a maturity of one to six months at the end of each of the Relevant Periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, disregarding the order of precedence (the “Continuing Involvement”). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

During the Relevant Periods, the Group did not recognise any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

36. 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:

Financial assets

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
31 December 2023	RMB’000	RMB’000	RMB’000	RMB’000
Financial assets at fair value through profit or loss	303,839	—	—	303,839
Financial assets at fair value through other comprehensive income	—	39,533	—	39,533
Trade and bills receivables	—	—	3,135,578	3,135,578
Financial assets included in prepayments, other receivables and other assets	—	—	67,242	67,242
Restricted cash and time deposits . .	—	—	106,514	106,514
Cash and cash equivalents	—	—	1,913,417	1,913,417
Total	303,839	39,533	5,222,751	5,566,123

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31 December 2024	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Financial assets at fair value through profit or loss	412,400	–	–	412,400
Financial assets at fair value through other comprehensive income	–	28,475	–	28,475
Trade and bills receivables	–	–	3,350,493	3,350,493
Financial assets included in prepayments, other receivables and other assets	–	–	72,206	72,206
Restricted cash and time deposits . .	–	–	3,675	3,675
Cash and cash equivalents	–	–	2,670,275	2,670,275
Total	<u>412,400</u>	<u>28,475</u>	<u>6,096,649</u>	<u>6,537,524</u>

31 December 2025	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial assets at amortised cost	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Financial assets at fair value through profit or loss	1,023,669	–	–	1,023,669
Financial assets at fair value through other comprehensive income	–	31,212	–	31,212
Trade and bills receivables	–	–	4,119,433	4,119,433
Financial assets included in prepayments, other receivables and other assets	–	–	89,284	89,284
Restricted cash and time deposits . .	–	–	108,780	108,780
Cash and cash equivalents	–	–	2,556,694	2,556,694
Total	<u>1,023,669</u>	<u>31,212</u>	<u>6,874,191</u>	<u>7,929,072</u>

Financial liabilities

31 December 2023	Financial liabilities at amortised cost
	<i>RMB’000</i>
Trade payables	3,922,512
Financial liabilities included in other payables and accruals	<u>177,028</u>
Total	<u>4,099,540</u>

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31 December 2024	Financial liabilities at amortised cost
	<i>RMB’000</i>
Trade payables	4,156,034
Financial liabilities included in other payables and accruals	160,825
Total	4,316,859
31 December 2025	Financial liabilities at amortised cost
	<i>RMB’000</i>
Trade payables	5,085,637
Financial liabilities included in other payables and accruals	254,900
Total	5,340,537

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, trade and bills receivables, trade payables, financial assets included in prepayments, other receivables and other assets, and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets 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:

The fair values of wealth management products included in financial assets at fair value through profit or loss have been estimated using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

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.

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Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group’s financial instruments:

Assets measured at fair value

	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
As at 31 December 2023				
Financial assets at fair value through profit or loss	–	303,839	–	303,839
Financial assets at fair value through other comprehensive income	–	39,533	–	39,533
Total	–	343,372	–	343,372
As at 31 December 2024				
Financial assets at fair value through profit or loss	–	412,400	–	412,400
Financial assets at fair value through other comprehensive income	–	28,475	–	28,475
Total	–	440,875	–	440,875
As at 31 December 2025				
Financial assets at fair value through profit or loss	–	1,023,669	–	1,023,669
Financial assets at fair value through other comprehensive income	–	31,212	–	31,212
Total	–	1,054,881	–	1,054,881

During the Relevant Periods, there were no transfers into or out of Level 3 for financial assets.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and cash equivalents. 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 trade and bills receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group’s financial instruments are credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Credit risk

The carrying amounts of cash and cash equivalents, restricted cash and time deposits, financial assets at fair value through other comprehensive income, trade and bills receivables and financial assets included in prepayments, other receivables and other assets included in the consolidated statements of financial position represent the Group’s maximum exposure to credit risk in relation to its financial assets as at 31 December 2023, 2024 and 2025. The Group classifies financial instruments on the basis of shared credit risk characteristics, such as instrument types and credit risk ratings for the purpose of determining significant increases in credit risk and calculation of impairment.

Cash and cash equivalents, restricted cash and time deposits and financial assets at fair value through other comprehensive income

As at 31 December 2023, 2024 and 2025, all cash and cash equivalents, restricted cash and time deposits and financial assets at fair value through other comprehensive income were deposited in high-credit-quality financial institutions without significant credit risk. These financial assets were not yet past due and their credit exposure is classified as stage 1.

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Trade and bills receivables

To manage the risk arising from trade and bills receivables, the Group has policies in place to ensure that credit terms are made only to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the Group’s counterparties. The credit period granted to the customers is generally 30 to 180 days and the credit quality of these customers is assessed, taking into account their financial position, past experience and other factors. The Group also has other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews regularly the recoverable amount of trade and bills receivables to ensure that adequate impairment losses are made. The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers.

The Group applies the simplified approach to provide for ECLs prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade and bills receivables. The expected credit losses also incorporate forward-looking information based on key economic variables such as inflation rate.

Other receivables and assets

Management makes periodic collective assessments for financial assets included in prepayments, other receivables and other assets, as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The Group recognised allowance for these financial assets based on 12-month ECLs, lifetime ECLs and adjusted for forward-looking macroeconomic data.

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group’s credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at the end of each of the Relevant Periods. The amounts presented are gross carrying amounts for financial assets.

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 and bills receivables* . . .	–	–	–	3,177,863	3,177,863
Financial assets included in prepayments, other receivables and other assets					
– Normal**	80,790	–	–	–	80,790
Financial assets at fair value through other comprehensive income					
– Not yet past due	39,533	–	–	–	39,533
Restricted cash and time deposits					
– Not yet past due	106,514	–	–	–	106,514
Cash and cash equivalents					
– Not yet past due	1,913,417	–	–	–	1,913,417
Total	<u>2,140,254</u>	<u>–</u>	<u>–</u>	<u>3,177,863</u>	<u>5,318,117</u>

* For trade and bills receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 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”.

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(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting financial obligations due to shortage of funds. The Group’s exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group’s objective is to maintain a balance for continuity of funding to finance its working capital needs as well as capital expenditure.

The maturity profile of the Group’s financial liabilities as at the end of each of the Relevant Periods, based on contractual undiscounted payments, is as follows:

31 December 2023	Within 1 year	Over 1 year	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	3,922,512	–	3,922,512
Financial liabilities included in other payables and accruals	177,028	–	177,028
Lease liabilities	26,231	28,748	54,979
Total	<u>4,125,771</u>	<u>28,748</u>	<u>4,154,519</u>
31 December 2024	Within 1 year	Over 1 year	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	4,156,034	–	4,156,034
Financial liabilities included in other payables and accruals	160,825	–	160,825
Lease liabilities	28,524	19,322	47,846
Total	<u>4,345,383</u>	<u>19,322</u>	<u>4,364,705</u>
31 December 2025	Within 1 year	Over 1 year	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Trade payables	5,085,637	–	5,085,637
Financial liabilities included in other payables and accruals	254,900	–	254,900
Lease liabilities	18,878	5,415	24,293
Total	<u>5,359,415</u>	<u>5,415</u>	<u>5,364,830</u>

(c) Capital management

The primary objectives of the Group’s capital management are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders, by pricing services commensurately with the level of risk.

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.

39. EVENTS AFTER THE RELEVANT PERIODS

The Group had no significant events subsequent to the end of the Relevant Periods.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the subsidiaries 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

SUMMARY OF ARTICLES OF ASSOCIATION

This Appendix contains a summary of the principal provisions of the Articles of Association. As the objective of this Appendix is to provide prospective [REDACTED] with an overview of the Company’s Articles of Association, it may not contain all the information that may be important to prospective [REDACTED]. The full Chinese version of the Articles of Association of the Company can be viewed in accordance with the section headed “Appendix V — Documents Delivered to the Registrar of Companies and Available on Display” in this Document.

SHARES

Issuance of Shares

The shares of the Company shall be in the form of [REDACTED].

The shares of the Company shall be issued in accordance with the principles of openness, fairness and equity. Each share of the same class shall carry the same rights.

Shares of the same class and the same issuance shall be issued on the same conditions and at the same price. The [REDACTED] shall pay the same price for each of the shares it/he/she [REDACTED] for.

The shares issued by the Company are denominated in Renminbi.

INCREASE, REDUCTION, REPURCHASE AND TRANSFER OF SHARES

Increase of Registered Share Capital

Based on its operation and development needs, in accordance with the relevant laws and regulations, and subject to the resolutions of the general meeting, the Company may increase its capital by any of the following ways:

- (1) issuance of shares to unspecified parties;
- (2) issuance of shares to specified parties;
- (3) distribution of bonus shares to existing shareholders;
- (4) conversion of capital reserve into share capital;
- (5) other means specified by laws, administrative regulations, the CSRC and the securities regulatory authorities in the place where the shares of the Company are listed.

Reduction of Registered Share Capital

The Company may reduce its registered share capital. To reduce its registered share capital, the Company shall proceed in compliance with the procedures prescribed by the Company Law, other relevant regulations and these Articles of Association.

Where the Company needs to reduce its registered share capital, it shall prepare a balance sheet and property list.

The Company shall notify its creditors within 10 days from the date of adoption of the resolution for the reduction of registered share capital at the general meeting and shall make an announcement on newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of adoption of such resolution. The creditors shall have the right to demand the Company to settle the debts or to provide corresponding security within 30 days after the receipt of such notice or within 45 days after the announcement for creditors who did not receive the notice.

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SUMMARY OF ARTICLES OF ASSOCIATION

Repurchase of Shares

Except the following circumstances, the Company shall not repurchase the shares of the Company:

- (1) reduction of the registered share capital of the Company;
- (2) mergers with another company holding shares of the Company;
- (3) use of shares for employee shareholding scheme or equity incentives;
- (4) the repurchase is made at the demand of the shareholders who oppose resolution of the general meeting in connection with a merger or division of the Company and request the Company to repurchase their shares;
- (5) use of shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (6) it is necessary for the Company to preserve its value and the rights and interests of shareholders;
- (7) other circumstances permitted by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, and other relevant provisions.

Where the Company repurchases its shares due to the reasons set forth in items (1) and (2) above, it shall be resolved at a general meeting. Where the Company repurchases its shares under the circumstances set forth in items (3), (5) and (6) above, a resolution thereon may be passed at a Board meeting that is attended by more than two-thirds of the Directors in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

With respect to unlisted domestic shares, after the repurchase of the Company's shares by the Company pursuant to the above provisions, under the circumstance set forth in item (1), such shares shall be cancelled within 10 days from the day of repurchase; under the circumstances set forth in items (2) and (4), such shares shall be transferred or cancelled within six months; under the circumstances set forth in items (3), (5) and (6), the total number of shares of the Company held by the Company shall not exceed 10% of the total number of shares in issue of the Company, and shall be transferred or cancelled within three years. Where the laws and regulations, normative documents and securities regulatory rules of the place where the shares of the Company are listed have other provisions on the above circumstances, such provisions shall prevail. If the Company repurchases its own shares, it shall fulfil its disclosure obligation as required under laws, administrative regulations, rules, normative documents, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Hong Kong Listing Rules**").

Transfer of Shares

The shares of the Company shall be transferred in accordance with the laws.

The Company shall not accept its own shares as the subject of a pledge.

The Directors and senior management of the Company shall report to the Company their holdings of shares of the Company and the changes thereof, and shall not transfer annually during their terms of office as determined at the date of appointment more than 25% of the total number of shares of the same class held by them. The shares of the Company held by the aforementioned personnel shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six (6) months commencing from the termination of their service. Shares of the Company that have been issued before [REDACTED] shall not be transferred within one year commencing from the date on which the shares of the Company are listed and traded on a stock exchange. Where the laws, administrative regulations or the CSRC, the securities regulatory authorities in the place where the shares of the Company are listed and the Hong Kong Listing Rules provide otherwise in respect of the restrictions on the transfer of shares of the Company, such provisions shall prevail.

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SUMMARY OF ARTICLES OF ASSOCIATION

SHAREHOLDERS AND GENERAL MEETINGS

Shareholders

Register of Members

The Company establishes a register of members. The register of members shall be sufficient evidence of the shareholders' shareholding in the Company.

The Company shall ensure that the register of holders of overseas listed foreign shares is open for inspection by shareholders free of charge during the business hours of the entrusted overseas agency, provided that the Company may suspend the registration of shareholder on terms equivalent to those in Section 632 of the Hong Kong Companies Ordinance.

When the Company convenes a general meeting, distributes dividends, conducts liquidation or engages in other acts that require confirmation of the identity of the shareholders, the Board or the convener of the general meeting shall determine the record date, and the shareholders registered on the register of members on the record date shall be shareholders entitled to the relevant interest. Where otherwise provided by laws, administrative regulations, departmental rules, normative documents and the stock exchange or regulatory authority of the place where the Company's shares are listed have provisions regarding the period for suspension of registration of share transfers, such provisions shall prevail.

Rights and obligations of shareholders

The shareholders of the Company shall be entitled to the following rights:

- (1) to receive dividends and other forms of interest distribution in proportion to the number of shares held by them;
- (2) Request to hold, convene, preside over, attend, or appoint a proxy to attend general meetings and exercise the corresponding speaking and voting rights (unless voting rights must be waived on specific matters as required by the Hong Kong Listing Rules);
- (3) to supervise the operation of the Company and to make suggestions or inquiries;
- (4) to transfer, give or pledge the shares held by them in accordance with the laws, administrative regulations and these Articles of Association;
- (5) to inspect and copy these Articles of Association, register of members, stubs of corporate bonds, minutes of general meetings, resolutions of Board meetings and financial accounting reports. Shareholders who meet the prescribed conditions may inspect the accounting books and accounting vouchers of the Company;
- (6) in the event of termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the number of shares held by them;
- (7) to request the Company to purchase the shares of shareholders objecting to resolutions of the general meeting concerning merger or division of the Company;
- (8) other rights stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

Shareholders who request to inspect and copy relevant materials of the Company shall comply with the Company Law, the Securities Law, laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed, and other relevant provisions and provide written documents proving the type and quantity of shares they hold in the Company. The Company shall provide such information as requested by the shareholder upon verification of the shareholder's identity.

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SUMMARY OF ARTICLES OF ASSOCIATION

Where the contents of any resolution of the general meeting or Board meetings violate laws or administrative regulations, shareholders shall have the right to request the People's Court to invalidate the resolution.

If the convening procedures or voting methods of a general meeting or Board meeting violate the laws, administrative regulations, or these Articles of Association, or if the contents of the resolution violates these Articles of Association, shareholders shall have the right to request the People's Court to revoke such resolution within 60 days from the date on which the resolution is made, except where the defects of the convening procedures or voting methods are minor and have no substantial impact on the resolution.

If Directors or senior management members are in violation of laws, administrative regulations or these Articles of Association, which causes damage to the interests of shareholders, the shareholders may initiate a lawsuit in the People's Court.

Shareholders of the Company shall assume the following obligations:

- (1) to abide by the laws, administrative regulations and these Articles of Association;
- (2) to pay subscription monies based on the shares subscribed and the method of subscription;
- (3) not to withdraw their paid share capital except in the circumstances provided by laws and regulations;
- (4) not to abuse shareholders' rights to impair the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal person and the limited liability of the shareholders to impair the interests of the creditors of the Company;
- (5) other obligations stipulated by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

General meeting

The general meeting of the Company comprises all shareholders. The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the laws:

- (1) to elect and replace Directors who are not employee representatives and determine matters relating to the remuneration of the Directors;
- (2) to consider and approve the reports of the Board;
- (3) to consider and approve the profit distribution plan and loss recovery plans of the Company;
- (4) to resolve on the increase or reduction of the registered share capital of the Company;
- (5) to resolve on the issue of corporate bonds;
- (6) to resolve on the merger, division, dissolution or liquidation of the Company or change in form of the Company;
- (7) to amend these Articles of Association;
- (8) to resolve on the Company's engagement or dismissal of accounting firms;
- (9) to consider and approve the guarantee matters stipulated in Article 40 of these Articles of Association;
- (10) to consider matters relating to the purchase or disposal of significant assets by the Company within one year (excluding the turnover of routine business transactions) that exceeds 30% of the Company's latest audited total assets;

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- (11) to consider and approve matters relating to changes in the use of proceeds;
- (12) to consider equity incentive plans and employee share ownership plans;
- (13) to consider other matters to be resolved by the general meeting as required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

The above functions and powers of the general meeting shall not be exercised by the Board or other institutions and individuals through authorisation, except as permitted by laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed.

General meetings are classified into annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once a year and shall be held within six months from the end of the previous fiscal year.

The Company shall convene an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

- (1) when the number of Directors is less than two-thirds (2/3) of the number of Directors of the Board stipulated by the Company Law or the Articles of Association;
- (2) when the uncovered loss of the Company reaches one-third (1/3) of its total share capital;
- (3) under the request of shareholders individually or in aggregate holding more than 10% of the shares of the Company;
- (4) when the Board deems it necessary;
- (5) when proposed by the Audit Committee;
- (6) other circumstances stipulated by the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association.

If the Company is unable to convene a general meeting of shareholders within the aforesaid period, it shall complete the necessary reporting or announcement in accordance with the securities regulatory rules of the place where the Company's shares are listed and the requirements of the stock exchange on which the Company's shares are traded.

If an extraordinary general meeting is convened in accordance with the requirements of the securities regulatory rules of the place where the shares of the Company are listed, the actual date of convening the extraordinary general meeting may be adjusted based on the progress of approval by the stock exchange where the shares of the Company are listed.

Summoning of General Meetings

With the consent of a majority of all independent non-executive directors, independent Non-Executive Directors shall have the right to propose to the Board to convene an extraordinary general meeting. Upon receiving a proposal from independent Non-Executive Directors to convene an extraordinary general meeting, the Board shall, in accordance with relevant laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association, give a written response on whether or not it agrees to convene the extraordinary general meeting within 10 days after the receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after the Board makes the relevant resolution.

The Audit Committee shall have the right to propose to the Board to convene an extraordinary general meeting and shall propose the same to the Board in writing. The Board shall, in accordance with relevant laws, administrative regulations, the Hong Kong Listing

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Rules and these Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary general meeting within 10 days after the receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after the Board makes the relevant resolution. Any changes to be made to the original request in the notice shall be subject to approval of the Audit Committee.

If the Board does not agree to convene an extraordinary general meeting or fails to give a response within 10 days after the receipt of the proposal, this shall be deemed as the Board's failure to perform or its non-performance of its duty to convene a general meeting, and in such event the Audit Committee may convene and preside over such meeting on its own.

Shareholders that hold, individually or collectively, 10% or more of the shares in the Company (excluding the voting rights attached to Treasury Shares) shall have the right to request in writing the Board to convene an extraordinary general meeting. The Board shall, in accordance with relevant laws, administrative regulations, the Hong Kong Listing Rules and these Articles of Association, give a written response on whether or not it agrees to convene such an extraordinary general meeting within 10 days after the receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after the Board makes the relevant resolution. Any changes to be made to the original request in the notice shall be subject to approval of the relevant shareholders.

If the Board does not agree to convene an extraordinary general meeting or fails to give a response within 10 days after the receipt of the proposal, the Shareholders that hold, individually or collectively, 10% or more of the shares of the Company (excluding the voting rights attached to Treasury Shares) shall have the right to propose to the Audit Committee to convene an extraordinary general meeting, and shall propose the same to the Audit Committee in writing.

If the Audit Committee agrees to convene an extraordinary general meeting, it shall give a notice convening such meeting within 5 days after the receipt of the request. Any changes to be made to the original request in the notice shall be subject to approval of the relevant shareholders.

If the Audit Committee fails to give the notice convening the general meeting within the specified period, it shall be deemed to have failed to convene and preside over such meeting. The shareholders that hold, individually or collectively, 10% or more of the shares in the Company (excluding the voting rights attached to Treasury Shares) for 90 days or more consecutively may convene and preside over such meeting on their own.

Proposals of General Meetings

The content of proposals shall fall within the functions and powers of the general meeting, have clear subject for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association.

When the Company convenes a general meeting, the Board, the Audit Committee, and shareholders that hold, individually or collectively, 1% or more of the shares of the Company shall have the right to propose resolutions to the Company.

Shareholders who individually or collectively hold 1% or more of the shares of the Company may, no later than 10 days prior to the convening of the general meeting, put forward ad hoc proposals and submit them in writing to the convener. An ad hoc proposal shall have a clear subject matter and specific resolution items. The convener shall, within 2 days upon receipt of such proposal, publicly announce the content of the interim proposal and issue a supplemental notice of the general meeting. Such notice shall include the contents of the ad hoc proposal, and the ad hoc proposal shall be submitted to the general meeting for deliberation; provided, however, that proposals which contravene the provisions of laws,

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administrative regulations or these Articles of Association, or which do not fall within the functions and powers of the general meeting, shall be excluded.

Except for the circumstances stipulated in the foregoing paragraph, the convener shall not amend any proposal which has been included in the notice of general meeting or propose any new proposal after the notice convening the general meeting has been issued.

Notices of General Meetings

The convener shall notify all shareholders of an annual general meeting no less than 21 days prior to the date of the meeting, and shall notify all shareholders of an extraordinary general meeting no less than 15 days prior to the date of the meeting by way of public announcement. Where laws, regulations and the securities regulatory authorities or stock exchanges in the place where the shares of the Company are listed provide otherwise, such provisions shall prevail. In calculating the commencement date of the notice period, the date of the meeting shall not be included. Where the general meeting is required to be postponed due to the publication of a supplemental notice of the general meeting in accordance with the securities regulatory rules of the place where the shares of the Company are listed, the convening of the general meeting shall be postponed in compliance with such securities regulatory rules.

The notice of a general meeting shall include the following:

- (1) time, venue and duration of the meeting;
- (2) matters and proposals to be considered at the meeting;
- (3) a prominent statement that all shareholders are entitled to attend the meeting and may appoint a proxy in writing to attend and vote on their behalf, with such proxy not required to be a shareholder of the Company;
- (4) record date for determining shareholders entitled to attend the general meeting;
- (5) name and telephone number of the standing meeting contact person;
- (6) voting time and voting procedures for online or other means of communication voting (if any);
- (7) other requirements as provided in laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed, and these Articles of Association.

The notice of a general meeting of shareholders and supplemental notice shall include the matters required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, and these Articles of Association, and shall fully and completely disclose all specific contents of all proposals. Where the matters to be discussed require the opinion of the independent non-executive directors, such opinion and the reasons thereof shall be disclosed simultaneously when issuing the notice or the supplemental notice of the general meeting.

Holding of General Meetings

All shareholders whose names appear on the register of members of the Company on the shareholding record date, or their proxies, shall be entitled to attend the general meeting of shareholders, and to exercise their speaking and voting rights in accordance with relevant laws, rules, and these Articles of Association, unless individual shareholders are required under the securities regulatory rules of the place where the shares of the Company are listed to waive their voting rights on certain matters (for example, where such shareholders have a material interest in a particular transaction or arrangement subject to voting). Shareholders may attend the general meeting in person or appoint one or more proxies to attend and vote on their behalf, and attendance by such proxies shall be deemed to be attendance by the appointing shareholder in person. Such proxies may exercise the following rights in accordance with the shareholder's authorization:

- (1) the right to speak at the general meeting on behalf of the shareholder;

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- (2) to demand, alone or jointly with others, a poll;
- (3) to exercise the right to vote by show of hands or on a poll, unless otherwise provided by relevant laws, administrative regulations, the regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules) or other securities laws and regulations.

If the general meeting requests the presence of Directors and senior management, the Directors and senior management shall be present at the meeting and be available for questioning by the shareholders. Subject to compliance with the securities regulatory rules of the place where the shares of the Company are listed, the aforementioned persons may attend or be present at the meeting via internet, video, telephone or other means with equivalent effect.

A general meeting shall be presided over by the chairman of the Board. Where the chairman of the Board is unable or fails to perform his/her duties, such meeting shall be presided over by a Director jointly elected by more than half of the Directors.

A general meeting convened by the Audit Committee on its own shall be presided over by the convener of the Audit Committee. If the convener of the Audit Committee is unable or fails to perform his/her duties, such meeting shall be presided over by a member of the Audit Committee who is jointly elected by more than half of the members of the Audit Committee.

A general meeting convened by shareholders on their own shall be presided over by the convener or a representative elected by the convener.

Where the host of the general meeting violates the rules of procedure and makes it impossible to continue the general meeting, the general meeting may elect a person to serve as the host of the meeting upon consent of the shareholders attending the meeting on site with more than half of the voting rights to continue the meeting.

Voting and Resolutions of General Meetings

Resolutions of the general meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including shareholders' proxies) attending the general meeting.

Special resolutions of the general meeting shall be passed by more than two-thirds (2/3) of the voting rights held by the shareholders (including shareholders' proxies) attending the general meeting.

The following matters shall be passed by ordinary resolutions of the general meeting:

- (1) work reports of the Board;
- (2) plan for distribution of profits and plan for losses recovery formulated by the Board;
- (3) appointment and removal of members of the Board, their remuneration and method of payment of their remuneration;
- (4) matters other than those required by laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association to be passed by special resolution.

The following matters shall be passed by special resolutions of the general meeting:

- (1) the increase or reduction of the registered share capital by the Company;
- (2) the division, spin-off, merger, dissolution and liquidation (including voluntary winding-up) of the Company and change of the form of the Company;

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- (3) the amendment to these Articles of Association;
- (4) acquisition or disposal of significant assets or provision of a guarantee in an amount exceeding 30% of the audited total assets of the Company in the most recent period, which were carried out by the Company for 12 consecutive months;
- (5) equity incentive plan;
- (6) other matters stipulated by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association, as well as other matters that the general meeting determines by ordinary resolutions that will have a significant impact on the Company and need to be passed by special resolutions.

Shareholders (including shareholders' proxies) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. When voting by poll, shareholders (including shareholders' proxies) with two or more votes need not cast all of their votes in favour of the resolutions, against the resolutions or abstain from voting.

Shares of the Company held by the Company do not carry any voting rights, and shall not be counted towards the total number of voting shares present at the general meeting.

The resolutions of a general meeting shall specify the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the percentage of such shares to the total number of voting shares of the Company, voting methods, the voting result of each proposal and the details of each of the resolutions passed.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors are elected or replaced by the general meeting and may be removed from office by the general meeting before the expiration of their term. The term of Directors shall be three years. Upon the expiry of their term, Directors may be re-elected consecutively in accordance with the securities regulatory rules of the place where the Company's shares are listed; however, the consecutive term of independent non-executive Directors shall not exceed nine years. A Director may be replaced by an ordinary resolution of the general meeting before the expiration of his term, but without prejudice to any claim for damages under any contract by such Director.

The term of office of a Director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his/her duties as a Director in accordance with the laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association until the newly elected Director assumes office.

Directors shall comply with provisions of laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association and owe a duty of fidelity to the Company. They shall take measures to avoid conflicts of interest between their personal interests and the interests of the Company, and shall not use their authority to seek improper benefits.

Directors shall comply with the provisions of laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and these Articles of Association and owe a duty of diligence to the Company. They shall perform their duties to the best interests of the Company and give reasonable attention that is normally expected from the management.

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The Board

The Company has established a Board which shall be accountable to the general meeting. The Board shall consist of 7 Directors, including 3 independent non-executive Directors, 1 employee representative Director and shall have one chairman.

The Board shall exercise the following functions and powers:

- (1) to convene general meetings and report its work to the general meetings;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the business operation plans and investment plans of the Company (including the Company's annual financial budget plan and final accounts plan);
- (4) to formulate the plans for profit distribution and plans for recovery of losses of the Company;
- (5) to formulate plans of the Company regarding increase or reduction of registered share capital, issuance of bonds or other securities and listing;
- (6) to draft plans for major acquisitions of the Company, the purchase of shares of the Company, merger, division, dissolution or change in the form of the Company;
- (7) to determine, to the extent authorized by the general meeting, on such matters as the external investments, purchase or sale of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions, external borrowing and external donations of the Company;
- (8) to determine the setup of the internal management bodies of the Company;
- (9) to decide on the appointment or dismissal of the general manager of the Company, the board secretary and on matters concerning their remuneration, and upon nomination by the general manager, to decide on the appointment or dismissal of the senior management personnel including deputy general managers and chief financial officer of the Company and determine their remuneration, rewards and penalties;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals for amendment of these Articles of Association;
- (12) to manage the information disclosure of the Company;
- (13) to propose to the general meeting for appointment or replacement of the accounting firms which provide audit services to the Company;
- (14) to listen to work reports of the general manager of the Company and review his/her work;
- (15) other functions and powers conferred by laws, administrative regulations, departmental rules, securities regulatory rules of the place where the shares of the Company are listed or these Articles of Association or the general meetings.

Matters beyond the scope of authorisation by the general meeting shall be submitted to the general meeting for consideration.

Board meetings shall be held at least two times a year, which shall be convened by the chairman of the Board, and written notice shall be given to all Directors 10 days prior to the convening of the meeting. Meetings of the Board of Directors may be held and resolutions may be passed by means of electronic communication.

Shareholders representing more than 1/10 of the voting rights, more than 1/3 of the Directors, or the Audit Committee, may propose to convene an extraordinary Board meeting. The chairman of the Board shall convene and preside over the meeting within ten days after receiving the proposal.

Board meetings shall be held only if more than half of the Directors attend the meeting. Unless otherwise provided in these Articles, resolutions of the Board shall be passed by more

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than half of all Directors. Voting on the resolutions of the Board shall be conducted on a one-person-one-vote basis.

Board Committees

The Board of Directors of the Company establishes an Audit Committee, a Nomination Committee, and a Remuneration and Appraisal Committee, the composition and the work scope of which shall be determined by the Board of Directors. The composition and qualification requirements of such committees shall comply with the relevant requirements prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place where the Company's shares are listed, or the relevant regulatory authorities. The Audit Committee of the Board of Directors shall exercise the functions and powers of the Supervisory Board as stipulated in the Company Law. The Company shall not establish a Supervisory Board nor appoint any supervisors.

The board committees are accountable to the Board and perform duties in accordance with the Articles of Association and the authorisation of the Board, and their proposals shall be submitted to the Board for consideration and decision. The members of the board committees shall all consist of Directors.

Secretary of the Board

The Company shall have a secretary of the Board. The secretary of the Board is responsible for the preparation and documentation of general meetings and Board meetings of the Company, as well as the management of shareholders' information of the Company.

The secretary of the Board shall comply with laws, administrative regulations, departmental rules and these Articles of Association.

General Manager and Other Senior Management

The Company shall have 1 general manager, who shall be appointed or dismissed by the Board. The Company may have Deputy General Managers, who shall be appointed or removed by the Board of Directors.

Senior management means general manager, deputy general managers, chief financial officer, secretary of the Board, and other senior management determined by the Board of the Company.

The senior management of the Company shall faithfully perform their duties to safeguard the best interests of the Company and all shareholders. If a member of the senior management of the Company violates the requirements under the laws, administrative regulations, departmental rules and these Articles of Association in the course of performing his/her duties of the Company and causes losses to the Company, he/she shall be liable for compensation.

FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Financial and Accounting System

The Company shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place where the shares of the Company are listed and the requirements of the relevant PRC authorities, formulate its financial and accounting system.

Profit Distribution

When the Company allocates the after-tax profits for the current year, it shall appropriate 10% of the profits into the Company's statutory reserve fund. Should the accumulated amount of the Company's statutory reserve fund be more than 50% of the Company's registered share capital, such appropriation shall no longer be necessary.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

In the event that the Company's statutory reserve fund is not sufficient to cover all the losses for the previous years, the profits for the current year shall be firstly used to cover the loss before making appropriation to the statutory reserve fund pursuant to the provisions of the preceding paragraph.

After the Company has made appropriation to the statutory reserve fund from the after-tax profits, appropriation may be made from the after-tax profits to the discretionary reserve fund upon resolution at the general meeting.

The remaining after-tax profit of the Company after recovery of losses and appropriation of reserve funds shall be distributed to shareholders in proportion to their shareholdings.

If the Company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund to the Company the profits distributed in violation of the provision. If losses are caused to the Company, the shareholders and responsible Directors and senior management shall be liable for compensation.

The Company shall not be entitled to any distribution of profits in respect of shares held by it.

The Company shall appoint one or more receiving agents for the holders of H shares in Hong Kong.

Such receiving agents shall receive and hold on behalf of the relevant H share holders the dividends and other monies payable by the Company in respect of the H shares pending payment to such H share holders. The receiving agents appointed by the Company shall comply with the relevant laws, administrative regulations, the requirements of the CSRC and the stock exchange of the place where the Company's shares are listed.

The reserve funds of the Company shall be used for making up for the loss, expansion of the operation or increase of registered share capital of the Company.

When using the reserve funds to make up for the loss, the discretionary reserve fund and statutory reserve fund should be used first; if the loss still cannot be made up, the capital reserve fund may be used in accordance with regulations.

When the statutory reserve fund is to increase registered share capital, the retained portion of the fund shall not be less than 25% of the registered share capital of the Company before the capitalization.

Audit

The Company implements an internal audit system, and shall employ specialized audit personnel to conduct internal auditing and supervision over the Company's financial revenue and expenditure and economic activities.

The Company shall employ an accounting firm that complies with relevant state regulations and the laws and regulations of the place where the Company's shares are listed to conduct auditing of accounting statements, verification of net assets, and other related consulting services. The term of appointment shall be one year and shall be renewable.

The engagement or dismissal of the accounting firm shall be determined by the general meeting. The Board of Directors shall not appoint any accounting firm before a decision is made by the general meeting.

Notices

Notices issued by the Company may be sent in the following forms:

- (1) personal delivery;
- (2) mails;
- (3) fax, email, SMS or other means in a tangible form that represents the content contained therein;

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

- (4) public announcement (including the method prescribed by the stock exchange where the Company's shares are listed, by publication on the designated website and the Company's website);
- (5) in such other forms as approved by regulatory authorities of the place where the shares of the Company are listed or stipulated by these Articles of Association.

MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

Merger of the Company may take the form of mergers by absorption or mergers by new establishment.

When a company absorbs other companies, it is called a merger by absorption, and the absorbed company is dissolved. The merger of two or more companies to establish a new company is a merger by new establishment, and the merging parties are dissolved.

If the Company undergoes a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and a property list. The Company shall notify creditors within 10 days from the date of making the merger resolution, and shall make an announcement within 30 days on newspapers or the National Enterprise Credit Information Publicity System.

Creditors may require the Company to pay off debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received.

Where there is a division of the Company, its assets shall be divided accordingly. Where there is a division of the Company, a balance sheet and property list shall be prepared. The Company shall notify its creditors within 10 days as of the date of the resolution for the division and shall publish an announcement on newspapers or National Enterprise Credit Information Publicity System within 30 days as of the date of such resolution.

If the Company is merged or divided and the registered items are changed, the registration of the change shall be carried out with the company registration authorities in accordance with the law; if the Company is dissolved, the registration of the cancellation of the Company shall be carried out in accordance with the law; if a new company is established, the registration of the establishment of such company shall be carried out in accordance with the law.

Dissolution and liquidation

The Company shall be dissolved for the following reasons:

- (1) the business period stipulated in these Articles of Association expires or other reasons for dissolution stipulated in these Articles of Association occur;
- (2) the general meeting makes a resolution to dissolve;
- (3) dissolution is required due to the merger or division of the Company;
- (4) the business registration license is revoked pursuant to laws, or the Company is ordered to close down or struck off;
- (5) where the Company encounters serious difficulties in its operation and management and its continuance shall cause significant losses to the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders' voting rights of the company may present a petition to a People's Court for the dissolution of the Company.

If the Company encounters the reasons for dissolution as prescribed in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

APPENDIX III

SUMMARY OF ARTICLES OF ASSOCIATION

Under the circumstance described in items (1) and (2) above of this Article, if no property has been distributed to its shareholders, the Company may continue to exist by amending these Articles of Association or with approval of the general meeting. Amendments to these Articles of Association or obtaining approval of the general meeting pursuant to the preceding paragraph shall be subject to the approval of shareholders representing more than two-thirds of the voting rights present at the general meeting.

Where the Company is dissolved pursuant to items (1), (2), (4) and (5) above of this Article, it shall be liquidated. The Directors, who are the liquidation obligors of the Company, shall form a liquidation committee to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution.

The liquidation committee shall be composed of Directors, except where the general meeting resolves to elect other persons.

If a liquidation obligor fails to perform his/her liquidation obligations in a timely manner, thereby causing losses to the Company or the creditors, such liquidation obligor shall be liable for compensation.

Amendments to Articles of Association

The Company shall amend the Articles of Association under any of the following circumstances:

- (1) after the amendments are made to the Company Law or relevant laws, administrative regulations and the Hong Kong Listing Rules, the provisions of Articles of Association are in conflict with the amended laws, administrative regulations and the Hong Kong Listing Rules;
- (2) there is a change in the situation of the Company, which is inconsistent with the matters recorded in the Articles of Association;
- (3) the general meeting decides to amend the Articles of Association.

The amendments to the Articles of Association adopted by the general meeting shall be submitted to the competent authorities for approval if they are subject to approval by the competent authorities. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.

The Board shall amend these Articles of Association based on the resolutions passed by the general meeting and the approval opinions of the relevant competent authorities.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was established as a limited liability company in the PRC under the name of Shanghai M&G Colipu Office Supplies Co., Ltd. (上海晨光科力普辦公用品有限公司) on December 5, 2012. On March 28, 2025, our Company was converted into a joint stock company with limited liability under the laws of the PRC and was renamed as Colipu Technologies Group Co., Ltd. (科力普科技集團股份有限公司). As of the Latest Practicable Date, the total share capital of our Company was RMB594,000,000, comprising 594,000,000 Shares of nominal value RMB1.00 each.

Our registered office is at 16/F, 11/F, Building 2, 1528 Gumei Road, Xuhui District, Shanghai, the PRC. We have established a principal place of business in Hong Kong at 16/F, Wing On Centre, 111 Connaught Road Central, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance with the Registrar of Companies in Hong Kong on April 24, 2026. Ms. Mak Nga Wun, one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. Our address for acceptance of service of process in Hong Kong is the same as the address of our principal place of business in Hong Kong.

2. Changes in Share Capital

As of the date of our establishment, our registered share capital was RMB10,000,000. On March 28, 2025, our Company was converted into a joint stock company with limited liability under the Company Law. Upon completion of such conversion, the share capital of our Company was RMB594,000,000 divided into 594,000,000 Shares with a nominal value of RMB1.00 each. The following sets out the changes in the share capital of our Company during the two years immediately preceding the date of this Document:

On May 28, 2024, the registered share capital of our Company decreased from RMB660,000,000 to RMB494,724,450.

On June 20, 2024, the registered share capital of our Company increased from RMB494,724,450 to RMB594,000,000.

Save as disclosed above and in the section headed “History and Corporate Structure” in this Document, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this Document.

3. Resolutions of our Shareholders passed on April 24, 2026

Pursuant to our Shareholders’ general meeting held on April 24, 2026, the following resolutions, among other things, were duly passed:

- (a) the issue by our Company of H Shares with a nominal value of RMB1.00 each and such H Shares to be [REDACTED] on the Hong Kong Stock Exchange;
- (b) the number of H Shares to [REDACTED] shall be no more than 25% 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 no more than 15% of the number of H Shares issued pursuant to the [REDACTED];

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- (c) subject to the completion of the [REDACTED], the adoption of the Articles of Association which shall become effective on the [REDACTED], and the authorisation to our Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and
- (d) authorisation of our Board and its authorised person to handle all relevant matters relating to, among other things, [REDACTED] of the H Shares.

4. Changes in the Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants’ Report as set out in Appendix I to this Document.

There has been no alteration in the share capital of any of our subsidiaries within two years immediately preceding the date of this Document.

5. Restrictions on Repurchase of Shares

Please see “Summary of Articles of Association” in Appendix III to this Document for further details.

6. Summary of Material Contract

Our Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Document that are or may be material:

- (a) the [REDACTED].

7. Intellectual Property Rights of Our Group

(a) Trademarks

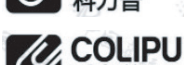
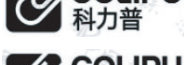
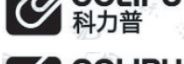
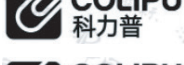
(i) Registered Trademarks

As at the Latest Practicable Date, our Group had the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of registration	Rights holder	Category	Registration number	Date of Registration	Expiration date
1. . . .		PRC	Our Company	9	83571980	December 14, 2025	December 13, 2035
2. . . .		PRC	Our Company	2	83571543	September 7, 2025	September 6, 2035
3. . . .		PRC	Our Company	7	76085709	April 21, 2025	April 20, 2035
4. . . .		PRC	Our Company	10	75243370	May 7, 2024	May 6, 2034

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No.	Trademark	Place of registration	Rights holder	Category	Registration number	Date of Registration	Expiration date
5. . . .		PRC	Our Company	3	74172321	March 14, 2024	March 13, 2034
6. . . .		PRC	Our Company	32	53110801	September 28, 2021	September 27, 2031
7. . . .		PRC	Our Company	22	53110188	December 14, 2021	December 13, 2031
8. . . .		PRC	Our Company	16	53102585	December 28, 2021	December 27, 2031
9. . . .		PRC	Our Company	25	53101737	September 28, 2021	September 27, 2031
10. . . .		PRC	Our Company	6	48468710	August 28, 2021	August 27, 2031
11. . . .		PRC	Our Company	45	18690717	May 14, 2017	May 13, 2027
12. . . .		PRC	Our Company	35	18690594	January 28, 2017	January 27, 2027
13. . . .		PRC	Our Company	20	18690282	January 28, 2017	January 27, 2027
14. . . .		PRC	Our Company	18	18690211	January 28, 2017	January 27, 2027
15. . . .		PRC	Our Company	11	18689907	July 28, 2018	July 27, 2028
16. . . .		PRC	Our Company	8	18689698	January 28, 2017	January 27, 2027
17. . . .		PRC	Our Company	5	18689600	January 28, 2017	January 27, 2027
18. . . .		PRC	Our Company	42	11873573	May 21, 2024	May 20, 2034
19. . . .		PRC	Our Company	38	11873558	May 21, 2024	May 20, 2034
20. . . .		PRC	Our Company	39	11873557	May 21, 2024	May 20, 2034

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(ii) Trademarks under Application

No.	Trademark	Applicant	Place of Registration	Application number	Application date
1.		Our Company	Hong Kong	307180236	February 3, 2026
2.		Our Company	Hong Kong	307180254	February 3, 2026
3.		Our Company	Hong Kong	307180290	February 3, 2026

(b) Patents

As at the Latest Practicable Date, our Group had the following patent(s) which we consider to be or may be material to our business:

No.	Patent Name	Category	Patentee	Place of registration	Patent number	Application date
1.	A gravity-based separation device to prevent missed inspection of pallets on a conveyor line (一種重力式輸送線防托盤漏檢分離裝置)	Utility Model	Our Company	PRC	2022200833551	January 13, 2022

(c) Copyrights

(i) Software Copyrights

As of the Latest Practicable Date, we had registered the following software copyrights in the PRC which we consider to be material to our business:

No.	Software Name	Place of Registration	Registered holder	Registration number	Registration date
1.	Colipu Mall V1.0 (科力普商城 V1.0)	PRC	Our Company	2022SRE005015	February 23, 2022
2.	Colipu E-Commerce Information Punchout Integration Software V1.0 (科力普電子商務資訊化 Punchout 對接軟件 V1.0)	PRC	Our Company	2020SR0272177	March 18, 2020
3.	M&G Colipu Graphic Data Processing Software V1.0 (晨光科力普圖形數據處理軟件 V1.0)	PRC	Our Company	2019SR0737428	July 17, 2019
4.	Colipu Plus Product Management Software V1.0 (科力普 Plus 商品管理軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2025SR1802970	September 17, 2025

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No.	Software Name	Place of Registration	Registered holder	Registration number	Registration date
5.	Colipu Intelligent Ordering Software V1.0 (科力普智能下單軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2025SR1624992	August 26, 2025
6.	Colipu Marketing & Welfare Mall Software V1.0 (科力普行銷福利商城軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2024SR1263657	August 28, 2024
7.	Colipu Supply Chain Mini Program Software V1.0 (科力普供應鏈小程序軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2024SR1213871	August 20, 2024
8.	Colipu Mobile Mall Software V1.0 (科力普移動商城軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2023SR1568194	December 5, 2023
9.	Colipu Order Management Software V1.0 (科力普訂單管理軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2023SR1359371	November 2, 2023
10.	Colipu Warehouse Management Software V1.0 (科力普倉儲管理軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2023SR1261922	October 19, 2023
11.	Colipu After-Sales & Maintenance Management Software [Abbr.: After-Sales & Maintenance Management] V1.0 (科力普售後維保管理軟件 [簡稱：售後維保管理] V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2023SR1178148	September 28, 2023
12.	Colipu Procurement Management Software V1.0 (科力普採購管理軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2023SR0709028	June 26, 2023
13.	Colipu Sales Management Software V1.0 (科力普銷售管理軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2023SR0388514	March 23, 2023
14.	Colipu Redemption Center Software V1.0 (科力普兌換中心軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2023SR0308994	March 9, 2023
15.	Colipu Inquiry & Quotation Software V1.0 (科力普詢價報價軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2022SR1492185	November 10, 2022
16.	Colipu Supplier Software V1.0 (科力普供應商軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2022SR1309082	August 26, 2022
17.	Colipu Product Listing & Delisting Software V1.0 (科力普商品上下架軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2022SR0955255	July 21, 2022
18.	Colipu Process Center Software V1.0 (科力普流程中心軟件 V1.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2022SR0263287	February 23, 2022
19.	Colipu Intelligent Scheduling Management Software V3.0 (科力普智能調度管理軟件 V3.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2021SR0614836	April 28, 2021
20.	Colipu MRO Mall System V3.0 (科力普 MRO 商城系統 V3.0)	PRC	Shanghai Colipu Information Technology Co., Ltd. (上海科力普信息科技有限公司)	2020SR0828000	July 27, 2020

APPENDIX IV STATUTORY AND GENERAL INFORMATION

(ii) Work Copyrights

As of the Latest Practicable Date, we had registered the following work copyrights in the PRC which we consider to be material to our business:

No.	Work Name	Place of Registration	Registered holder	Registration number	Registration date
1. . . .	Quality Goods at Low Prices 2 (好貨低價 2)	PRC	Our Company	滬作登字-2019-F-01545191	December 31, 2019
2. . . .	Colipu Worry-Free Shopping (科力普省心購)	PRC	Our Company	滬作登字-2019-F-01518329	November 29, 2019
3. . . .	“Quality Goods at Low Prices” (《好貨低價》)	PRC	Our Company	滬作登字-2019-F-01436104	August 16, 2019
4. . . .	Slogan 004 (宣傳語 004)	PRC	Our Company	滬作登字-2016-F-00555889	January 21, 2016
5. . . .	Slogan 001 (宣傳語 001)	PRC	Our Company	滬作登字-2014-F-00191799	May 5, 2014
6. . . .	Colipu (科力普)	PRC	Our Company	滬作登字-2013-F-00070677	January 5, 2013

(d) Domain names

As of the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registrant	Expiration date
1.	colipu.com colipu.com.cn	Our Company	December 5, 2028
2.	clpcdn.com	Our Company	December 6, 2028
3.	colipuplus.com	Our Company	April 29, 2027
4.	colipuplus.com.cn	Our Company	April 29, 2027
5.	colipuplus.net	Our Company	April 29, 2027
6.	colipuplus.cn	Our Company	April 29, 2027

Save as disclosed above, as of the Latest Practicable Date, there were no other patents, trade or service marks, intellectual or industrial property rights which are or may be material in relation to our business.

B. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interest

(1) Disclosure of interests of Directors and chief executive of our Company

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), so far as our Directors are aware, the interests or short positions of our Directors and the chief executives in any 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 Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which have been taken or deemed to have been taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register or which will be required to be notified to our Company and the Stock

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Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Name	Positions	Nature of Interest ⁽¹⁾	As of the Latest Practicable Date and immediately prior to [REDACTED]		Shares held immediately following the completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised)		
			Number of Unlisted Shares	Approximately percentage of shareholding in our total share capital	Number of H and Unlisted shares	% of shareholding in the H shares ⁽²⁾	% of shareholding in the total issued share capital of our Company ⁽²⁾
Dr. Chen Huwen (陳湖文). . .	Director	Beneficial owner	23,760,000	4.00%	[REDACTED]	[REDACTED]%	[REDACTED]%
		Interest in controlled corporation ⁽³⁾	462,000,000	77.78%	[REDACTED]	[REDACTED]	[REDACTED]%
Ms. Li Jingyi (李靜宜). . .	Director	Interest in controlled corporation ⁽⁴⁾	21,795,200	3.67%	[REDACTED]	[REDACTED]%	[REDACTED]%
Mr. Liao Xiang (廖翔). . . .	Director	Interest in controlled corporation ⁽⁵⁾	7,877,350	1.33%	[REDACTED]	[REDACTED]%	[REDACTED]%

Note:

- (1) All interests stated are long positions.
- (2) The calculation is based on the total number of [REDACTED] in issue immediately upon completion of the [REDACTED] and the Conversion of Unlisted Shares into H Shares (assuming the [REDACTED] is not exercised).
- (3) As of the Latest Practicable Date, (i) M&G Group held approximately 58.20% of the equity interest in M&G Corporation, and (ii) Dr. Chen Huwen (陳湖文) held 38% of the equity interest of M&G Group. Therefore, by virtue of the SFO, Dr. Chen Huwen and M&G Group are deemed to be interested in 462,000,000 Shares held by M&G Corporation.
- (4) Ms. Li Jingyi (李靜宜) is the general partner of Colipu No.6, holding approximately 37.16% partnership interests therein. Accordingly, Ms. Li is deemed to be interested in 21,795,200 Shares held by Colipu No.6, by virtue of the SFO.
- (5) Mr. Liao Xiang (廖翔) is the general partner of Colipu No.7, holding approximately 44.18% partnership interests therein. Accordingly, Mr. Liao is deemed to be interested in 7,877,350 Shares held by Colipu No.7, by virtue of the SFO.

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(2) *Substantial Shareholders*

Interests in our Company

Save as disclosed in the section headed “Substantial Shareholders” in this Document, our Directors are not aware of any person (other than our Director or chief executive of our Company) who will, immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under 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 share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

Interests of the Substantial Shareholders of Other Members of Our Group

As of the Latest Practicable Date, so far as our Directors are aware, no person (other than our Directors or chief executive of our Company) were 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 other member of our Group.

2. **Particulars of the Directors’ Service Contracts**

Each of the Directors has entered into a service contract or a letter of appointment with our Company. The principal particulars of these service contracts and letters of appointment comprise (i) the terms of the services and (ii) termination provisions in accordance with their respective terms. The service contracts and letters of appointment may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation (other than statutory compensation)).

3. **Remuneration of Directors**

For details of the Directors’ remuneration, see “Directors and Senior Management — Remuneration of Directors” and Notes 8 to the Accountants’ Report as set out in Appendix I to this Document.

4. **Employees’ Incentive Plan**

In recognition of the contributions of our core employees and to incentivize them to further promote our development, we have adopted an employees’ incentive plan (the “**Employees’ Incentive Plan**”). Pursuant to the Employees’ Incentive Plan and award agreements, each selected person is awarded with the right to directly and/or indirectly hold certain amount of Shares of our Company. Pursuant to the Employees’ Incentive Plan, save for each general partner, the awardees are only entitled to receive the dividends on, and benefit from the appreciation on the value and price of, the shares of our Company, but do not have any voting rights in respect of the Shares of our Company. The terms of the Employees’ Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules as the Employees’ Incentive Plan does not involve the grant of options or awards by our Company after the [REDACTED] and there will be no dilution effect to the issued Shares after [REDACTED]. As of the Latest Practicable Date, no new Share will be issued under the latest Employees’ Incentive Plans.

As of the Latest Practicable Date, our Company had established a total of nine Employees’ Shareholding Platforms. For details, please refer to the section headed “History and Corporate Structure – Employees’ Incentive Plan” in this Document.

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The following is a summary of the principal terms of the Employees’ Incentive Plan:

(a) Objectives

The purpose of the Employees’ Incentive Plan is to align the interests of the core employees with those of the Company, ensure that the management’s decisions are in the long-term interests of the Company, incentivize them to create long-term value for the Company and pursue its sustainable development, and attract and retain key talents.

(b) Eligibility

Pursuant to the award agreements, participants of the Employees’ Incentive Plan are our Company’s excellent employees of the previous year. A combination of factors, including service tenure, work experience, job position, development potential, attendance, performance evaluation and contribution to the Group, will be considered when determining eligible participants of the Employees’ Incentive Plan and the price and allocation of the limited partnership interests of each eligible participant.

(c) Form of the Employees’ Incentive Platforms

The grantees, as partners of the Employees’ Shareholding Platforms, shall subscribe for partnership interests therein according to the amount approved, and make the corresponding contribution, thereby holding indirect interest in the Shares.

(d) Restrictions on Transfer

Pursuant to the award agreements, the limited partnership interests in the Employees’ Shareholding Platforms shall not be transferred, wholly or in part, without the prior consent of our Company.

(e) Administration

The chairman of the Board and the Shareholders are responsible for reviewing and approving the implementation of the Employees’ Shareholding Platforms, ensuring that the Employees’ Shareholding Platforms aligns with the Company’s strategic objectives and complies with applicable laws and regulations.

The general partner of the Employees’ Shareholding Platforms is responsible for carrying out other related matters and may exercise the voting rights attaching to the Shares held by them.

APPENDIX IV STATUTORY AND GENERAL INFORMATION

(g) Details of the Awards Granted

As of April 24, 2026, partnership interests and Shares (“Awards”) granted pursuant to the Employees’ Incentive Plan and award agreements corresponded to a total of 103,488,000 Shares, representing approximately 17.42% of our total issued Shares, have been granted under the Employees’ Incentive Plan.

No Shares will be further granted after the [REDACTED] pursuant to the Employees’ Incentive Plan. Details of the Shares granted to Directors and senior management of our Company under the Employees’ Incentive Plan are set out below:

Name	Positions	Relevant Employees’ Shareholding Platforms	Number of Incentive Shares held ⁽¹⁾	% of shareholding in the total issued share capital of our Company ⁽¹⁾
Dr. Chen Huwen (陳湖文)	Executive Director, chairman of the Board and general manager	/	23,760,000	4.00%
Ms. Li Jingyi (李靜宜)	Executive Director, deputy general manager and senior vice president	Colipu Venture Capital; Colipu No.6	9,319,650	1.57%
Mr. Liao Xiang (廖翔)	Executive Director (Employee representative Director) and the deputy general manager	Colipu Venture Capital; Colipu No.7	6,450,350	1.09%
Ms. Chen Yile (陳一樂)	Executive Director, secretary to the Board and joint company secretary	Colipu No.6	3,500,000	0.59%
Mr. Huang Jie (黃傑)	Deputy general manager	Colipu Venture Capital	4,356,000	0.73%
Ms. Wang Aijia (王藹嘉)	Chief financial officer	Colipu No.6	500,000	0.08%
Ms. Zhang Lirong (張莉蓉)	Deputy general manager	Colipu Venture Capital; Colipu No.6	1,980,000	0.33%
Subtotal	/	/	49,866,000	8.39%
Other employees . . .	/	/	53,622,000	9.03%
Total	/	/	103,488,000	17.42%

Note:

- (1) [REDACTED] Unlisted Shares held by the Employees’ Shareholding Platforms and Dr. Chen Huwen will be converted into H Shares, subject to the relevant regulatory approvals and registration.

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5. Disclaimers

- (i) Save as disclosed in “History and Corporate Structure” and this Appendix, none of our Directors or any of the parties listed in “— C. Other Information — 8. Qualifications and Consents of Experts” in this section:
 - (a) is 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; or
 - (b) is materially interested in any contract or arrangement subsisting at the date of this Document that is significant in relation to our business;
- (ii) Save as disclosed in this Appendix and in connection with the [REDACTED], none of the parties listed in “— C. Other Information — 8. Qualifications and Consents of Experts” in this section:
 - (a) is interested legally or beneficially in any Shares in any member of our Group; or
 - (b) has any right (whether legally enforceable or not) to [REDACTED] for or to nominate persons to [REDACTED] for any securities in any member of our Group;
- (iii) Saved as disclosed in this Document in respect of M&G Corporation, being one of our top five suppliers in 2023 and 2024, 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
- (iv) Save as disclosed in “Substantial Shareholders,” 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 Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

C. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty under the existing PRC laws is likely to fall upon the Group.

2. Litigation

As of the Latest Practicable Date, neither our Company nor any of its subsidiaries was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened against any member of our Group which would have a material adverse effect on our Group’s financial condition or results of operations.

3. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

China International Capital Corporation Limited (“CICC”), the parent company of the Sole Sponsor, acted as the independent financial advisor to M&G Corporation in connection with the [REDACTED] and proposed [REDACTED] of the Company’s Shares pursuant to the Spin-off Rules for Listed Companies (For Trial Implementation) (《上市公司分拆規則(試行)》) and the Trial Measures for the Administration on 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. Notwithstanding the above, considering that (i) the work of the independent financial

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advisor is a restricted one purely to satisfy the regulatory requirements imposed by the CSRC and the role of financial advisor of CICC is not in conflict with the Sole Sponsor’s role as an independent sponsor for the [REDACTED] (such work is also in line with that undertaken by other independent financial advisor in similar [REDACTED] cases); and (ii) the fee from the service of independent financial advisor is immaterial and only relates to the services provided by CICC in its capacity as the independent financial advisor to M&G Corporation, such relationship between CICC and M&G Corporation would not be reasonably considered to affect the Sole Sponsor’s independence as a sponsor to the Company in performing its duties, and should not reasonably give rise to a perception that the Sole Sponsor’s independence would be so affected under Rule 3A.07(9) of the Listing Rules, and there are no other circumstances affecting the Sole Sponsor’s independence under Rule 3A.07 of the Listing Rules.

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for [REDACTED], and permission to [REDACTED], our H Shares (including any additional H Shares which may be [REDACTED] pursuant to the exercise of the [REDACTED]). All necessary arrangements have been made to enable the H Shares to be admitted into CCASS.

Pursuant to the engagement letter entered into between our Company and the Sole Sponsor, we have agreed to pay the Sole Sponsor a fee of US\$500,000 for acting as the sponsor in connection with the [REDACTED].

4. Compliance Advisor

Our Company has appointed Red Solar Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

6. Promoters

The promoters of our Company comprise all of the shareholders of our Company prior to its conversion into a joint stock limited liability company in 2025. For details of the promoters of our Company, please see “History and Corporate Structure” of this Document.

Save as disclosed in this Document, no cash, securities or other benefits has been paid, allotted or given, nor are any proposed to be paid, allotted or given, to the above promoters in connection with the [REDACTED] within the two years immediately preceding the date of this Document.

7. Taxation of holder of Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong SAR stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong SAR stamp duty for such sale, purchase and transfer is a 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

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8. Qualifications and Consents of Experts

The qualifications of the experts who have given opinions or advice contained in this Document are set out below:

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities
JunHe LLP	Legal advisor as to PRC laws
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
Frost & Sullivan	Independent industry consultant

Each of the experts listed above has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its report and/or letter and/or opinion and/or references to its name and qualifications included herein in the form and context in which they respectively appear.

As of the Latest Practicable Date, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

9. Binding Effect

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

10. Bilingual Document

The English and Chinese versions of this Document are published separately in reliance upon the exemption under the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice.

11. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position of our Group since December 31, 2025 (being the date to which our latest audited consolidated financial statements were made up).

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12. Miscellaneous

- (i) Save as disclosed in “History and Corporate Structure” and this Appendix and in connection with the [REDACTED], within the two years immediately preceding the date of this Document:
 - (a) no share or loan capital of our Company or any of its subsidiaries has been issued nor agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any Share or loan capital of our Company or any of our subsidiaries;
 - (c) no Share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option; and
 - (d) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions of any share in our Company or any of our subsidiaries;
- (ii) We have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (iii) There are no arrangements under which future dividends are waived or agreed to be waived;
- (iv) There are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (v) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months preceding the date of this Document;
- (vi) There are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong SAR from outside Hong Kong SAR;
- (vii) No part of the equity or debt securities of our Company or any member of our Group, if any, is currently [REDACTED] on or [REDACTED] on any stock exchange or trading system, and no such [REDACTED] or permission to [REDACTED] on any stock exchange other than the Stock Exchange is currently being or agreed to be sought; and
- (viii) Our Company has no outstanding convertible debt securities or debentures.

APPENDIX V	DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this Document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of each of the material contracts referred to in the sub-section headed “Appendix IV — Statutory and General Information — A. Further Information About Our Company — 7. Summary of Material Contract”; and
- (b) the written consents referred to in the sub-section headed “Appendix IV — Statutory and General Information — C. Other Information — 8. Qualifications and Consents of Experts”.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be published on the websites of the Hong Kong Stock Exchange at www.hkexnews.hk and our Company at www.colipu.com up to and including the date which is 14 days from the date of this Document:

- (a) the Articles of Association of the Company;
- (b) the Accountant’s Report in respect of the historical financial information of our Group for the three years ended December 31, 2023, 2024 and 2025, the text of which is set out in “Appendix I — Accountants’ Report” to this Document;
- (c) the report on the unaudited [REDACTED] financial information of our Company from Ernst & Young, the text of which is set out in “Appendix II – Unaudited [REDACTED] Financial Information” to this Document;
- (d) the audited consolidated financial statements of our Company for the three years ended December 31, 2023, 2024 and 2025;
- (e) the industry report issued by Frost & Sullivan, the summary of which is set forth in the section headed “Industry Overview” in this Document;
- (f) the PRC legal opinions issued by JunHe LLP, our PRC Legal Advisor, in respect of certain aspects of our Company;
- (g) the material contracts referred to in the sub-section headed “Appendix IV — Statutory and General Information — A. Further Information About Our Company — 7. Summary of Material Contract”;
- (h) the written consents referred to in the sub-section headed “Appendix IV — Statutory and General Information — C. Other Information — 8. Qualifications and Consents of Experts”;
- (i) the service contracts and the letters of appointment referred to in the sub-section headed “Appendix IV — Statutory and General Information — B. Further Information about our Directors and Substantial Shareholders — 2. Particulars of the Directors’ Service Contracts”; and
- (j) a copy of each of the Company Law, the PRC Securities Law, the Overseas Listing Trial Measures and the Guidelines on the Articles of Association of Listed Companies issued by the CSRC together with their unofficial English translations.