

BUSINESS

OVERVIEW

Who We Are

We promote an outdoor lifestyle that connects people with nature, and we aim to enhance comfort and performance in natural environments.

Aspiring to become a renowned outdoor brand globally, we are committed to providing high-performance outdoor garments and equipment, enabling everyone to fully enjoy the beauty of nature. Established in 2012, our core brand, *Pelliot*, embodies a spirit of adventure and a dedication to pushing the boundaries of outdoor garments. Through this brand, we offer a wide range of products, encompassing apparel, footwear, as well as equipment and accessories, for various outdoor activities, sports and fitness, as well as urban commuting. It demonstrated strong growth compared to top players in the performance outdoor garment industry in Chinese mainland in 2024. Specifically, having grown our net sales by 99.2% from RMB870.2 million in 2023 to RMB1,733.1 million in 2024, our *Pelliot* brand was among the top three domestic performance outdoor garment¹ brands in Chinese mainland in terms of retail sales in 2024, accounting for 5.2% market share in the same year, according to Frost & Sullivan. According to the same source, the brand accounted for a 1.7% market share in Chinese mainland in 2024, encompassing both domestic and international brands, in terms of retail sales.

We sell our products primarily through a direct-to-consumer (“DTC”) multi-channel model complemented by sales to e-commerce platforms and a distribution network. In addition, we are dedicated to advancing our outdoor products and delivering performance outdoor garments and equipment that exceed consumer expectations with premium quality at accessible prices. Our “Welcome to Nature” campaign, combined with a high performance brand presence and several blockbuster outdoor apparel products, has built a loyal consumer base among both professional athletes and outdoor enthusiasts.

As a result of our expansion efforts, both our revenue and net profit experienced a significant rise during the Track Record Period. Our revenue increased substantially from RMB908.1 million in 2023 to RMB1,766.1 million in 2024, and further increased to RMB2,793.0 million in 2025, with a gross profit margin of 58.2%, 59.6% and 63.7% in 2023, 2024 and 2025, respectively. Benefitting from the continued enhancement of our brand awareness and improvement of operational efficiency, our net profit increased from RMB151.9 million in 2023 to RMB283.1 million in 2024, and further increased to RMB355.7 million in 2025. In 2023, 2024 and 2025, our adjusted net profit (non-HKFRS measure) amounted to RMB156.0 million, RMB304.3 million and RMB409.1 million with an adjusted net profit margin (non-HKFRS measure) of 17.2%, 17.2% and 14.6%, respectively. See “Financial Information — Non-HKFRS Measure.”

Market Opportunities

We primarily operate within the performance outdoor garment industry, which represents a subset of the functional garment industry encompassing apparel, footwear, and accessories with specialized technologies to enhance performance and protection during daily outdoor activities. The growing popularity of healthy and active lifestyles, as well as a trend toward casualization of performance outdoor garments in Chinese mainland are driving increased demand for premium quality products at accessible prices, creating a significant market opportunity along with the rapid growth of the performance outdoor garment industry. Notably, the retail sales of the performance outdoor garment industry in Chinese mainland grew at a CAGR of 13.8% from RMB53.9 billion in 2019 to RMB102.7 billion in 2024, and it is expected to reach RMB215.8 billion in 2029 at a CAGR of 15.5% from 2025 to 2029, making it one of the fastest-growing segments in the functional garment market, according to Frost & Sullivan. We expect significant growth in demand for our outdoor garments and equipment.

¹ Performance outdoor garments are tailored to fulfil high performance demands during dynamic engagements with natural terrains, including but not limited to mountain climbing, hiking and cross-country running. For details, please see “Industry Overview.”

BUSINESS

Our Brands and Products

Drawing inspiration from the beauty and evolution of nature, we blend outdoor functionality with natural aesthetics, reflecting the latest fashion trends while meeting diverse functional needs. Our diverse product portfolio caters to a broad consumer base, encompassing males and females, as well as adults and children, suitable for various seasons and occasions.

Apparel and footwear represented our principal product categories during the Track Record Period, accounting for the majority of total sales. As of December 31, 2025, our apparel and footwear products under the *Pelliot* brand consisted of 608 standard product units (“SPUs”). As of the Latest Practicable Date, we had established four product series under the *Pelliot* brand, namely the Limit, Performance, Mountain and Classic series. Our Limit series, which was launched in 2025, and Performance series cater to professional mountaineers, outdoor adventurers, and outdoor scientific researchers, while our Mountain and Classic series are designed for outdoor sports enthusiasts, travelers, and urban users. Each series also offers a range of complementary outdoor equipment and accessories, such as hiking poles and tents, to meet diverse user needs. Additionally, we acquired the *Excelsior* brand in Chinese mainland in 2019, allowing us to further expand our brands.



Elite Performance for Professional Adventurers
— Limit Series



Advanced Protection for Professional Outdoor Enthusiasts
— Performance Series



Stylish and Refined Outdoor Apparel for Outdoor Enthusiasts
— Mountain Series



Protection and Comfort Blend with Modern Style
— Classic Series

- *Limit series.* Launched in January 2025, this series is specifically designed to meet the elite performance demands in extreme environments, making it ideal for professional mountaineers, extreme explorers, and those engaged in outdoor activities under harsh weather conditions. Incorporating technologies such as Pertex fabrics, PrimaLoft

BUSINESS

insulation, eVent fabrics, 1000 loft water-repellent goose down, Vibram outsoles, and Dyneema fiber², this series features a lightweight design, high durability, and superior protection. It enables explorers to achieve excellent performance in the face of extreme cold while climbing mountain peaks.

- *Performance series.* Designed to tackle unpredictable outdoor conditions, the Performance series is enhanced by leading global outdoor technologies, precision-engineered fabrics, and meticulous craftsmanship. It offers protection to provide professional outdoor enthusiasts with suitable gear. Featuring waterproofing, breathability, wind resistance, and insulation, the performance series meets the demands of high-altitude climbing, skiing, and hiking, as well as other professional outdoor activities, embodying the essence of our brand.
- *Mountain series.* This series harmoniously merges product design with the aesthetics of nature, drawing inspiration from the sense of biodiversity to create a range of product designs. The durable earth-tone palette, paired with high-visibility accents and three-dimensional tailoring, ensures optimal comfort and flexibility. The Mountain series offers stylish and refined outdoor apparel that transitions between city and wilderness.
- *Classic series.* This series incorporates proprietary technologies within our technology platform — PT-China Platform, blending protection with comfort in a modern style. By integrating product designs, vibrant colors, and ergonomic craft, it enhances both comfort and mobility. While meeting the functional needs of outdoor enthusiasts, our Classic series also brings outdoor apparel from the city streets to diverse natural environments. Additionally, this series includes dedicated product lines tailored to meet the specific training needs of various sports specialties.

The following table sets forth the breakdown of our revenue by brand and product series, both in absolute amounts and as percentages of total revenue for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Pelliot						
Limit series	—	—	—	—	333	0.0
Performance series	23,090	2.5	99,313	5.6	213,991	7.7
Mountain series	55,016	6.1	173,258	9.8	226,203	8.1
Classic series	792,127	87.2	1,460,501	82.7	2,337,221	83.7
Excelsior	<u>37,835</u>	<u>4.2</u>	<u>33,030</u>	<u>1.9</u>	<u>15,240</u>	<u>0.5</u>
Total	<u>908,068</u>	<u>100.0</u>	<u>1,766,102</u>	<u>100.0</u>	<u>2,792,988</u>	<u>100.0</u>

Our Business Model

Our goal is to develop high-quality outdoor garments and equipment, and we integrate this commitment into every aspect of our business model through product development and technology advancements, supply chain management, and DTC sales model. This enables us to attract new and repeat consumers, boost product sales, increase market share, and enhance our overall operational efficiency.

² The named fabric and protection technologies incorporated in our Limit series are procured from our suppliers.

BUSINESS

Product Development and Technology Advancement

We are committed to developing industry-leading materials, outdoor garments and equipment that consistently meet consumer demands. By integrating product planning, product design, and supply chain teams, we are able to iterate and advance outdoor garments and equipment effectively and efficiently. Exemplifying our product development capabilities, we are recognized as the “inventor of the one-piece hardshell down coat in China” (中國單體羽絨衝鋒衣首創者), according to Frost & Sullivan. The hardshell down coat represents a revolutionary addition to our product line that embodies our commitment to advancement, which is designed to address the growing demand for versatile and functional outerwear. By incorporating the same advanced fabrics found in our performance-oriented hardshell jackets, we elevate this coat’s windproof and waterproof capabilities.

Leveraging our insight in hardshell jackets, we had three long-lasting SPUs of hardshell jackets, which consistently ranked among our annual top 10 best-selling products in terms of sales revenue in each year during the Track Record Period. These top-10 selling products contributed 46.6%, 43.0% and 37.4% of our total revenue in 2023, 2024 and 2025, respectively, underscoring our capability to launch popular products. While our long-lasting hardshell jackets maintain a strong sales trajectory, our newly introduced products gained market traction. During the Track Record Period, several of our SPUs introduced in the respective year were ranked our annual top 10 best-selling products. Our proprietary technology platform, PT-China Platform, serves as a fundamental pillar of our product development process, enabling us to elevate the quality of our performance outdoor garments.

Stable Supply Chain Management

We maintain long-term cooperative relationships with various reputable international companies to ensure a reliable and consistent supply of high-quality materials, enable continuous advancement in our product offerings and meet the evolving demands of our consumers. We prioritize maintaining mutually beneficial relationships with these partners, which safeguard the stability of the supply of materials. In addition, we collaborate with qualified manufacturing suppliers to produce our products. This, in turn, allows us to efficiently allocate resources and adjust orders based on market demand forecasts and sales data feedback.

Multi-channel Sales and Distribution Network

We primarily focus on the DTC sales model to reach consumers. Through this model, we can engage directly with consumers and obtain preferences and feedback across different consumer groups.

Our sales network comprises an expanding online presence, including Tmall, Douyin and JD.com and a growing network of offline retail stores. This multi-channel approach maximizes market reach and strengthens consumer engagement. We engage new consumers through a variety of online marketing activities, including tailored advertisements on major social media platforms, collaborations and product placements with TV shows and films, and participation in various marketing initiatives launched by prominent e-commerce platforms. In 2025, the number of new consumers who had never shopped with us before on Tmall, our primary online retail platform, was 1.5 times that of 2023. Further, the wide range of products we offer also lead to repeat purchases from consumers across different product categories and foster word-of-mouth recommendations. As a result, our sales through our flagship stores increased from RMB573.8 million in 2023 to RMB1,029.1 million in 2024, and further increased to RMB1,472.2 million in 2025. In addition to enhancing our digital presence, we are expanding our offline retail footprint to provide in-store shopping experiences and strengthen our interactions with consumers. As of December 31, 2025, we had 230 offline retail stores, largely located in first- and second-tier cities in Chinese mainland. The integration of online and offline sales channels enhances our market reach and establishes a solid foundation for future expansion.

BUSINESS

OUR COMPETITIVE STRENGTHS

We believe that our business success is built upon a set of key strengths. These strengths are deeply interconnected and complement each other, driving our sustained core competency and resilience in a highly competitive market.

The Fastest-Growing Brand in Performance Outdoor Garment Market Capturing Substantial Growth Potential

We are the fastest-growing performance outdoor garment brand in Chinese mainland, well-positioned to capture significant growth opportunities. Benefiting from the robust growth of the outdoor sector, we have established ourselves as a differentiated brand that blends high-performance functionality with trendy style. As an outdoor garment brand, our products are trusted by professional athletes to enhance their mobility and comfort in challenging environments. Meanwhile, for outdoor activity enthusiasts and general consumers, we offer products that combine reliable protective performance with vibrant colors, creative designs, and fashionable, casual elements. Such versatility makes our products suitable for a wide range of outdoor activities and everyday commuting, catering to both professional and casual outdoor lifestyles.

Our brand serves a broad consumer base through distinct product lines, each designed to exceed consumers’ expectations by delivering performance outdoor garments and equipment with premium quality at accessible prices. Our dedication to quality and advancement has earned us enduring loyalty and recognition from consumers, which enables us to achieve strong growth compared to top players in the performance outdoor garment industry in Chinese mainland in 2024. Specifically, our *Pelliot* brand became one of the top three largest domestic performance outdoor garment brands in Chinese mainland in terms of retail sales in 2024, accounting for 5.2% market share in the same year, according to Frost & Sullivan. According to the same source, the brand accounted for a 1.7% market share in Chinese mainland in 2024, encompassing both domestic and international brands, in terms of retail sales.

Our strong operational track record exemplifies our ability to integrate scale, growth and profitability effectively. Our revenue grew from RMB908.1 million in 2023 to RMB1,766.1 million in 2024, and further increased to RMB2,793.0 million in 2025, with a gross profit margin of 58.2%, 59.6% and 63.7% in 2023, 2024 and 2025, respectively. Benefitting from the continued enhancement of our brand awareness and improvement of operational efficiency, our net profit increased from RMB151.9 million in 2023 to RMB283.1 million in 2024, and further increased to RMB355.7 million in 2025, achieving a CAGR of 53.0%. In 2023, 2024 and 2025, our adjusted net profit (non-HKFRS measure) amounted to RMB156.0 million, RMB304.3 million and RMB409.1 million with an adjusted net profit margin (non-HKFRS measure) of 17.2%, 17.2% and 14.6%, respectively. The remarkable growth demonstrates our ability to execute effectively in a high-growth market while maintaining strong financial performance.

Our existing financial achievements are obtained while there is significantly lower per capita expenditure on performance outdoor garments in Chinese mainland than in developed countries, such as the United States and Japan, underscoring a substantial future growth potential. As outdoor activities become increasingly diverse and popular, demand for outdoor garments and equipment is expected to rise rapidly, indicating significant potential for future growth of the Chinese market and our financial prospects. According to Frost & Sullivan, the performance outdoor garment market in Chinese mainland reached RMB102.7 billion in 2024, achieving a CAGR of 13.8% from 2019 to 2024. Going forward, the performance outdoor garment market is projected to grow at a CAGR of 15.5% from 2025 to 2029, reaching RMB215.8 billion by 2029, making it the fastest-growing and most promising segment in the functional garment industry.

As one of the performance outdoor garment brands in Chinese mainland, we are well-positioned to capitalize on these favorable industry trends. With a comprehensive portfolio of functional garments and equipment catering to both professional and general outdoor consumers, we are poised to continue benefiting from the growth dividends of expanding performance outdoor

BUSINESS

garment market in Chinese mainland. Through our advanced product offerings, differentiated brand positioning, and operational excellence, we are committed to driving long-term growth and solidifying our market position in the high-potential performance outdoor garment industry.

Effective Product Development System with Proven Category Expansion Capabilities

Our competitiveness lies in a deeply collaborative product development system centered around consumer needs, supported by our continually evolving proprietary technology platform, PT-China Platform. This system integrates the expertise of multiple departments, including product planning, design, and supply chain management, enabling seamless collaboration throughout the product development process. As of the December 31, 2025, our design and R&D team consisted of 50 members. Our core members of this team possess significant experience in the relevant industry and previously served at reputable international companies, with an average of over 10 years of experience. Their diverse professional backgrounds in areas such as material technology, apparel design, and supply chain management empower us to control key stages of product development fully. Through efficient internal cross-department collaboration and engagements with well-recognized research institutions and global material technology companies, we transform consumer insights into advanced products that meet market demands. By leveraging a robust library of protective, thermal, and sensory technologies, we ensure that our products deliver exceptional performance, comfort, and style.

Since our inception, we have recognized that hardshell jackets are the most representative and functionally demanding category in the performance outdoor garment industry. Therefore, we have made hardshell jackets the cornerstone of our brand identity and a key driver for attracting and retaining consumers. We conduct in-depth studies on the needs of users in various scenarios, such as outdoor activities, urban commuting, and sports and fitness. Based on these insights, we develop diverse jacket collections featuring different shell and lining fabric combinations, varied designs, and stylistic options across a range of price points. For example, we are recognized as the “inventor of the one-piece hardshell down coat in China” (中國單體羽絨衝鋒衣首創者). In addition, our “3-in-1” jacket design allows consumers to mix and match inner linings and outer shells depending on weather and environmental conditions, offering unparalleled versatility. The minimalist yet stylish design ensures that our hardshell jackets pair effortlessly with both casual and athletic wear, making them suitable for a wide range of daily occasions. In addition, our lightweight designs provide a comfortable wearing experience for activities such as running, cycling, and hiking. By combining technologies with fashion trends, we continuously upgrade and refine our jacket offerings, delivering products with premium quality at accessible prices. Our lifetime maintenance service further enhances the value of our products, earning widespread market acclaim and driving consistent growth in sales. During the Track Record Period, we sold a cumulative total of approximately 6.6 million pieces of hardshell jackets. From 2023 to 2025, sales volume of our hardshell jackets achieved a CAGR of 66.2%, making it a critical driver of our rapid business growth.

The experience and expertise we have gained from the development and commercialization of hardshell jackets are being successfully applied to other outdoor garment categories, including down, fleece and softshell apparels, as well as sun protection clothing. With our strong product development and commercialization capabilities, we effectively anticipate and fulfill consumer desires. While maintaining sustained strong sales performance of our iconic hardshell jackets, other products within our portfolio increasingly garner market favor. For example, in 2023, 2024 and 2025, the revenue generated from the sales of down coats amounted to RMB81.3 million, RMB162.2 million and RMB292.3 million, representing 9.0%, 9.2% and 10.5% of our total revenue, respectively. In addition, during the Track Record Period, several of our SPUs introduced in the respective year were ranked our annual top 10 best-selling products. These achievements highlight our capability to introducing new products through a well-established product development system, while continuously drawing in and meeting consumer demand. By leveraging our proven capabilities, we are well-positioned to further diversify our product portfolio, strengthen our market presence, and drive sustainable growth in the performance outdoor garment industry.

BUSINESS

Supply Chain Balancing Quality and Cost-Effectiveness

We have established a long-term supply chain system that ensures rapid response to market demands while maintaining a balance between product quality and cost efficiency. By partnering with globally renowned outdoor material suppliers and functional technology companies such as Polartec, eVent, Pertex, Cordura, PrimaLoft, Vibram and Recco for multiple years, we have integrated their technologies into our outdoor garment development.

In addition to leveraging advanced global technologies, we take full advantage of China’s highly developed supply chain and logistics infrastructure. By collaborating with experienced external manufacturers for production and professional logistics service providers for order fulfillment and delivery, we achieve efficient coordination across the entire supply chain. During the Track Record Period, the average procurement cost per meter for our highest-volume purchased fabric, the 75D polyester plain weave fabric, decreased cumulatively by 2.0%, while the percentage of the cost of sales in terms of revenue decreased from 41.8% in 2023 to 40.4% in 2024 and 36.3% in 2025, showing a consistent downward trend. Such a trend, in turn, reflects our ability to control costs while maintaining product quality.

Furthermore, our operations provide us with rich consumer insights, enabling us to steer our supply chain to respond dynamically to market needs. By analyzing and forecasting market demand, combined with real-time channel sales data feedback, we can plan and adjust orders within the supply chain dynamically. With such a level of agility, we are able to ensure timely production and delivery while continuously enhancing operational efficiency. As a result, we have developed a supply chain system that not only supports our ability to scale rapidly but also ensures that we remain highly responsive to consumer needs, balancing cost-effectiveness with unwavering quality standards.

Through our strong supply chain management, we connect advanced global technologies with China’s manufacturing strengths, merging the best of both realms to create advanced, high-performance outdoor garments and equipment. This efficient and agile supply chain has been instrumental in fueling our growth and strengthening our competitive edge in the performance outdoor garment market.

DTC Go-To-Market Strategy to Enhance Brand Influence and Sales Channel Penetration

We have established a DTC marketing system and a comprehensive multi-channel sales and distribution network, enabling us to strengthen our brand influence and sales channel penetration while continuously attracting consumer purchases. Through our DTC go-to-market strategy, we continuously refine our product offerings through analysis of successful products and consumer feedback, ensuring each new generation of products better serves our consumers’ evolving needs while maintaining our commitment to both style and functionality.

Our marketing efforts focus on reaching and influencing individual consumers through digital advertising and traditional marketing, outdoor event sponsorships, partnering with outdoor communities, and collaborating with professional athletes. Our digital marketing strategy utilizes multiple widely adopted and substantially influential social media platforms, such as Douyin, RedNote, Weibo, Zhihu and Bilibili, for our outdoor-themed campaigns and initiatives. Our offline marketing strategy centers on building connections with outdoor communities through collaborative events and sponsoring professional athletes, including those pursuing the “7+2 initiatives” to conquer the seven highest mountain peaks along with Antarctica and the North Pole. In addition, our sponsored athlete, Ms. He Jing, became the first Chinese athlete to conquer all 14 peaks towering over 8,000 meters without supplemental oxygen. Our marketing approach aims to enhance brand visibility within the professional outdoor sector. Notably, as of the Latest Practicable Date, we had partnered with over 30 outdoor activity groups, organized approximately over 130 offline events, featuring activities such as short and long-distance hiking, high-altitude snow mountain climbing, camping and ice climbing, among others. This approach enables our direct engagement with consumers and gathering valuable consumer feedback.

BUSINESS

In parallel to elevating our marketing efforts, since our inception, we have continuously expanded our online sales channels by partnering with mainstream e-commerce platforms and emerging content-driven platforms. Through online stores, live streaming, and influencer-driven sales, we have successfully attracted consumers’ attention to our brand and products, driving rapid growth in online sales. Our sales through our flagship stores increased from RMB573.8 million in 2023 to RMB1,029.1 million in 2024, and further increased to RMB1,472.2 million in 2025, achieving a CAGR of 60.2%. According to the rankings published by Tmall and Taobao, we ranked third in cumulative gross merchandise value (“GMV”) among outdoor brands spanning categories such as outdoor activities, mountaineering, camping, and travel during the 2025 Tmall Singles’ Day shopping festival, further solidifying our market position. While online channels are a key growth driver, we are equally committed to expanding our offline presence. As of December 31, 2025, we operated 21 self-operated stores and 209 partnership stores, largely located in first- and second-tier cities in Chinese mainland. Our strategic placement of stores in prime retail locations, such as shopping malls, department stores, and outlets, provides consumers with direct product experiences and personalized service, strengthening our brand presence in key markets. Furthermore, we have launched experience stores where consumers can immerse themselves in our brand philosophy and gain a deeper understanding of our product advantages. We continuously upgrade and refine the design of our offline stores to enhance the in-store shopping experience. Our offline store sales revenue grew significantly from RMB47.3 million in 2023 to RMB169.0 million in 2024, and further increased to RMB506.4 million in 2025.

Our integrated online and offline marketing strategies, centered on a DTC approach, have significantly increased brand awareness and consumer engagement. This seamless multi-channel experience positions us for sustained growth and market share gains in the performance outdoor garment industry.

Experienced and Focused Management Team Driving Sustainable Development

Our success is underpinned by an experienced, dedicated, and pragmatic management team with deep expertise in the outdoor sports and apparel industries. The founding team and core management members possess an average of over 15 years of industry experience, bringing a wealth of knowledge and practical insights to the business. Since our inception, under the leadership of our founder, Mr. Liu Zhen, we have consistently focused on outdoor technology research and product advancement. Guided by a sharp understanding of market opportunities, we have built a new-generation outdoor brand that delivers products with exceptional value to our consumers.

We operate with a clear and forward-looking philosophy of “brand elevation, product leadership, and efficiency-driven growth.” This philosophy shapes our approach to product development and business operations, encouraging teamwork, collaboration, and advanced practices across all levels of the organization. Our management team places great emphasis on fostering long-term relationships with supply chain partners, ensuring mutual growth and reliability. At the same time, we recognize the critical role of talent in driving our success. We actively recruit top-tier professionals, provide opportunities for skill development, and cultivate a work environment where employees feel valued and empowered to grow. In particular, we strategically enhanced our design and R&D capabilities through the recruitment of experienced personnel from reputable international companies within the performance outdoor industry, which in turn allowed for a broader vision for product design. The focus on talent development and collaboration has allowed us to build a resilient and sustainable organizational culture.

Our commitment to sustainability extends beyond internal teams to our broader ecosystem of partners and stakeholders. By maintaining a balance between advancement, operational efficiency, and strategic foresight, our management team ensures that we remain agile and adaptable in a rapidly evolving market. This culture of sustainability not only supports our long-term growth but also aligns closely with the needs of our consumers and the outdoor community we serve.

BUSINESS

OUR GROWTH STRATEGIES

Driving Growth through Increased Design and R&D Investment, Multi-Category Expansion, and Diversified Product Portfolios

Technological innovation is critical to the success of performance outdoor garment brands. Our focus will be on advancing fabric technologies, exploring new materials, upgrading production techniques, and enhancing product performance. To support this, we plan to establish our own R&D centers, recruit and nurture top-tier talent in research and design, and collaborate with world-class research institutions and material technology companies both domestically and internationally. By enriching our proprietary PT-China Platform across areas such as protective technologies, thermal insulation, and sensory comfort, we aim to enhance the performance of our products and build strong technological barriers to entry. Meanwhile, we will continue to strengthen the talent pipeline within our product planning and design teams, improving their ability to anticipate market trends, understand consumer needs, and create advanced, globally relevant designs. Expanding expertise in pattern-making, advanced techniques, and supply chain management will further bolster our capabilities to develop products across multiple categories.

Building on our expertise, we plan to strengthen product development across key garment categories, including down, fleece and softshell apparels, as well as sun-protective clothing and quick-dry apparel. Leveraging our experience in performance outdoor garment design and operations, we aim to deepen our presence in the footwear segment through our brands, unveiling new outdoor sports and casual footwear styles to unlock the sales potential of this category.

We will continue to cater to both professional athletes and outdoor enthusiasts by enriching our product lines across different series. For professional users, we aim to develop products in our performance-oriented Limit series. Building upon the success of our mountain-inspired product lines, we will also launch more fashion-driven designs, including collaborative collections with renowned designers and famous IPs, meeting the increasing demand for fashion-forward and personalized products from diverse consumer groups. In addition, we will continuously upgrade and iterate our Classic series to cater to a broader consumers’ needs for both outdoor activities and everyday casual wear, further unlocking the growth potential of our brand.

Strengthening Brand Awareness and Value through Outdoor Community Engagement

We are committed to continuously investing in brand building to enhance the professional influence and value of our brand. We plan to partner with promising young outdoor athletes from both domestic and international markets, engaging them as brand ambassadors to represent our commitment to innovation and performance. For example, we are the official sports apparel sponsors of the International Skating Union (“ISU”). Our partnership with them serves as a compelling demonstration of our commitment to product innovation and the ability to secure prestigious partnerships with well-recognized global organizations. We will also provide equipment sponsorships for influential outdoor teams, such as mountaineering expeditions, rock climbing squads, and scientific exploration groups. By sponsoring hiking, trail running, ski mountaineering, and other outdoor events, and establishing collaborations with global mountaineering camp companies, we will further promote our brand and embed it in the minds of professional athletes and outdoor enthusiasts alike.

To amplify our brand presence, we will create a comprehensive marketing matrix that integrates partnerships with e-commerce platforms, social media channels, and interest-based content platforms. These collaborations will enable us to launch outdoor-themed marketing campaigns and product-focused promotions that resonate with a wide range of audiences. Leveraging the influence of celebrity endorsements and recommendations from key opinion leaders (“KOLs”), we aim to attract broader consumer attention and generate excitement around our products. In tandem with new product launches and key promotional events, we will continue to strategically invest in media and offline advertising, including hosting brand fashion shows at international fashion weeks. These efforts are designed to boost brand awareness and position in both performance and lifestyle outdoor apparel.

BUSINESS

In addition, we plan to build dedicated teams to focus on community engagement, creating a direct and meaningful connection with our consumers. Through invitation and participation in outdoor activities organized by our partnered communities, such as hiking and mountaineering events, consumers are offered the opportunity to experience our products firsthand and become active members of our brand community. This user-generated content, combined with our “Welcome to Nature” brand philosophy, will solidify our position as a lifestyle outdoor brand.

Expanding Online Sales Channels, Offline Store Networks, and International Markets

As the performance outdoor garment market continues to evolve in Chinese mainland, online sales channels are expected to play an increasingly important role in driving growth. According to Frost & Sullivan, the online penetration rate of the performance outdoor garment market in Chinese mainland, measured by retail sales, is projected to increase from 38.2% in 2024 to 45.5% in 2029. To capitalize on this trend, we plan to continue investing in online sales channels, enhancing our ability to reach target users across major e-commerce platforms. For example, we intend to expand our footprint and impact on Dewu (得物), an online shopping platform that is increasingly popular among the young generations in China. By focusing on refined operations, we aim to improve the efficiency of our full-funnel marketing strategy, from attracting user visits to converting them into purchases, retaining consumers, and driving repeat purchases. In addition, we will strengthen our presence on content-driven platforms such as Douyin and RedNote, expanding our content marketing and live-streaming teams. By working with content creators, live streamers, and a wide range of KOLs and key opinion consumers (“KOCs”), we will accelerate online sales growth and expand our market share.

While online channels are a key growth driver, offline stores remain a vital part of the consumer journey and a cornerstone of our long-term brand development strategy. We plan to steadily expand our network of self-operated and partner stores across Chinese mainland, focusing on cities with strong economies and high outdoor consumption potential. These stores will feature comprehensive displays of our outdoor apparel, footwear, as well as equipment and accessories, inviting local consumers to experience our products firsthand. To support this expansion, we will recruit and train experienced regional market managers and frontline store personnel, upgrade digital management systems for stores and inventory.

As our brand influence continues to grow, we also plan to deepen our partnerships with distributors who possess strong local business resources and expertise in the outdoor sports industry. These partnerships will enable us to serve a broader range of consumers, including corporate and government bulk-purchase customers while extending our geographical reach within China. Beyond domestic markets, we have ambitious plans to expand internationally. We will conduct in-depth research on high-potential overseas markets and develop tailored market entry strategies. We aim to reach international consumers with our high-quality outdoor garments and equipment through local partnerships, international e-commerce platforms, and branded stores in popular outdoor activity areas.

Enhancing Operational Efficiency through Digital Transformation and Membership System

To drive long-term growth and operational excellence, we plan to significantly increase our investment in digital transformation and the development of a robust membership system. By adopting advanced digital tools for research and design, we aim to standardize and digitize our product development processes. With streamlined workflows, we will be better equipped to respond to evolving consumer demands and market trends.

We also intend to collaborate with external service providers and leverage our in-house IT team to customize intelligent business intelligence (“BI”) systems that cover every aspect of our operations. These systems will provide smart solutions for market demand analysis, product trend forecasting, pricing strategies, multi-channel sales feedback, consumer insights collection, inventory planning, and supply chain management. By integrating data-driven intelligence into our operations, we aim to enhance the accuracy of our business decisions and significantly improve overall operational efficiency.

BUSINESS

Another key component of our strategy is the enhancement of our membership system. We will strengthen the coordination between online and offline channels, creating a seamless experience for our consumers and nurturing the growth of our brand’s membership community. By offering exclusive member benefits, such as early access to products and point-based rewards, and organizing regular membership activities, we aim to increase member engagement and foster brand loyalty.

To further optimize consumer engagement, we will implement a sophisticated customer relationship management (“CRM”) system, which will empower our store associates and community managers with intelligent tools to better understand user profiles and consumption preferences. With these insights, we can offer personalized recommendations across multiple product categories and effectively promote new launches. In addition, our CRM system will support multi-channel marketing efforts, driving traffic to both online stores and offline locations while enhancing the integration of our online-to-offline sales model. Through these initiatives, we aim to strengthen consumer stickiness, improve user lifetime value, and boost overall sales performance.

Conducting Strategic Brand Incubation and Investments to Consolidate Our Market Position

To further consolidate our market position in the performance outdoor garment market, we plan to strategically explore opportunities for brand incubation, investment, and acquisitions. By conducting in-depth research into the outdoor market, we aim to identify high-growth potential segments and strategically enter these markets through self-development, external investments, or acquisitions. Leveraging our expertise in brand management and operational capabilities, we will incubate new brands and establish diversified brands that span multiple categories, price points, and market positions. We plan to incubate brands with distinctive designs, technologies or cultural attributes to differentiate our offerings from homogeneous product offerings in the market, and focus on high-end brands serving consumers who value individuality, quality and unique experiences. This strategy will allow us to evolve into a global outdoor sports brand group with a comprehensive presence across the outdoor lifestyle ecosystem.

We also plan to selectively pursue investment, acquisition, and strategic collaboration opportunities in areas that align with our core business and provide synergistic benefits. These opportunities may include partnerships in key areas such as fabric and supply chain innovation, advanced technologies, product design, content marketing, and sales channels. By integrating complementary capabilities into our operations, we aim to strengthen our competitive edge and accelerate the growth of our product and service offerings. Our evaluation of potential acquisition or investment targets will be based on key factors such as alignment with our strategic goals, potential synergies, market position, technical expertise, the experience of management teams, valuation, historical operational performance, and financial metrics.

As of the Latest Practicable Date, we had not identified any specific targets for investment or acquisition. However, we remain focused on identifying opportunities that align with our vision for growth and market position. By strategically expanding our brands coverage and enhancing our industry chain capabilities, we aim to create a scalable and sustainable platform for long-term success in the outdoor market.

OUR BRANDS AND PRODUCTS

***Pelliot* — Our Flagship Brand and Its Product Line**

Founded in 2012, our flagship brand — *Pelliot* (伯希和) — has distinguished itself in the performance outdoor garment market in Chinese mainland. Through this brand, we offer a diverse range of performance-oriented outdoor garments and equipment that exceed consumer expectations with premium quality at accessible prices. The product development strategy prioritizes the utilization of advanced materials and manufacturing techniques. This commitment to technical advancement is evident in our use of high-tenacity nylon and knitted fleece, such as Polartec and eVent fabrics, and advanced manufacturing methods such as precision laser cutting and seamless bonding, among others. We also recognize the significance of aesthetics for consumer attraction and satisfaction in the performance outdoor garment market. Therefore, the design philosophy

BUSINESS

emphasizes on a contemporary aesthetic that resonates with a diverse consumer base, encompassing both professional athletes and outdoor activity enthusiasts. We offer apparel and footwear that empower individuals to express their personal style while engaging in outdoor pursuits. This strategic approach enables us to cater to the growing demand for performance-oriented and stylish apparel and footwear.

Beyond outdoor apparel and footwear, we have also branched out into the outdoor equipment and accessories sector. Such equipment and accessories include but is not limited to, tents for diverse terrains and weather conditions, durable and lightweight trekking poles, warm and lightweight sleeping bags designed for optimal comfort, insulated blankets for added warmth and protection, and reliable night lights for safe navigation in dim environments. This comprehensive suite of outdoor equipment and accessories strengthens our brand ecosystem by supplementing and creating synergies with our performance outdoor garments, and drives revenue growth.

Pelliot has served as our flagship brand and a primary driver of our business during the Track Record Period, representing the foundation of our product portfolio. The majority of our standard product units (“SPUs”) are sold under this brand, demonstrating its central role in our overall strategy. This strong performance translated into substantial revenue generation, contributing RMB870.2 million, RMB1,733.1 million and RMB2,777.7 million in 2023, 2024 and 2025, respectively, representing 95.8%, 98.1% and 99.5% of our total revenue for each respective year.

Product Categories

Our product portfolio under the *Pelliot* brand spans essential outdoor categories covering outdoor apparel, footwear, as well as equipment and accessories. Each category is engineered to excel in specific weather conditions while maintaining versatility across different usage scenarios.

Apparels. Our comprehensive apparel product range addresses all-season outdoor apparel needs through strategically designed collections. The product portfolio spans essential outdoor categories, including hardshell, down, fleece and softshell apparels, sun-proof clothing, as well as quick-dry apparels. Combining advanced technologies with stylish design, we deliver complete outdoor apparel solutions that meet both technical and lifestyle needs. Details on key product features are set forth as follows:

- *Hardshell jackets and pants.* Hardshell jackets and pants represent our flagship product category and the cornerstone of our revenue generation, exemplifying our mastery in combining advanced technology with refined aesthetics. These hardshell jackets and pants are crafted from functional fabrics that incorporate a laminated waterproof and breathable membrane. By integrating advanced materials and technologies, such as Pertex and eVent fabrics, our performance-oriented hardshell jacket and pant lines achieve a combination of lightweight construction, exceptional durability, and enhanced protection. Our hardshell apparel uses advanced sealing technology to maintain an ideal microclimate, minimizing stuffiness during outdoor activities. It offers high level protection, moisture management, and abrasion-resistant durability against harsh conditions, with adjustable features like double storm flaps and hoods forming a windproof barrier. This versatile design ensures peak performance for athletes and seamless transitions from urban commuting to mountain trekking.
- *Down coats and pants.* Our down coats and pants collection showcases premium insulation technology with high-loft, superior-grade down clusters that maximize the warmth-to-weight ratio. Our down coats and pants are engineered with lightweight, high-density fabrics that offer exceptional wind resistance while maintaining a sleek, non-bulky appearance. These products combine water repellency, wind resistance, and moisture permeability by utilizing advanced materials and technologies, such as Pertex and 1000 loft water-repellent goose down. Whether navigating urban winter commutes, hiking, or pursuing mountain sports, our down coats and pants deliver consistent warmth and mobility across diverse cold-weather scenarios.

BUSINESS

- *Fleece coats and pants.* Our fleece coats and pants collection features advanced composite fleece that delivers a superior warmth-to-weight ratio compared to conventional insulating materials. These apparels incorporate our proprietary heat-retention technology, effectively storing and maintaining body warmth for sustained thermal performance. Designed with versatile, clean aesthetics, our fleece coats and pants enable a smooth transition between casual commuting and outdoor activities, offering both technical performance and lifestyle versatility.
- *Softshell coats and pants.* Our softshell coats and pants exemplify versatile protection through high-stretch fabric technology enhanced with multiple performance features. Each piece integrates wind resistance, water repellency, and abrasion resistance into a single adaptive layer. This comprehensive approach to weather protection, combined with superior mobility, makes our softshell coats and pants ideal for various outdoor scenarios, from daily commuting to mountain trekking.
- *Sun-proof clothing.* Our sun-proof clothing stands as a key product category in our summer collection, providing essential UV protection. The advanced fabric craft ensures optimal air circulation and moisture management, maintaining skin comfort in warm conditions.
- *Quick-dry apparels.* Our collection of quick-dry apparels offers superior performance and comfort through the utilization of advanced fabric technologies. The quick-dry pants are constructed from functional materials incorporating moisture-wicking, water-repellent, and high-tenacity fibers for enhanced durability and unrestricted movement.

In 2023, 2024 and 2025, our revenue generated from apparel products amounted to RMB797.1 million, RMB1,608.1 million and RMB2,545.7 million, respectively, representing a CAGR of 33.6%.

Footwear. Our *Pelliot* footwear collection encompasses a comprehensive range designed to meet diverse outdoor activities, including hiking, mountaineering, trail running and river trekking. Our major footwear products from *Pelliot* ranges from RMB400 to RMB1,000 and major footwear products from *Excelsior* ranges from RMB200 to RMB400. Our footwear products incorporate a suite of core technologies that deliver essential performance features, such as breathable quick-dry systems for moisture management, eVent membranes for waterproof and breathable features, Vibram outsoles for full series products for enhanced traction, as well as responsive cushioning for impact protection, and durability-enhanced crafts for extended wear resistance. Details on key footwear product features are set forth as follows:

- *Hiking shoes.* Our hiking shoes prioritize comfort and durability for extended wear. The soft, abrasion-resistant uppers provide long-lasting protection, while supportive construction reduces foot fatigue. These shoes are ideal for everyday hiking and backpacking.
- *Mountaineering shoes.* Our mountaineering shoes are engineered for superior performance in diverse conditions. The ergonomic design offers excellent ankle support and protection, minimizing the risk of injury, suitable for all levels of mountaineering, from high-altitude climbs to general mountain trekking.
- *Trail running shoes.* Our trail running shoes prioritize lightweight breathability and responsive cushioning. The durable, slip-resistant outsoles ensure superior grip on varied, challenging terrain such as mud, rocks, and trails. Our trail running shoes are ideal for trail running on unpaved surfaces.
- *Aqua shoes.* These amphibious shoes connect between land and water. Leveraging the Aqua and Ultra Blast technologies in the uppers and outsoles, this ensures breathability even when wet, while the Ultra Blast midsole provides superior cushioning and ankle support. Our aqua shoes are ideal for water hiking and trekking in challenging stream and mud environments.

BUSINESS

In 2023, 2024 and 2025, our revenue generated from footwear products under the *Pelliot* brand amounted to RMB13.0 million, RMB28.3 million and RMB100.6 million, respectively, representing a CAGR of 32.1%.

Equipment and Accessories. We provide a comprehensive selection of accessories and professional outdoor equipment, including trekking poles, tents, sleeping bags, and more. These products are specifically designed to meet the demands of outdoor activities. Details on feature of our equipment and accessories are set forth as follows:

- *Trekking poles.* Our trekking poles combine exceptional craftsmanship with advanced design to meet the diverse needs of outdoor enthusiasts. We offer both telescoping and folding trekking poles for convenient transport and storage. The lightest trekking pole offered by us only has a weight of 129 grams, significantly reducing energy expenditure and improving overall efficiency. Additionally, our “8848 Summit Snowline” trekking pole is specifically engineered for high-altitude environments, featuring ultra-lightweight and abrasion-resistant properties.
- *Tents.* Our tent products are categorized into three categories to meet various needs. The park leisure category features a quick setup design, outstanding sun protection, and spacious interiors, making it perfect for family gatherings and compatible with other products for added functionality. The lightweight hiking category offers a balance of stability and durability while remaining lightweight and spacious, reducing the weight load during hikes.
- *Sleeping bags.* Our cotton sleeping bags are designed for suburban and outdoor activities, with a focus on skin-friendly comfort and environmental adaptability, making them an ideal choice for family outings and vacations.

In 2023, 2024 and 2025, our revenue generated from equipment and accessories under the *Pelliot* brand amounted to RMB60.2 million, RMB96.7 million and RMB113.4 million, respectively, representing a CAGR of 29.2%.

The following table sets forth the breakdown of our sales volume and average selling price by product category for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	Sales volume (unit'000)	Average selling price (RMB)	Sales volume (unit'000)	Average selling price (RMB)	Sales volume (unit'000)	Average Selling price (RMB)
Apparel	3,469	230	5,380	299	7,517	339
Hardshell jackets and pants	1,147	419	2,368	423	3,249	447
Down coats and pants	147	554	238	682	428	683
Softshell jackets and pants	274	185	527	226	865	279
Sun-proof clothing	688	113	664	158	935	160
Fleece coats and pants	348	114	491	151	581	177
Others	865	77	1,092	134	1,459	209
Footwear	174	287	200	305	332	348
Equipment and accessories	1,816	34	2,712	36	3,107	42
Total	5,459	166	8,292	213	10,956	255

Product Series

Our *Pelliot* product matrix is strategically structured into four major series, including the Limit series, Performance series, Mountain series and Classic series. Each series represents a focused response to specific market segments, delivering targeted garments and equipment while maintaining our core commitment to technical advancement and functional excellence. This

BUSINESS

strategic segmentation of product series allows us to serve the complete spectrum of professional athletes and outdoor activity enthusiasts while consistently pushing the boundaries of performance and design.

Limit Series

<u>Year of Launch</u>	<u>Major Product Categories</u>	<u>SPUs as of December 31, 2025</u>
2025	Apparels: One-piece down coats. Footwear: Mountaineering boots. Equipment and Accessories: high-altitude camp dome shelter, high-altitude tents, sleeping bags and mountaineering trekking poles.	21

Launched in January 2025, our Limit series represents our most sophisticated product line that is specifically designed for outdoor professionals to navigate the most extreme environments. It offers outstanding waterproof, windproof, and thermal insulation capabilities through globally recognized technologies such as Pertex, 1000-fill power hydrophobic goose down, PrimaLoft, Recco, eVent, Dyneema, and Vibram. This professional series is meticulously engineered for high-altitude and extreme cold conditions, ensuring the safety of mountaineers and outdoor adventurers during their expeditions.



*The Limit Series
High-altitude Camp Dome Shelter*



*The Limit Series
One-Piece Down Coat*



*The Limit Series
Mummy Sleeping Bag*

Performance Series

<u>Year of Launch</u>	<u>Major Product Categories</u>	<u>SPUs as of December 31, 2025</u>
2022	Apparels: Hardshell apparels, softshell apparels, cotton apparels, fleece apparels, down apparels and T-shirts. Footwear: Hiking shoes and mountaineering shoes. Equipment and Accessory: Trekking poles and outdoor backpacks.	137

Our Performance series products are designed to tackle unpredictable outdoor conditions. They are enhanced by advanced global outdoor technologies, precision-engineered fabrics, and meticulous craftsmanship. For instance, the latest POLARIS (北極星) hardshell jacket incorporates advanced fabrics and technologies, including eVent’s “direct venting” technology, which together represented the standard of outdoor performance garments as of the Latest Practicable Date, according to Frost & Sullivan. For details, please see “— Product Planning, Design and Development — Representative Case for Product Development Process: the POLARIS Hardshell Jacket.” From advanced moisture management systems to specialized protective elements, every aspect of our Performance series is optimized to support peak performance and safety in extreme outdoor pursuits.

BUSINESS



*The Performance Series
POLARIS Hardshell Jacket*



*The Performance Series
Windshield Hardshell Pants*



*The Performance Series
1000-Loft Camp Down Coat*

Mountain Series

<u>Year of Launch</u>	<u>Major Product Categories</u>	<u>SPUs as of December 31, 2025</u>
2022	Apparels: Hardshell apparels, down apparels, fleece apparels, and T-shirts. Footwear: N/A. Equipment and Accessories: Outdoor hats.	39

Our Mountain series explores the intersection of outdoor living and urban lifestyle, launched with a vision to elevate the outdoor experience through thoughtfully designed products. With a focus on lightweight versatility and sophisticated functionality, this series enables a more accessible and stylish approach to outdoor living. Whether venturing into remote natural landscapes or enjoying weekend hikes near the city, these products deliver a great balance of performance, comfort, and design sophistication.



*The Mountain Series
Hardshell Jacket*



*The Mountain Series
Fleece Coat*



*The Mountain Series
Down Coat*

Classic Series

<u>Year of Launch</u>	<u>Major Product Categories</u>	<u>SPUs as of December 31, 2025</u>
2012	Apparels: hardshell apparels, down apparels, sun-proof clothing, fleece apparels, softshell apparels, and various quick-dry apparels. Footwear: Hiking shoes, mountaineering shoes, running shoes, Aqua shoes, causal shoes and winter boots. Equipment and Accessories: Outdoor backpacks, outdoor hats, gloves, tents and socks.	647

Our Classic series embodies the authentic heritage of our outdoor apparel while meeting contemporary demands for versatility. The collection emphasizes three key attributes: functional reliability through weather-resistant materials and practical design features, exceptional comfort achieved through ergonomic patterns and breathable fabrics, and lasting durability backed by

BUSINESS

rigorous quality standards. We also have product lines designed for specific training needs within each sports segment. These training apparels embody the fusion of athletic performance and contemporary style, engineered specifically for dynamic outdoor fitness activities.



The Classic Series
Hardshell Jacket



The Classic Series
Hiking Shoes



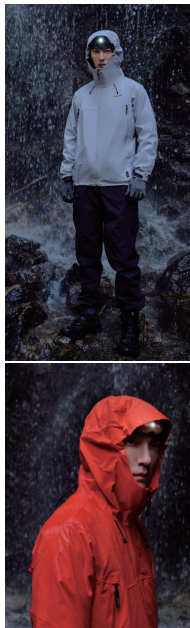
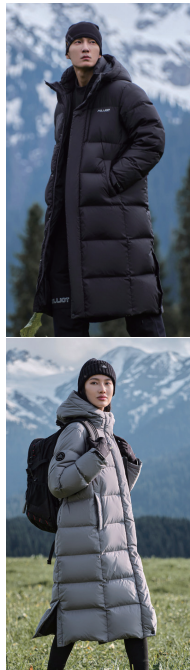
The Classic Series
Softshell Coat

Our Signature Products

During the Track Record Period, our signature products, generally comprising the top-selling items in various series, have been instrumental in driving our operational performance. The sustained market acceptance of these signature products demonstrates our ability to identify and address consumer preferences effectively, while their sales performance underpins our business growth and brand strength in the performance outdoor garment market. The table below sets forth a list of our signature products:

Signature Products	Product Details	Sample Pictures	Suggested Retail Price
Hardshell Jackets			
Classic series — The Wilds Hardshell Jacket (山野硬殼衝鋒衣)	Year of Launch: 2023 Features: - Technologies from our PT-China Platform, including Storm Breath waterproof and moisture-permeable technology and DWR waterproof technology with a waterproof rating exceeding 20,000 mmH₂O; - Microporous molecular membrane with a moisture permeability index up to 16,000 g/(m₂/24h), offering breathability and effective sweat wicking; 280g fleece for long-lasting warmth; - Windproof outer shell with a detachable layer, allowing easy layering to adapt to varying temperature differences; - Suitable for daily wearing and hiking, as well as cycling and skiing.	 	RMB659

BUSINESS

Signature Products	Product Details	Sample Pictures	Suggested Retail Price
Performance series — POLARIS Hardshell Jacket (北極星硬殼 衝鋒衣)	Year of Official Launch: 2024 Features: • Durable storm resistance, wind and rain resistance with pressure of over 20,000 mmH₂O based on the Japanese Industrial Standards; • Moisture permeability index of ≥32,000 g/(m²/24h) based on the Japanese Industrial Standards; • Recco Rescue System to facilitate rescuing when needed; • Three-layer fully taped seams for outstanding wind and water resistance; • Leveraging the signature “direct ventilation” technology of eVent; • Suitable for mid to high altitude climbing, ice climbing and skiing.		RMB2,400
Down Coat			
Classic series — Aurora MAX Down Coat (極光MAX羽絨服)	Year of Launch: 2023 Features: • 341g premium goose down with a fill of 700 and a down content of 90%, ensuring a material purity level of 1000+; • Functionally coated fabric for water repellency, wind resistance and moisture permeability; • Loose-fitting hooded and extended length for full-body heat preservation; • Advanced anti-drift-down technology for lasting warmth; • Suitable for daily wearing and hiking, as well as skiing and mountaineering.		RMB2,100

BUSINESS

Signature Products	Product Details	Sample Pictures	Suggested Retail Price
Fleece Coat			
Performance series — Polartec® Mirco Fleece Coat (Polartec®輕量 保暖抓絨衣)	Year of Launch: 2023 Features: - Constructed with Polartec Micro Series, offering superior warmth, lightweight comfort, and excellent breathability; - Available in multiple colors, suitable for a variety of occasions; - Windproof three-dimensional design with a new 3D cutting technique; - Suitable for mid to high altitude climbing, daily wearing, skiing and mountaineering.	 	RMB329
Softshell Coat			
Classic series — Windshield Softshell Coat (風盾軟殼外套)	Year of Launch: 2022 Features: - Technology from our PT-China Platform, including Storm Shield technology for wind resistance and water-repellency, enabling easy layering to adapt to varying temperature differences; - Softshell fabric with a high moisture permeability and strong wear resistance; 3D tailoring for outstanding comfort, wearability and thermalization; - Hooded design to shield against rain and wind; - Adjustable waist drawstring for versatile styling; - Suitable for daily wearing, and hiking.	 	RMB429

BUSINESS

Signature Products	Product Details	Sample Pictures	Suggested Retail Price
Sun-Proof Clothing			
Mountain series — Little Forest Sun-proof Coat (小森林防曬衣)	Year of Launch: 2024 Features: ● Technology from our PT-China Platform, including Coolwink sensing fabric technology for instant skin cooling; ● UPF50+ sun protection with UV blockage up to 99%; ● Breathable fabric offering effective heat dissipation; ● Designed for easy carrying and storage, allowing for hands-free convenience when not in use; ● Level 4 water resistance, capable of withstanding unpredictable outdoor weather conditions; ● Adjustable hood to prevent wind from blowing off the hat; large capacity pockets with zipper closures; adjustable drawstring hem for an oversized and versatile fit; ● Suitable for daily wearing, hiking, and fishing.		RMB399
Footwear			
Hiking shoes Performance series — MT-Master	Year of Launch: 2025 Features: ● The mid-cut profile with foam collar delivers reliable ankle support across uneven terrain, reducing lateral roll while maintaining a close fit. ● The integrated Fitgo dial closure enables single-handed tightening and release, eliminating conventional lace-tying. ● The eVent membrane lining provides waterproof protection while maintaining breathability, ensuring dryness during extended wear. ● A rubber toe cap, anti-torsion midfoot shank, and high-rebound midsole work in concert to shield the foot over long distances and variable surfaces. ● The Vibram outsole with serrated lugs provides grip on slick and loose ground, while a highly breathable Ortholite insole keeps the interior fresh.		RMB1,100

BUSINESS

Excelsior

Excelsior embodies a passion and aspiration that perfectly aligns with our growth strategy in the footwear sector. We acquired the *Excelsior* brand in Chinese mainland in 2019, which we believe represents a significant catalyst for our continued development in outdoor footwear. For details, please see “— Intellectual Properties — The *Excelsior* Brand.” We believe that operational insights and market knowledge gained through *Excelsior* will cross-pollinate and enhance our footwear development, creating a synergistic effect that strengthens our overall footwear strategy. We are confident that *Excelsior*’s “ever upward” ethos, combined with our established capabilities, will drive significant growth and solidify our position in the outdoor footwear industry. In 2023, 2024 and 2025, the sales of *Excelsior* amounted to RMB37.8 million, RMB33.0 million and RMB15.2 million, respectively.



Our wide range of Excelsior footwear offerings.

OUR TECHNOLOGY

Our technology facilitates our product advancement and consolidates competitive advantage. Our design and R&D department consisted of 50 professionals as of December 31, 2025. These professionals have extensive experience in textile engineering, material science, and outdoor apparel design. They bring us diverse expertise from well-recognized sportswear and outdoor brands. We also foster active engagements with reputable research institutions to continuously validate and enhance our product advancements. Our commitment to advancement is reflected in our increasing R&D expenses, which amounted to RMB19.8 million, RMB31.5 million and RMB74.0 million in 2023, 2024 and 2025, respectively.

PT-China Platform

Established in 2013, PT-China Platform represents our commitment to technological advancement in outdoor garments. Over the past decade, this platform has incubated our proprietary technologies, functioning as our primary engine for R&D initiatives. Through systematic advancement and continuous development, the PT-China platform has established itself as our core technological infrastructure, enabling advancement in material science, functional design, and performance solutions.

Our Proprietary Technologies

Through our PT-China Platform, we have successfully developed multiple proprietary technologies that enhance various aspects of product performance. Our proprietary technologies enhance key performance attributes — protection, warmth, and comfort — reflecting our commitment to advancement and product excellence. We also prioritize safety and sustainability by using only fabrics and dyes that are free from harmful substances and carcinogens, which helps ensure reliable product performance without compromising safety or environmental responsibility. Below set forth our key proprietary technologies as of the Latest Practicable Date:

BUSINESS

Storm Breath. Storm Breath represents our advanced waterproof-breathable technology, featuring a nano-molecular membrane with precisely engineered micropores. This system achieves a waterproof rating exceeding 20,000 mm H₂O, meeting heavy rain protection standards while maintaining breathability and moisture vapor transmission.

Storm Shield. Storm shield technology is our proprietary softshell fabric technology, which combines the outer fabric with inner fleece to enhance warmth while also ensuring breathability and wind resistance. This integrated system delivers enhanced thermal insulation while maintaining breathability and wind resistance.

Storm Dry. Our Storm Dry technology is applied to rapidly draw perspiration away from the skin through an efficient moisture transfer mechanism, preventing common issues like fabric cling and prolonged wetness. This moisture management system ensures quick-drying performance and maintains a cool, comfortable microclimate against the skin.

P-Energy Tech. P-Energy Tech is our thermal reflection technology that captures and reflects body heat to create an enhanced insulation barrier. Delivering 20% greater warmth compared to conventional insulation materials, this technology features a durable resin-bonded construction that maintains consistent thermal performance through repeated use.

Warm Lock. The Warm Lock technology features our specialized fiber processing technique that creates an optimized structure with enhanced air pockets between fibers. This engineered loft efficiently captures and stores body heat within its carefully designed void spaces, preventing heat dissipation while maintaining a lightweight feel.

Stretch. The Stretch technology incorporates high-performance spandex fibers with a molecular chain structure designed for elasticity. This advanced fiber integration enables superior stretch and recovery properties in the fabric, enhancing freedom of movement and shape retention.

Beam Screen. The Beam Screen technology delivers superior UV protection with an UPF 50 + rating (actual measured value exceeds UPF2000+). This protective technology effectively blocks 99.95% of harmful UV radiation across multiple wavelength bands.

DWR. The DWR technology creates a surface treatment that mimics the natural water-repellent properties of lotus leaves. When water contacts the fabric surface, it forms beads that roll off readily, preventing moisture penetration while maintaining breathability.

Coolwink. The Coolwink technology incorporates specialized cooling particles into the fabric structure that delivers an instant cooling sensation upon skin contact.

Technologies Accessible by Us

Alongside our proprietary technologies, we have access to fabrics and technologies developed by reputable outdoor material suppliers and functional technology companies. During the Track Record Period, we had procured and incorporated multiple fabrics and technologies into our product offerings, including Toray, Polartec, eVent, Pertex, Cordura, PrimaLoft, Polygiene, Vibram, and Recco. These technologies complement our in-house advancements, enabling us to consistently deliver outdoor garments that incorporate technologies and performance features. This dual approach of proprietary development and incorporation of external advanced technologies strengthens our ability to offer competitive, technologically advanced performance outdoor garments.

BUSINESS

PRODUCT PLANNING, DESIGN AND DEVELOPMENT

Guided by our product design and development philosophy, our product design and development team follows a rigorous process to consistently deliver product offerings that anticipate and meet evolving consumer demands.

Guiding Philosophy

Our approach is deeply rooted in comprehensive market research and consumer insights, enabling us to anticipate and respond to evolving market trends and consumer preferences. Leveraging our extensive experience in the Chinese market, we continuously refine our product offerings through analysis of successful products and consumer feedback, ensuring each new generation of products better serves our consumers’ evolving needs while maintaining our commitment to both style and functionality.

Planning, Design and Development Process

Our product planning, design and development process is built upon a comprehensive foundation of consumer insights, market trend analysis, and competitive landscape research. For each new season, we develop integrated product launch strategies that align with consumer preferences, market opportunities, and our brand positioning. This strategic planning process involves collaboration across departments: our management team provides overarching strategic direction, our product design and development team leads the creative advancement, our commodity department ensures commercial viability, our sales department contributes market feedback, and our supply chain department validates production feasibility. The typical product planning, design and development process is summarized as follows:

- *Product planning.* Our product lifecycle begins with product planning, where we analyze market trends, consumer insights, and historical sales data to formulate strategic seasonal product portfolios.
- *Design and development.* In the design and development phase, our teams transform market insights into product designs, develop and leverage suitable materials and technologies, and collaborate with manufacturing partners to create product samples.
- *Marketing and product pilot sales.* The marketing and product pilot sales stage involves initial market testing through selected channels, gathering real consumer feedback, and refining our marketing strategies based on early market response.
- *Upgrades and iterations.* Our upgrade and iteration process incorporates consumer feedback, sales performance data, and technological advancements to continuously optimize our products, aiming to keep them competitive and aligned with evolving market demands.

BUSINESS

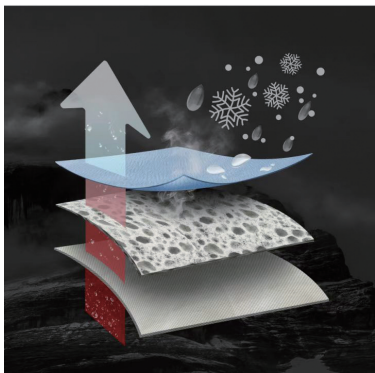
Representative Case for Product Development Process: the POLARIS Hardshell Jacket

During the product planning stage of the POLARIS hardshell jacket, we recognized several limitations in existing hardshell products. One of them was overly stiff outer fabrics that generated excessive noises, making such products impractical for daily wear. In addition, the inadequate breathability of these hardshell products often led to condensation issues, resulting in a clammy and humid feeling.

To address these pain points and guide our design and development efforts, we conducted a cross-brand review of high-performance series from various leading global brands. Our research revealed that existing hardshell jackets share similar limitations. Consequently, during our product design and development, we sought to deploy an optimal mechanical high-elasticity fabric paired with membrane, and adjust the base fabric material, to enhance the breathability and comfort of hardshell jackets. Our aim was to emphasize on comfort, striking a balance between fabric hardness and protective level.



Our signature POLARIS hardshell jacket, showing the exterior appearance .



Deployment of mechanical high-elasticity fabric paired with membrane, and adjustment of base fabric material.



After more than three iterations of adjustments, the final design of our POLARIS hardshell jacket (the interior side showing features including thin waterproof seam tapes).

Following extensive trial with fabric combinations, we determined on the texture and materials for the POLARIS hardshell jacket within five months. Thereafter we also spent four months in design refinement, completing more than three iterations of adjustments. During this process, we frequently consulted with KOLs and offered them sample products for real-world testing and feedback. The iterative refinement culminated in the successful development and official launch of the POLARIS hardshell jacket in 2024, with features echoing our aim of product design and development.

Our pursuit for excellence does not stop there. Within one year of launching the POLARIS hardshell jacket, we conducted more than three optimizations on its design and details and are now prepared to unveil the even better POLARIS 2.0. We believe our high-end products carrying the POLARIS name would be crucial for establishing and solidifying our Limit series.

The effective communication and close cooperation among our management team, design and R&D, procurement and sales and marketing teams facilitate our product development process, enabling us to manage the full development cycle of products from concepts to launch and to further upgrades, provide consumers with high-quality, easy-to-use and on-trend products at accessible prices and establish our brand awareness. Leveraging our product design and

BUSINESS

development capabilities, we launched 534 apparel SPUs among those currently available during the Track Record Period across various series. Among these newly launched apparel SPUs, we had 36 apparel SPUs with annual sales exceeding RMB10.0 million.

RAW MATERIALS AND CONTRACTUAL MANUFACTURING

Our business operations combine strategic raw material sourcing with contractual manufacturing partnerships. During the Track Record Period, we operated an asset-light business model without owning production facilities, instead partnering with selected OEMs, or contractual manufacturers, which produce our designed products according to our specifications and quality standards.

Raw Materials

We implement a comprehensive supply chain management system for raw materials, partnering with well-recognized global and domestic suppliers who meet our rigorous quality and reliability standards.

Procurement of Raw Materials

Our raw material procurement decisions are driven by seasonal product plans, historical sales data, and market forecasts. We typically place orders with suppliers several months ahead of production to secure optimal pricing and ensure timely delivery, while maintaining flexibility to adjust orders based on market conditions and sales performance. We also employ a range of measures to keep our inventory level of raw materials adequate and reasonable. During the Track Record Period and as of the Latest Practicable Date, we had not encountered any disruption of business as a result of a shortage of raw materials or any delay in the procurement of raw materials.

Our Raw Material Suppliers

We select suppliers based on stringent criteria, including but not limited to production capacity, quality control systems, technical capabilities, and industry reputation. All raw materials undergo comprehensive quality inspections against our specifications before production, with regular supplier audits and performance evaluations to ensure consistent quality standards. While we strive to maintain strategic relationships with key suppliers, we continuously evaluate potential new suppliers and may adjust our supplier base to optimize quality, cost efficiency, and supply chain stability.

Contract Terms with Raw Material Suppliers

We enter into framework procurement agreements with raw material suppliers, which generally have a one-year term subject to annual renewal. We may place orders from time to time under the framework of procurement agreements. According to the agreement, the inherent characteristics, appearance and quality of raw materials shall meet agreed-upon standards. Raw material suppliers shall provide inspection reports from national authorities for quality assurance when special materials, techniques or functions are involved. We are entitled to returns, exchanges, and damages for the raw materials that fail to meet the quality standards. In addition, they typically give us a credit term of one or two months. The suppliers guarantee that their raw materials do not infringe upon any third-party intellectual property rights, and they will not utilize our design plans, technical specifications, raw material samples, and any other intellectual rights without our written consent. We are entitled to terminate the agreement unilaterally and claim a penalty under certain circumstances, such as in the event of a material delay by the raw material supplier in performing its contractual obligations. Any dispute arising from or in connection with this agreement shall be first settled through friendly negotiation between the parties. If the dispute cannot be resolved, the dispute shall be submitted to the venue designated in the contract.

BUSINESS

Contractual Manufacturing

We collaborate with selected third-party manufacturers who manufacture our products according to our designs and specifications. During the Track Record Period, all of our revenue was generated from the sales of products manufactured by third-party contractual manufacturers.

Background and Rationales

We have strategically chosen to collaborate with selected third-party manufacturers during the Track Record Period. To mitigate potential risks associated with this model, we maintain relationships with multiple qualified manufacturers, implement comprehensive quality control systems, establish clear contractual protections, and regularly monitor manufacturer performance. This diversification strategy, combined with our strict supplier management protocols, helps ensure production stability and product quality while minimizing dependency on any single manufacturer.

Our Contractual Manufacturers

In 2023, 2024 and 2025, we collaborated with 129, 171 and 155 contractual manufacturers, respectively, consistent with our manufacturing needs and demonstrating the breadth of our manufacturing partner network. Our partnered contractual manufacturers are primarily located in Eastern and Southern China, with specialized facilities handling different product categories. During the Track Record Period and as of the Latest Practicable Date, we had not encountered any disruption of business as a result of a shortage of capacity dedicated to us by our contractual manufacturers.

We select contractual manufacturers based on a set of comprehensive criteria, including but not limited to production capabilities, quality control systems, compliance standards, financial stability, and industry reputation. Our quality control team conducts regular on-site inspections and performance evaluations across key metrics including product quality, delivery timeliness, and compliance with our standards. Contractual manufacturers who fail to meet our requirements or receive consecutive unsatisfactory evaluations may be suspended or removed from our approved supplier list, ensuring we maintain high quality standards across our production network. As of December 31, 2025, the average duration of cooperation between us and the top ten contractual manufacturers with whom we conducted transactions during 2025 was approximately three years.

We believe we are not subject to concentration risks in relation to contractual manufacturing, primarily on the basis of the following: (i) we have maintained an established and expanding base of partnered contractual manufacturers, with many of whom we have cultivated constructive, long-term collaborations; (ii) during the Track Record Period, the largest contractual manufacturer in each year accounted for 16.2%, 25.0% and 11.4% of the total procurement amount made by us to all the partnered contractual manufacturers in the respective year; and (iii) our operations are strategically positioned in China, a global supplier with substantial manufacturing capacity, where our growing brand influence and industry standing enable us to continuously onboard additional qualified contractual manufacturers as needed. In this connection, we have adopted a series of measures to safeguard our operational resilience and flexibility, including but not limited to the following:

- *Diversified manufacturing network.* We have engaged a broad and growing group of contractual manufacturers, enabling us to allocate production across multiple partners and avoid over-reliance on any single manufacturer.
- *Rigorous qualification and ongoing evaluation.* All partnered contractual manufacturers undergo a stringent onboarding process and are subject to regular performance assessments covering quality, compliance, delivery timeliness and capacity utilization.
- *Contingency and backup planning.* We maintain a roster of qualified backup manufacturers and a flexible production allocation mechanism, allowing us to shift orders as necessary to address changes in production capacity or business relationships.

BUSINESS

- *Long-term cooperation frameworks.* We foster long-term and stable relationships with key manufacturing partners through long term collaborations and continuous strategic dialogue.
- *Contractual safeguards.* Our manufacturing agreements include confidentiality, intellectual property protection, and restriction on contract termination clauses, which safeguard our commercial interests and support smooth transitions if manufacturing partners are replaced.

Given the ready availability of alternative contractual manufacturers in China, the increasing diversification of our contractual manufacturing network, and the rigorous measures we have in place to ensure operational resilience, we believe that any interruption or termination of our collaboration with an existing contractual manufacturer would not have any material adverse impact on our business, results of operations, financial condition or growth prospects. In such circumstances, we would be able to engage alternative contractual manufacturers capable of supplying products of comparable quality on similar contractual terms.

Manufacturing Supervision

We maintain active oversight throughout the manufacturing process despite outsourcing production. We provide detailed product specifications, technical documentation, and sample references to contractual manufacturers, while our quality control personnel conduct regular on-site inspections at key production stages including material preparation, sample confirmation, production initialization, and final quality inspection. Through standardized production guidelines, quality control protocols, and frequent manufacturer communications, we ensure consistent product quality and manufacturing compliance across our production network. For details, please see “— Quality Control — Third-Party Manufacturing Oversight.”

During the Track Record Period, we implemented a series of contractual and operational measures to ensure that our contractual manufacturers complied with applicable laws and regulations and to safeguard our proprietary technology, know-how, trade secrets, and other intellectual property rights.

We enter into manufacturing agreements with partnered contractual manufacturers, which generally contain robust intellectual property and legal compliance clauses, including but not limited to the following key provisions:

- *Exclusive ownership and usage restrictions.* We retain full ownership of all IP rights to our brands, product designs, and any work products from contractual manufacturers, regardless of commercialization. Manufacturers are prohibited from producing or selling our branded products or similar designs without prior written authorization, during or after the agreement term.
- *Prohibition on unauthorized use and imitation.* Contractual manufacturers are strictly prohibited from using, reproducing, modifying, or licensing our proprietary information, product designs, or work products outside the agreement’s scope. Unauthorized use or disclosure constitutes a material breach, triggering significant penalties and immediate termination rights.
- *Non-infringement and legal compliance guarantees.* Contractual manufacturers warrant that products, materials, and technologies do not infringe third-party IP or rights. In case of infringement or disputes, they must resolve it at their cost — by obtaining rights, replacing materials, or otherwise — and fully indemnify us against all losses, penalties, or claims.
- *Post-term protection and survivability.* The intellectual property protection clauses remain valid and enforceable regardless of the termination, expiration, or variation of the agreement, ensuring continued protection of our rights beyond the term of cooperation.

BUSINESS

In addition to contractual protection, we also adopt operational safeguards including (i) close oversight of manufacturing processes by our on site quality control personnel, (ii) limiting access to sensitive design specifications to designated personnel, and (iii) conducting regular training and audits to reinforce awareness of intellectual property and compliance obligations. During the Track Record Period and up to the Latest Practicable Date, we did not have any disputes with our contractual manufacturers and raw material suppliers that would, individually or in the aggregate, result in material adverse effects on our results of operations, financial position or growth prospects.

Contract Terms with Contractual Manufacturers

We enter into standardized framework agreements with our contractual manufacturers without any minimum procurement requirement imposed by them. During the Track Record Period and as of the Latest Practicable Date, there was no material breach of the agreements. The key terms of the agreements primarily include:

Duration	Generally one year, subject to annual renewal upon mutual agreement at expiration.
Contractual Manufacturing	We engage the manufacturers to produce our products, including outdoor apparel, footwear, as well as equipment and accessories, among others, according to the requirements specified in our purchase orders. These items are manufactured at selected factories based on mutual agreement. We generally do not have exclusive arrangements with our contractual manufacturers.
Pricing	Subcontracting in whole or in part is strictly forbidden by us. Pricing for contract manufacturing services is determined based on multiple factors, including whether raw materials (fabrics and trims) are supplied by us or the manufacturer, product category, and specific item specifications, with unit prices negotiated and agreed upon normally in individual contracts. The total contract value is then calculated by applying these unit prices to the actual order quantities.
Product Quality	The products delivered by the manufacturers and the raw materials used for manufacturing such products shall meet the quality standards set by us and the applicable laws, regulations, and national and industry standards or the original manufacturer’s factory standards in the absence of the aforementioned standards. The manufacturers are responsible for conducting annual testing of raw materials purchased from suppliers not designated by us. To ensure that the product quality meets our standards, we are entitled to inspect the semi-finished products during the manufacturing process and on the packaging materials and finished products before delivery. We are entitled to returns, exchanges and damages for any defective products within the two-year quality guarantee period.

BUSINESS

Delivery	The manufacturers shall deliver the products at the time and venue designated by us on the purchasing order. The delivery expenses are included in the contract price. All risks of loss and damage associated with the products are transferred to us upon our acceptance of the products.
Data Security	The manufacturers must guarantee the secure and stable operation of the information technology systems they provide for data exchange. We are entitled to claim compensation and shall be indemnified for any loss arising from the data loss or leakage in the manufacturer’s system.
Intellectual Property Protection	Prior authorization from us is mandatory for manufacturers to produce goods under our brand. According to the agreement, intellectual property generated, developed, and conceived during the performance of the agreement shall be solely owned by us. Any joint invention (including any know-how, data and other information relating to such invention) arising from the performance of the agreement and all intellectual property rights therein shall be owned by us. The manufacturers represent that they do not infringe upon any third-party intellectual property rights.
Confidentiality	Contractual manufacturers are prohibited from disclosing or using any confidential information obtained during the course of the agreement, except as necessary for contract performance. Such information includes product and technical data, pricing, customer and financial information, business plans, and other proprietary materials. They are required to implement adequate safeguards and ensure their personnel and affiliates adhere to the same obligations. All confidential materials must be returned or destroyed upon contract termination. Breaches may result in a prescribed contractual penalty in addition to liability for any actual losses. These obligations remain effective until the confidential information becomes publicly available.
Liability	The manufacturers are responsible for all product liabilities and claims. We are entitled to terminate the agreement unilaterally under certain circumstances and claim a penalty and shall be indemnified for any loss arising from product quality defects. In the event of a unilateral termination of the agreement based on our production plan, we shall be responsible for the payment of the products that have been accepted prior to the termination date, while the disposal of raw materials and semi-finished products after termination shall be subject to mutual discussions.

BUSINESS

Termination and Renewal	The agreement will be terminated upon the expiration and by other means as set forth in the relevant agreements. We are entitled to unilaterally terminate the agreement under certain circumstances, such as if the contractual manufacturer fails to deliver products that meet required quality standards. The term of the contract may be extended upon mutual agreement.
Dispute Resolution	Any dispute arising from or in connection with this agreement shall be first settled through friendly negotiation between the parties. If the dispute cannot be resolved, the dispute shall be submitted to the venue designated in the contract.

During the Track Record Period and up to the Latest Practicable Date, we had not terminated collaboration with any contractual manufacturers due to any material breach of the terms of framework agreements.

MARKETING AND BRANDING

We engage in comprehensive marketing and consumer outreach initiatives. Such activities, combined with consumer-centric content, further strengthen our brand narrative and identity image. As of December 31, 2025, our sales and marketing team had 570 employees. Our platform-specific marketing teams carefully curate content for their respective platforms, developing the overall brand identity, narratives, elements and culture centered around each platform’s target consumers. In 2023, 2024 and 2025, our selling and distribution expenses amounted to RMB277.2 million, RMB586.5 million and RMB1,058.7 million, respectively, representing 30.5%, 33.2% and 37.9% in terms of our total revenue, respectively.

Digital and Traditional Marketing

We utilize a comprehensive mix of online and offline advertising strategies to promote our product offerings, ensuring broad market reach and brand visibility.

In our online marketing initiatives, we actively leverage social media platforms as a core component of our marketing and branding strategy to engage with our audience, build brand awareness, and drive consumer loyalty. We prioritize utilizing well-known digital platforms like WeChat, Weibo, Douyin, and RedNote to develop engaging content that highlights our product range, reflects our brand values, and builds personal connections with consumers. Meanwhile, we also collaborate with selected KOLs to leverage their influence and reach a broader consumer base. We also actively leverage livestreaming to expand our consumer base and present our products through an engaging visual experience. To ensure that product information presented in livestreams is accurate, not misleading, and compliant with all applicable PRC laws and regulations, our agreements with celebrities and KOLs typically include provisions requiring them to uphold these standards. Additionally, we (i) evaluate the reputation of celebrities and KOLs before engagement, (ii) provide them with guidelines on product promotion, and (iii) conduct sample monitoring of their livestreams on a regular basis. They are also required to protect our brand image by refraining from any negative or defamatory remarks about our brand or products both during and after the contract period. Our PRC Legal Advisor is of the view that the Company had not been subject to any material fines or other material administrative penalties by regulatory authorities due to non-compliance with relevant online advertising laws and regulations during the Track Record Period.

BUSINESS



Our brand ambassadors, Cheng Yi and Zhao Lusi, in our hardshell jacket.

Our social media campaigns are designed to resonate with our target audience, using a mix of visually appealing posts, influencer collaborations, engaging stories, and user-generated content to foster a sense of community around our brand. In particular, we announced our new brand ambassador, Cheng Yi (成毅), who is a famous Chinese actor, and launched the campaign “Cheng Yi Welcomes You to Nature” (與成毅一起奔赴自然) in October 2024. This campaign managed to engage a broad consumer base, including both our existing consumers and Cheng Yi’s followers, with a particular focus on the younger generation. Within 14 hours on the day of initial announcement, the campaign generated approximately 1.0 billion views and 200.0 million interactions across all online platforms, and our online GMV exceeded RMB60.0 million. Our collaboration with celebrities was strategically designed to elevate brand visibility and ignite sustained growth in sales over the long term. Notably, our sales revenue generated from the styles endorsed by Cheng Yi in October 2024 increased by 86.9% as compared to the sales of the same products in September 2024. In March 2026, we announced Zhao Lusi (趙露思), a beloved young Chinese actress known for her natural acting style and approachable charm, as our additional brand ambassador. She personifies our brand’s adventurous essence, seamlessly bridging the pulse of urban vitality with nature’s boundless embrace.

We actively supplement our digital marketing efforts with advertisements in strategically selected high-traffic locations, including shopping malls, urban transit systems, and outdoor adventure hubs. By utilizing billboards, posters, and branded displays, we capture attention and drive engagement of prospective consumers. The combination of online and offline marketing enables us not only to enhance our brand visibility but also to build meaningful relationships with our consumers across multiple channels, fostering continuous interaction and loyalty.

Outdoor Event Sponsorships

We actively sponsor outdoor events as part of our commitment to promoting an active lifestyle and showcasing the performance and reliability of our outdoor products. By partnering with high-profile events such as marathons, climbing expeditions, and other outdoor activities, we engage directly with our target consumers and reinforce our brand’s connection to adventure and exploration. We are not only the official sports apparel sponsors of the ISU but also the sponsor for the “Pelliot Cup” 2025 National Ski Mountaineering Championship. Notably, we also have reached a collaboration with the International Ski Mountaineering Federation (ISMF) and have become its exclusive apparel supplier and official partner. We entered into a strategic partnership with the International Federation of Cinema and Television Sports (FICTS), pursuant to which we were designated as its “Global Official Partner and Exclusive Equipment Sponsor.” Under the strategic partnership, we are the official sponsor for FICTS events and competitions from 2026 to 2028. We also entered into sponsorship agreements with the Olympic Committees of Ecuador, Bolivia, Uruguay and Kyrgyzstan, under which we serve as the official sponsor and designated equipment supplier for their participation in the 2026 Milan Winter Olympics.

BUSINESS

Through these sponsorships, we not only provide participants with high-quality gear but also create immersive brand experiences that highlight the functionality and durability of our products in real-world scenarios. Our presence at these events often includes branded booths, interactive activities, and product demonstrations, allowing us to connect with outdoor enthusiasts, build brand loyalty, and inspire more people to embrace the outdoors. These outdoor event sponsorships serve as a powerful platform to enhance our visibility, align with the values of our consumers, and strengthen our reputation as a trusted brand in outdoor gear.

Partnerships with Outdoor Communities and Collaborations with Professional Athletes

Through strategic partnerships with outdoor communities and collaborations with professional athletes, we are dedicated to fostering a spirit of adventure and a dedication to pushing the boundaries as embedded in our brand image.

As of the Latest Practicable Date, we partnered with over 30 outdoor activity groups. We sponsor mountaineering teams of some of the most renowned universities worldwide, such as Tsinghua University. In addition, we sponsored over 100 teams for the “7+2 initiatives” as of the Latest Practicable Date. Through these partnerships, we not only empower the next generation of explorers but also demonstrate the reliability and excellence of our products in challenging, real-world environments. We aim to inspire a broader audience to embrace outdoor adventures while reinforcing our brand image of quality, advancement, and the pursuit of exploration.

Our collaboration with outdoor enthusiasts and professional athletes goes beyond a typical brand-user relationship. Ms. He Jing, became the first Chinese athlete to conquer all 14 peaks towering over 8,000 meters without supplemental oxygen. In particular, we proudly provided Ms. He Jing with apparels and equipment in her attempt to climb the 14th peak over 8,000 meters. By working closely with athletes and adventurers who push their limits in extreme conditions, we gain invaluable insights and feedback that enable us to continuously refine and improve our product lines. Through these partnerships, we aim to deliver gear that embodies the spirit of exploration and empowers adventurers at every level to conquer their own challenges.



Ms. He Jing featured in our Limit series, embarks on an epic quest to conquer the summit.

OUR MULTI-CHANNEL SALES AND DISTRIBUTION NETWORK

We have established a multi-channel sales and distribution network with a primary focus on the DTC-centric model, integrating online and offline channels, distributorship, and other channels to provide streamlined and convenient purchase experiences for consumers. Our sales channels primarily include a widespread presence on major third-party e-commerce and content platforms and an expanding offline retail network in Chinese mainland. Our partnerships with major e-commerce and content platforms have significantly increased our brand visibility in the online space. Complementing our digital presence, we continue to expand our offline retail footprint through self-operated stores and carefully selected retail partners, creating immersive brand experiences that showcase our outdoor expertise.

BUSINESS

The table below sets forth a breakdown of our revenue by sales channel for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Online Sales Channels						
Online DTC	573,777	63.2	1,029,125	58.2	1,472,217	52.7
Sales to e-commerce platforms	178,311	19.6	322,135	18.2	472,691	16.9
Offline Sales Channel						
Offline DTC	47,334	5.2	169,011	9.6	506,360	18.1
Distributorship	100,523	11.1	220,131	12.5	263,435	9.4
Others (e.g., wholesale group purchasing)	8,123	0.9	25,700	1.5	78,285	2.9
Total	908,068	100.0	1,766,102	100.0	2,792,988	100.0

Online Sales Channels — Online DTC

In recent years, we have invested substantial resources to enhance our online capabilities and have successfully built a wide-reaching presence across China’s major e-commerce platforms, including Tmall and Taobao, JD.com and Dewu, as well as popular content platforms like Douyin. Under the online DTC model, we sell our products through our online flagship stores. On these e-commerce and content platforms we operate several flagship stores, some of which are tailored to distinct customer segments. This multi-store strategy, which is widely used in our industry, allows us to address the specific needs of diverse consumers and create a smoother, more personalized online shopping experience. During the Track Record Period, we were able to continuously expand our online presence by maintaining an increasing number of online flagship stores in operation. The following table sets forth the number of online flagship stores by each of the major e-commerce and content platform as of the dates indicated:

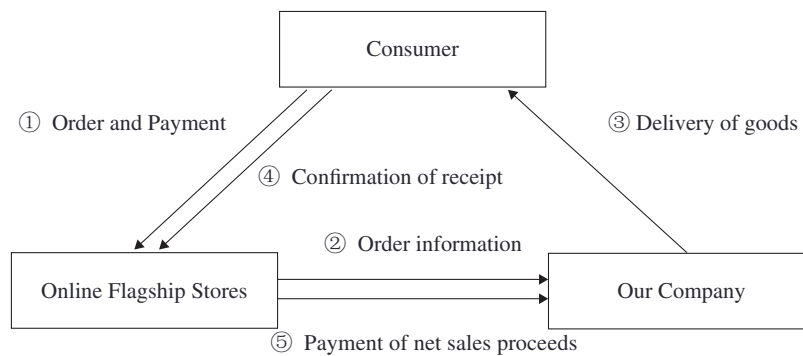
	As of December 31,		
	2023	2024	2025
Tmall and Taobao	10	11	10
Douyin	10	17	25
JD.com	3	3	6
Dewu	3	3	4
Others	21	24	32
Total	47	58	77

In 2023, 2024 and 2025, the revenue from our online flagship stores amounted to RMB573.8 million, RMB1,029.1 million and RMB1,472.2 million, respectively, representing the majority of our total revenue in each respective year during the Track Record Period. In each year during the Track Record Period, our revenue per order from sales through our online flagship stores, which is calculated by dividing the total sales of such stores by the corresponding number of orders, amounted to RMB221.8, RMB298.4 and RMB329.6, respectively.

BUSINESS

Financial Flow and Revenue Breakdown

We operate online flagship stores on certain major e-commerce platforms, including Tmall and Douyin, where we directly manage product offerings, brand presentation, and consumer service. Under this model, we sell directly to consumers who place orders with us through our online flagship stores, and revenue from these sales is recognized at the point when the consumer confirms receipt of the products. The following diagram illustrates the transactional flow for sales through our online flagship stores:



- ① The consumer places an order on our self-operated online flagship store of the e-commerce platform and makes a payment at the retail price to the e-commerce platform.
- ② We receive the order information from our self-operated online flagship store of the e-commerce platform.
- ③ We arrange the delivery of the goods to the consumer.
- ④ The consumer confirms receipt of the goods on our self-operated online flagship stores of the e-commerce platform, at which point the order is deemed complete. We recognize revenue from the sale upon receipt of the goods by the consumer.
- ⑤ The e-commerce platform remits the net sale proceeds (after deduction of relevant platform transaction service fees) to us once an order is completed.

Our online flagship stores serve as key touchpoints for consumer engagement and brand building, while allowing us direct control over our online retail operations and consumer experience. We believe that establishing direct sales relationships with consumers enables us to better gauge their feedback on our products, and to gain more timely and accurate consumer insights, thus facilitating our iteration of products and sales strategies. During the Track Record Period, the number of orders recorded on our online flagship stores was approximately 2.6 million in 2023, 3.5 million in 2024 and 4.5 million in 2025. The following table sets forth a breakdown of our revenue generated from online flagship stores by e-commerce and content platforms for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Tmall and Taobao	317,859	55.4	535,907	52.1	611,379	41.5
Douyin	173,309	30.2	323,558	31.4	526,840	35.8
JD.com	20,911	3.6	50,695	4.9	76,374	5.2
Dewu	16,593	2.9	50,211	4.9	126,558	8.6
Others	45,105	7.9	68,754	6.7	131,066	8.9
Total	573,777	100.0	1,029,125	100.0	1,472,217	100.0

BUSINESS

Our revenue generated from the Tmall and Taobao flagship stores, which represents our principal online presence, increased from RMB317.9 million in 2023 to RMB535.9 million in 2024, and further increased to RMB611.4 in 2025, representing a CAGR of 38.7%. Recognizing the growing influence of social commerce, we have also expanded our presence to popular content platforms such as Douyin, where we combine engaging content with seamless shopping experiences. Our revenue from Douyin increased from RMB173.3 million in 2023 to RMB323.6 million in 2024, and further increased to RMB526.8 million in 2025, representing a CAGR of 74.4%.

During the Track Record Period, our established online flagship stores recorded solid same store sales growth, reflecting the continued strength and scalability of our online retail operations. The same store growth rate for our online flagship stores was 77.9% in 2024 and 34.6% in 2025, based on 39 and 47 same stores, respectively. These positive same store growth rate demonstrates the resilience and operating efficiency of our core online store network, excluding the effects of store openings or closures during the respective years.

Platform Service Fees for Online Flagship Stores

Our platform service fees primarily included commissions and marketing fees paid to e-commerce and content platforms, amounting to RMB42.4 million, RMB74.5 million, RMB114.3 million in 2023, 2024 and 2025, respectively. The average platform service fee rate charged by major e-commerce and content platforms was 7.4%, 7.2% and 7.8% for the same years, respectively.

During the Track Record Period, the platform commissions charged by major e-commerce and content platforms ranged from 0.3% to 10.5%. In particular, in 2023, 2024 and 2025, our commissions paid to these major e-commerce and content platforms amounted to RMB22.3 million, RMB44.2 million and RMB78.9 million, respectively, representing an average commission rate of 5.9%, 5.4% and 6.7%, respectively. During the Track Record Period, our commissions paid to these major e-commerce and content platforms demonstrated an increasing trend, corresponding with the increased sales volume of our products. This trend aligns with the standardized contract with these e-commerce and content platforms where commission fees increase as product sales volumes rise as based on a pre-determined percentage. Our average commission rate on major e-commerce and content platforms was relatively higher in 2025, primarily due to the launch of new online flagship stores. These new online flagship stores incurred elevated upfront expenses associated with consumer acquisition and traffic generation initiatives.

During the Track Record Period, our marketing fees paid to e-commerce platforms primarily consisted of product vouchers, which were utilized to increase product visibility online and drive higher traffic. It amounted to RMB18.9 million, RMB27.7 million and RMB31.6 million in 2023, 2024 and 2025, respectively. Marketing fees paid to the e-commerce platform are predetermined based on the product category, and the determination of the quantity of products designated for promotion is vested in our management’s discretion. The following table sets forth below the marketing fees paid to each major e-commerce and content platform for the year indicated:

	For the year ended December 31,					
	2023		2024		2025	
	(RMB'000)	%	(RMB'000)	%	(RMB'000)	%
Tmall and Taobao	10,428	55.3	11,210	40.5	16,268	51.5
Douyin	4,848	25.7	9,664	34.9	7,657	21.1
JD.com	713	3.8	921	3.3	596	1.9
Dewu	1,357	7.2	3,500	12.6	1,118	3.5
Others	1,507	8.0	2,385	8.7	5,940	18.8
Total	18,853	100.0	27,680	100.0	31,579	100.0

BUSINESS

During the Track Record Period, our total marketing fees paid to the e-commerce and content platforms increased due to our continuous efforts to strengthen brand awareness across online channels, particularly on the major e-commerce and content platforms.

Relationships with E-commerce and Content Platforms

We typically establish standardized framework agreements with major e-commerce and content platforms for the operation of our online flagship stores on these platforms. The key terms of the agreements primarily include:

Duration:	Generally not exceeding one year, subject to annual renewal.
Service charges:	We shall pay e-commerce platforms (i) fixed service charges of annual fee or platform fee, and/or (ii) variable service charges which are calculated by taking a prescribed percentage of the gross turnover of the online stores operated on the e-commerce platforms. The service charge rate is determined by the platform based on the agreed criteria.
Rebates:	Some e-commerce platforms are contractually required to offer rebates to us when we achieve certain sales targets through our self-operated stores on the e-commerce platforms as set forth in the relevant agreements.
Payment terms:	Service charges shall be paid on a real-time, daily or quarterly basis as set forth in the relevant agreements.
Logistics:	We assign logistics companies to deliver products to consumers. The logistics cost will be borne by us.
Product return:	The e-commerce platform’s refund policies apply to products sold and fulfilled through it. We are required to process returns and refunds in accordance with these policies.
Credit control:	We are required to make a deposit to guarantee our compliance with e-commerce platform policies.
Termination:	The agreements will be terminated upon the expiration or by other means as set forth in the relevant agreements.

We have developed a mutually beneficial and complementary relationship with the major e-commerce and content platforms. As of the Latest Practicable Date, we have maintained business relationships with these major e-commerce and content platforms for approximately 10 years. Our Directors are of the view, and nothing has come to the Joint Sponsors’ attention that would cause them to cast doubt on such view of the Directors, that the likelihood of any material adverse change or termination of our business relationship with the major e-commerce and content platforms is low, considering: (i) we have cultivated stable and mutually beneficial partnerships with these platforms for approximately a decade, providing a solid foundation for collaboration. Our significant sales growth directly benefits these key e-commerce and content platforms by increasing their transaction volumes, boosting user engagement, and raising overall platform activity. In turn, we gain from the growth in their traffic, which creates a mutually supportive relationship. This reciprocal interaction fosters sustained cooperation, enabling both parties to leverage each other’s strengths for long-term success and continuous market expansion; (ii) we are actively broadening and strengthening our collaborations with multiple e-commerce and content platforms to reduce reliance on any single platform, thereby mitigating concentration risk. This diversification strategy not only spreads risk but also enhances our market presence across various channels, ensuring more stable and resilient business growth; and (iii) our high-quality products and strong brand reputation in the performance

BUSINESS

outdoor industry play a crucial role in the commercial ecosystems of these platforms. This combination of robust collaboration and effective risk management forms the foundation of our lasting partnerships with major e-commerce and content platforms.

Our Online Operation Team

To improve our online operational efficiency, we structure our online operation team into dedicated departments for specific e-commerce platforms, including Tmall, JD.com and Douyin. As of December 31, 2025, our online operation team comprised 312 members. Their primary responsibilities include managing online store operations, coordinating with e-commerce platform partners, conducting in-house livestreaming sales, and optimizing traffic acquisition strategies. We allocate operational personnel based on the sales volume of each e-commerce platform, ensuring effective management of our online business operations.

Sales to E-commerce Platforms

In addition to our online flagship stores, we also sell our products to selected e-commerce platforms. Under this model, consumers directly place orders for our products through the online stores on these e-commerce platforms. In support of their operations, we supply these platforms with our products as needed. Certain e-commerce platforms, such as JD.com, ship directly to consumers who place orders with them through the online stores, while we ship directly to consumers who place orders with other e-commerce platforms through their respective online stores. For sales to e-commerce platforms, depending on whether we deliver the goods to the platform’s warehouse or directly to consumers, we recognize revenue either (i) when the goods are delivered to the platform’s warehouse or (ii) when the platform issues a settlement note to us based on the receipt status confirmed by the consumers. The following table sets forth the number of third-party operated online stores by each of the major e-commerce and content platform as of the dates indicated:

	As of December 31,		
	2023	2024	2025
Tmall and Taobao	1	1	1
JD.com	2	2	3
VIP.com	2	2	2
Others	1	1	0
Total	6	6	6

We maintain a collaborative and tightly-knit relationship with these e-commerce platforms to offer products directly to consumers through collective online efforts. Unlike traditional distributors who purchase inventory from us and resell it independently, our sales to e-commerce platforms play a crucial role in facilitating the sale of our products to consumers. They help us to expand our reach to consumers leveraging their platforms and warehousing and logistics capabilities. We view our sales to e-commerce platforms as an important part of our online sales channels because:

- First, we retain greater control by directly overseeing the adjustment of product pricing, the arrangement and presentation of product layouts, as well as the planning and execution of comprehensive external marketing initiatives (i.e., advertisement, event sponsorship, celebrity endorsement) under the sales to e-commerce platform model. This approach enables us to have more cohesive branding and strategic alignment across all sales channels. In contrast, distributors operate independently, assuming full responsibility for setting product prices, managing marketing efforts, and conducting sales activities in the traditional distributorship model.
- Second, our operations team engages directly with consumers by collecting their feedback through third-party online e-commerce platforms, which enables us to monitor customer satisfaction in real-time, address concerns promptly, and continuously improve our products based on consumer experiences. This direct interaction fosters stronger

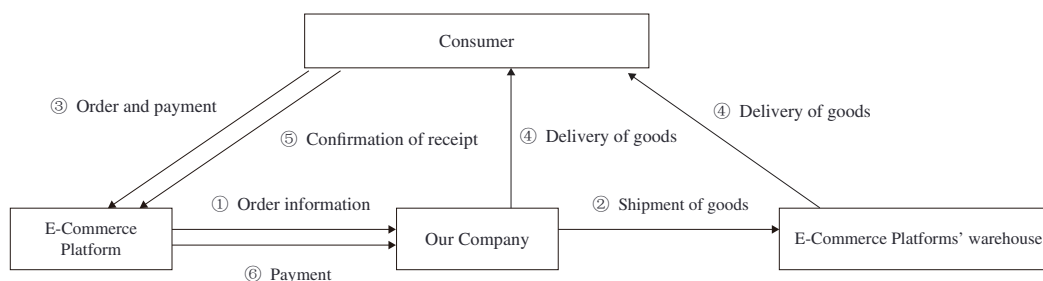
BUSINESS

consumer engagement and enhances overall service quality. In contrast, under the traditional distributorship model, distributors are responsible for directly engaging with their consumers.

- Third, agreements with these e-commerce platforms are structured as sales and purchase contracts focusing on platform access and sales facilitation, rather than traditional distribution agreements. For instance, pursuant to the sales and purchase contracts, inventory levels are generally managed on an as-needed basis for these e-commerce platforms. Specifically, for JD.com, inventory is determined based on historical sales data and seasonal trends.
- Lastly, our sales to third-party e-commerce platforms do not generate revenue solely from the margin between the selling price and the purchase cost as is common in the traditional distributorship model. For example, they typically charge us for services in connection with warehousing and delivery, as well as marketing activities (i.e., in-site traffic operation).

Financial Flow and Revenue Breakdown

The following diagram illustrates the transactional flow for sales to e-commerce platforms:



- ① The e-commerce platform places an order and we receive the order information.
- ② For JD.com and VIP.com, we arrange the shipment of the goods to the e-commerce platform's designated warehouse.
- ③ The consumer places an order on the online store of the e-commerce platform and makes a payment at the retail price to the e-commerce platform.
- ④ The goods are delivered to the consumer from JD.com's and VIP.com's warehouse. For other e-commerce platforms, the goods are delivered to the consumer by us directly.
- ⑤ The consumer confirms receipt of the goods on the online store of the e-commerce platform. We recognize revenue from the sale upon receipt of the goods by the consumer and the e-commerce platform except JD.com. We recognize revenue by the sale within JD.com's own platform-operated online store upon receipt of the goods by JD.com.
- ⑥ The e-commerce platform finishes settlement with us at the contract price within 60–90 days after receiving the products.

BUSINESS

During the Track Record Period, our revenue from sales to e-commerce platform amounted to RMB178.3 million in 2023, RMB322.1 million in 2024 and RMB472.7 million in 2025, representing a CAGR of 62.8%. The following table sets forth a breakdown of our revenue generated from sales to e-commerce platforms for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
JD.com	82,995	46.5	190,198	59.0	325,645	68.9
VIP.com	91,292	51.2	114,828	35.6	113,205	23.9
Others	4,024	2.3	17,109	5.4	33,841	7.2
Total	178,311	100.0	322,135	100.0	472,691	100.0

Relationships with E-commerce Platforms

We generally enter into standardized framework agreements with these selected e-commerce platforms. The key terms of the agreements primarily include:

Duration:	Generally one year, subject to annual renewal.
Payment and credit terms:	Consumers make payments directly to the e-commerce platforms and the e-commerce platforms settle accounts with us on a regular basis. We typically grant credit terms of 60 to 90 days to e-commerce platforms.
Fulfillment and warehouse services:	For certain e-commerce platforms, such as JD.com, the products are shipped to the warehouses operated by the e-commerce platform, from where the e-commerce platform handles the subsequent delivery to the consumer.
Delivery of products:	For certain e-commerce platforms, such as JD.com, the e-commerce platform is responsible for delivering products to consumers. The logistics cost will be borne by the e-commerce platform.
Product returns/exchanges:	The e-commerce platforms are allowed to return defective products unconditionally and to return unsold products to us based on mutual negotiation or as set forth in the relevant agreements.
Purchase target and discounts:	We generally do not set a purchase target or discounts for e-commerce platforms.
Minimum purchase requirements:	We generally do not set a minimum purchase requirement for e-commerce platforms.
Credit control:	We are required to make a deposit to guarantee our compliance with e-commerce platforms policies.
Termination:	The agreements will be terminated upon the expiration or by other means as set forth in the relevant agreements.

BUSINESS

During the Track Record Period and as of the Latest Practicable Date, all of these e-commerce platforms were Independent Third Parties and, to the best knowledge of our Directors, there was no past or present relationship, including employment, financing, family or otherwise, between the operators of these e-commerce platforms (including their Directors, shareholders and senior management, and their respective associates) and us.

Offline DTC Sales Channels

Our offline DTC sales channels consist of self-operated retail stores and partnership retail stores. Our self-operated retail stores, strategically located in prime commercial areas and popular shopping malls, serve as key brand touchpoints where we maintain direct control over store operations and consumer experience. Our partnership retail stores are operated by carefully selected retail partners who share our commitment to brand values and service standards. This combination of self-operated and partnership retail stores enables us to maintain brand consistency while maximizing market penetration across different geographical regions and retail formats.

During the Track Record Period, the number of transactions recorded from our offline DTC sales channels was approximately 77,000 in 2023, 221,000 in 2024 and 563,000 in 2025. Among these, the number of transactions recorded at our self-operated retail stores was approximately 24,000 in 2023, 40,000 in 2024 and 492,000 in 2025. For our partnership retail stores, such number was approximately 53,000 in 2023, 181,000 in 2024 and 72,000 in 2025. Along with the increased transaction volume for our offline sales channels, our revenue per order from sales through offline DTC sales channels, which is calculated by dividing the total sales from our offline DTC sales channels by the number of total orders from such channels, increased from RMB614.7 in 2023 to RMB766.7 in 2024, and further increased to RMB899.0 in 2025. During the Track Record Period, the increase in revenue per order from our offline DTC sales channels was primarily attributable to the following: (i) we adjusted our channel strategy by expanding the offline product mix from a greater proportion of lower-priced products in 2023 to a higher share of premium products; (ii) we strengthened our brand promotion and expanded our offline store network, which enhanced brand awareness and consumer trust, thereby driving higher spending per order; (iii) with the enhanced implementation of our cross-sale strategies and due to the shopping habits of our offline customers, they tend to purchase a larger number of items per visit at our offline retail stores as compared to their purchases online, which has contributed to a higher revenue per order for our offline channels; and (iv) we adjusted our product pricing in response to market trends, which also contributed to the growth in revenue per order.

During the Track Record Period, the revenue per order from our offline DTC sales channels was higher than that from our online DTC, primarily due to differences in product mix and consumer purchasing behavior. Given the space limitations of offline retail stores, we prioritize the display and sale of higher-priced products there. By contrast, our online flagship stores have a much broader display capacity, where we offer more low-priced items, which in turn lowers the revenue per order. In addition, offline consumers typically purchase multiple or bundled products in a single visit, such as buying a complete set of apparel or purchasing for family members, and we are able to adopt cross-selling strategies more effectively in offline retail stores. Such purchasing behavior contributes to higher revenue per order and is less affected by seasonality. Online consumers, however, tend to make separate, single-item purchases and demonstrate more pronounced seasonal shopping patterns (for example, purchasing only summer apparel in summer), which results in comparatively lower revenue per order.

BUSINESS

Our Retail Store Network

Offline retail stores play a key strategic role in strengthening our brand and expanding sales. During the Track Record Period, we consistently expanded our offline retail footprint, and stably raised the share of our revenue generated from offline retail stores in our total revenue for each year. As of December 31, 2025, we had 230 offline retail stores in Chinese mainland, including 21 self-operated retail stores and 209 partnership stores. Partnership retail stores are operated by our carefully selected retail partners and feature a consistent brand presentation and consumer experience with that of our self-operated retail stores. We plan to steadily expand our network of offline retail stores across Chinese mainland, focusing on cities with strong economies and high outdoor consumption potential. For more details, see “— Our Growth Strategies — Expanding Online Sales Channels, Offline Store Networks, and International Markets.” The following table sets forth the total number of our self-operated or partnership retail stores and city tiers as of the dates indicated.

	As of December 31,		
	2023	2024	2025
Self-operated retail stores	16	14	21
Partnership stores	61	132	209
Total	77	146	230
Stores in first- and second-tier cities	48	91	128
Stores in third-tier cities and below	29	55	102
Total	77	146	230

The following table sets forth the revenue generated from our self-operated or partnership retail stores for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Self-operated retail stores	15,419	32.6	39,080	23.1	62,937	12.4
Partnership retail stores	31,915	67.4	129,931	76.9	443,423	87.6
Total	47,334	100.0	169,011	100.0	506,360	100.0

During the Track Record Period, our offline retail store network remained in an early stage of expansion, with a growing number of new store openings across key cities and regions. Despite the relatively limited base of comparable stores, our established offline retail stores achieved encouraging same store sales growth. The same store growth rate for our offline retail stores was 57.5% in 2024 and 31.2% in 2025, based on 21 and 36 comparable stores, respectively. Among these, the same store growth rate for our self-operated retail stores was 90.1% in 2024 and 26.1% in 2025, based on four and eight comparable stores, respectively. For our partnership retail stores, the same store growth rate was 41.9% and 35.2% in 2023, 2024 and 2025, respectively, based on 17 and 28 comparable stores. During the Track Record Period, we have achieved positive same store growth rate for our offline retail stores.

BUSINESS

Self-Operated Retail Stores

Our self-operated offline retail stores are directly managed by our retail operations team, ensuring consistent brand standards and service quality across locations. We implement standardized store operations procedures and maintain rigorous training programs for our retail staff, covering product knowledge, consumer service protocols, and sales techniques specific to outdoor offerings. Each store is staffed with experienced sales personnel who receive regular training to stay current with our latest products and outdoor garment industry trends. Our store managers oversee daily operations, inventory management, visual merchandising, and team performance, while our area managers provide additional supervision and support across multiple locations. We emphasize creating an engaging shopping environment where consumers can receive professional advice on outdoor offering selection and usage, contributing to an enhanced shopping experience that builds brand loyalty. As of December 31, 2025, we had 21 self-operated retail stores, which are primarily located in first-tier and second-tier cities in Chinese mainland.



Our self-operated offline retail stores in Heshenghui Shopping Center in Beijing.



Our self-operated offline retail stores in Xintiandi Shopping District in Shanghai.

Under this model, we sell directly to consumers who purchase via our self-operated retail stores, and revenue from these sales is recognized at the point when we transfer the products to the consumer. The following diagram illustrates the transactional flow for our self-operated sales model:



- ① We arrange the shipment of the goods to the self-operated retail store.
- ② The consumer makes a purchase and payment at the retail price in the self-operated retail store. We recognize revenue from the sale when the goods are handed over to the consumer.
- ③ We receive the retail proceeds from the self-operated retail store.

Partnership Retail Stores

Our partnership retail store model operates through carefully selected retail partners who meet our stringent qualification criteria and share our commitment to brand values. Under this arrangement, our partners are responsible for day-to-day store operations, staffing, and local market development, while we maintain control over key aspects including store design, visual merchandising, product assortment, pricing policies, and service standards. We provide comprehensive training programs, operational guidelines, and marketing support to ensure

BUSINESS

consistent brand presentation and consumer experience. Our dedicated team regularly conducts store inspections, monitors performance metrics, and provides operational guidance to maintain quality standards. Partners operate under strict compliance requirements regarding inventory management, sales reporting, and consumer service protocols, with performance evaluated against established key performance indicators. This partnership model enables us to expand our retail presence efficiently while maintaining brand integrity.

Under this model, we sell directly to consumers who purchase via our partnership retail stores, and revenue from these sales is recognized at the point when we transfer the products to the consumer. The following diagram illustrates the transactional flow for our partnership sales stores:



- ① We arrange the shipment of the goods to the partnership retail store.
- ② The consumer makes a purchase and payment at the retail price in the partnership retail store. We recognize revenue from the sale when the goods are handed over to the consumer.
- ③ We receive the retail proceeds from the partnership retail store. Meanwhile, we pay sales commission to the partner of the partnership retail store.

As of December 31, 2025, we cooperated with 67 offline retail partners to broaden our offline retail presence. Our offline retail partners primarily include local outdoor retailers that possess extensive experience in the outdoor industry, with a proven track record of successfully managing multiple well-known outdoor brands and accumulating rich channel resources in their local areas. Their strengths lie in professional offline store operation capabilities and precise site selection strategies, enabling them to provide high-quality physical retail support for the brand.

To the best knowledge of our Directors, as of the Latest Practicable Date, all of our offline retail partners were Independent Third Parties. To the best of the our Directors’ knowledge, there was no employment, financing or family relationship between the Company’s offline retail partners and itself during the Track Record Period.

Our contracts with retail partners typically specify the geographical area of cooperation (usually at the provincial or city level) and the minimum number of partnership retail stores to be opened within that area. Our retail partners are responsible for establishing the local stores and covering the associated set-up costs. We are responsible for providing comprehensive renovation drawings for partnership retail stores, which include floor plans, elevation diagrams, electrical schematics and fire protection plans. Additionally, we specify the brands and specifications of the necessary materials to be used and, subject to the terms of individual contracts, may bear part of the costs of such materials. Our retail partners are responsible for operating stores within the designated area and promoting and selling our products with loyalty, diligence, and due care. They assume responsibility for ongoing operating expenses such as staffing, utilities, maintenance and local marketing activities. Each party’s potential legal liabilities are clearly delineated in the contract to ensure compliance with applicable laws and to allocate risk appropriately. For example, the retail partners have full responsibility for their own profits and losses, as well as bearing all associated market and operational risks. They are responsible for hiring their own sales staff and must cover all employee wages in line with relevant laws and regulations. Additionally, retail partners bear all costs incurred with the shopping mall and accept all corresponding liabilities. Any legal or financial disputes arising from these responsibilities are entirely the responsibility of the retail partners. They are entitled to revenue sharing based on a pre-agreed percentage of sales of our products. From 2023 to late 2024, we typically provided our offline retail partners with a commission ranging from 25% to 35% based on the product’s list price. Since late 2024, we have progressively transitioned to a commission model that varies according to the type of offline partnership retail store (such as

BUSINESS

department store, shopping malls, and outlets) to incentivize their sales performance and increase sales volume, with offline retail partners generally receiving a commission rate of approximately 50%. We retain ownership of the inventory in these partnership retail stores, and we are entitled to allocate such inventory as needed. Our contract with offline retail partners may include exclusivity clauses granting these partners the sole right to sell our products within a defined region. In the event of a breach of contract by a retail partner, we have the right to unilaterally terminate the contract and receive stipulated penalties and compensation. Our contracts with retail partners typically range from one to three years and are renewable upon mutual agreement. Contract renewal is typically subject to meeting performance criteria and requires mutual agreement.

During the Track Record Period and up to the Latest Practicable Date, we had not terminated any retail partner due to any material breach of contract terms or significant disputes.

Site Selection

Our site selection for offline retail stores follows a comprehensive set of criteria to ensure optimal market penetration and store performance. This process is typically initiated and approved by us to maintain alignment with our strategic objectives. We prioritize strategically selected high-traffic locations, in particular those premium shopping malls and commercial areas with strong consumer spending power and an affinity for outdoor activities. Key factors in our evaluation process include local market demographics, consumer purchasing patterns, competition landscape, foot traffic patterns, store visibility, and the presence of complementary retail brands. We also consider the location’s accessibility, the shopping mall’s reputation and tenant mix, as well as the potential for achieving operational synergies with our existing store network. This systematic approach to site selection helps us maintain consistent store performance while strategically expanding our offline presence.

As our offline retail network is in its early stage of development, we currently do not observe material cannibalization among our retail stores. However, as we continue to expand our retail footprint, we implement preventive measures including strategic store spacing, territorial planning, and careful market analysis to minimize the likelihood of potential cannibalization. When evaluating new store locations, we consider factors such as the market capacity, distance from existing stores, and distinct consumer demographics of each trade area to ensure the sustainable growth of our retail network.

Distributorship

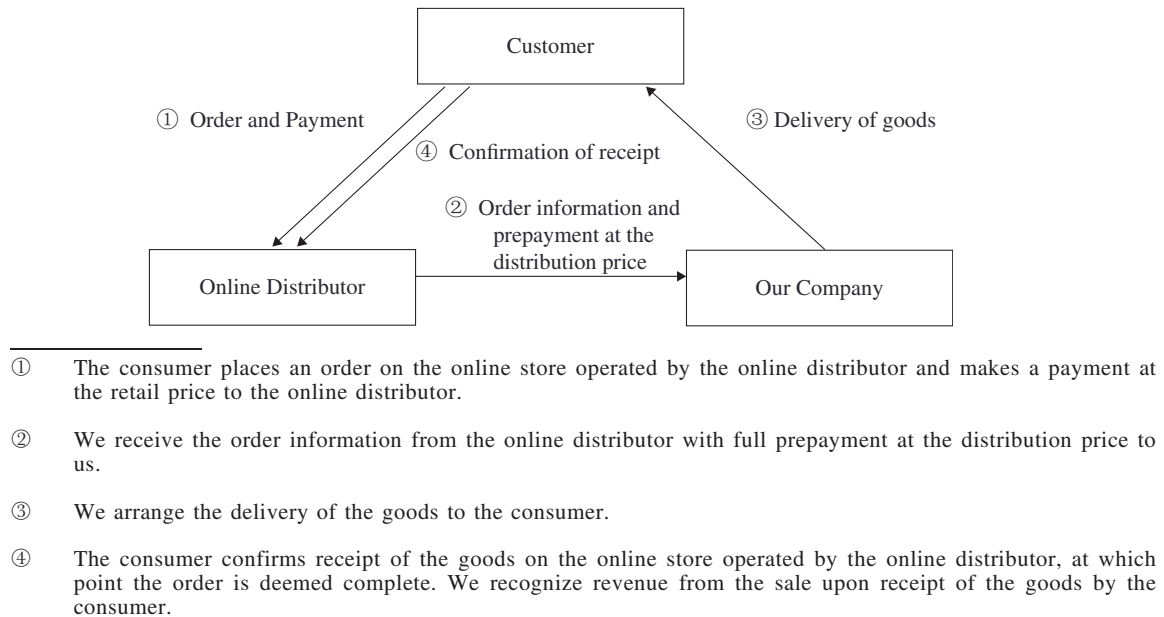
For our commercial success, we believe it is important to extend our presence and broaden our market reach. Therefore, we cooperate with distributors to increase the accessibility of our products among consumers and further expand our business operations.

As part of our distribution strategy, we collaborate with both online and offline distributors to help us penetrate the market. We maintain strict distributor selection criteria focusing on their financial strength, market reputation, retail experience, and alignment with our brand values. Our distributors operate under standardized guidelines to ensure consistent brand presentation and service quality, while we provide them with comprehensive product training, marketing support, and operational guidance. To ensure control over distribution network, our distributors are prohibited from reselling to sub-distributors. This distributorship model enables us to efficiently expand our market coverage while maintaining brand standards and consumer experience across different geographical regions.

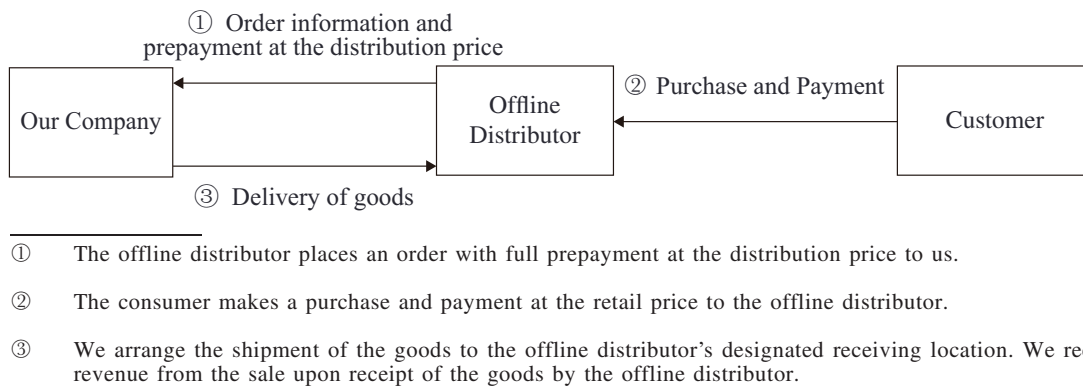
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Under the distributorship model, we sell directly to distributors who place orders with us and revenue is recognized upon delivery to distributors for offline sales and upon receipt by consumers for online sales. The following diagram illustrates the transactional flow for our online and offline distributorship model:

Fund Flow for Online Distributorship



Fund Flow for Offline Distributorship



Our sales through distributors primarily involve sales to individual consumers. In 2023, 2024 and 2025, the revenue from sales through our distributors amounted to RMB100.5 million, RMB220.1 million and RMB263.4 million, respectively, representing 11.1%, 12.5% and 9.4% of our total revenue for the corresponding year. The following table sets forth a breakdown of our revenue generated from distributors by types for the years indicated.

	For the year ended December 31,					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Online distributors	62,381	62.1	127,883	58.1	173,730	65.9
Offline distributors	38,142	37.9	92,248	41.9	89,705	34.1
Total	100,523	100.0	220,131	100.0	263,435	100.0

BUSINESS

Five Largest Distributors

In 2023, 2024 and 2025, the aggregate revenue generated from our five largest distributors (in terms of revenue contribution) in each year during the Track Record Period amounted to RMB42.9 million, RMB99.8 million and RMB161.3 million, respectively, representing approximately 4.8%, 5.7% and 5.8% of our total revenue, respectively. The revenue generated from our largest distributor (in terms of revenue contribution) in each year during the Track Record Period amounted to RMB13.4 million in 2023, RMB50.6 million in 2024 and RMB81.6 million in 2025, representing approximately 1.5%, 2.9% and 2.9% of our total revenue, respectively. We recognized revenue in respect of sales to each of the five largest distributors during the Track Record Period at the point when control of the goods was transferred, which occurred upon the acceptance by the relevant distributors.

The following table sets forth details of our five largest distributors (in terms of revenue contribution) in each year during the Track Record Period:

Distributor	Background	Geographical Coverage	Commencement of Business Relationship	Revenue Contribution RMB'000	% of Total Revenue
<i>For the year ended December 31, 2025</i>					
Distributor A (Customer C)	A privately owned China-based company with a registered capital of RMB5 million, primarily engaged in the sales of apparel and textile products through downstream customers which operate online stores on major e-commerce platforms such as Taobao, JD.com, Tmall, Pinduoduo, Douyin, and Kuaishou, directly targeting end-consumers.	Chengdu	2019	81,552	2.9
Distributor B (Customer D)	A privately owned China-based company with a registered capital of RMB1 million, primarily engaged in the sales of outdoor products through downstream customers which operate online stores on major e-commerce platforms such as Taobao, JD.com, Tmall, Pinduoduo and Douyin, directly targeting end-consumers.	Beijing	2021	41,031	1.5
Distributor C	A privately owned China-based company with a registered capital of RMB1 million, primarily engaged in technical services, sales and trading, with its downstream customers mainly operating online stores on major e-commerce platforms such as Taobao, Tmall and Pinduoduo to sell directly to end-consumers.	Chengdu	2024	19,394	0.7
Distributor D	A privately owned China-based company with a registered capital of RMB5 million, primarily engaged in the sales of apparel and textile products, with its downstream customers mainly operating online stores on major e-commerce platforms such as Taobao, Tmall and Pinduoduo to sell directly to end-consumers.	Tianjin	2023	11,165	0.4
Distributor E	A privately owned China-based company with a registered capital of RMB51 million, primarily engaged in the sales of apparel and textile products, with its downstream customers mainly operating online stores on major e-commerce platforms such as Taobao, JD.com, Tmall, Pinduoduo and Douyin, directly targeting end-consumers.	Jinan	2025	8,149	0.3
Total				161,291	5.8

BUSINESS

Distributor	Background	Geographical Coverage	Commencement of Business Relationship	Revenue Contribution RMB'000	% of Total Revenue
<i>For the year ended December 31, 2024</i>					
Distributor A (Customer C)	A privately owned China-based company with a registered capital of RMB5 million, primarily engaged in the sales of apparel and textile products through downstream customers which operate online stores on major e-commerce platforms such as Taobao, JD.com, Tmall, Pinduoduo, Douyin, and Kuaishou, directly targeting end-consumers.	Chengdu	2019	50,638	2.9
Distributor B (Customer D)	A privately owned China-based company with a registered capital of RMB1 million, primarily engaged in the sales of outdoor products through downstream customers which operate online stores on major e-commerce platforms such as Taobao, JD.com, Tmall, Pinduoduo and Douyin, directly targeting end-consumers.	Beijing	2017	18,067	1.0
Distributor F (Customer B)	A publicly listed e-commerce company with a registered capital of US\$180 million that operates a leading e-commerce platform in China, serving end-consumers who place orders through its online application and offline stores.	Ezhou	2022	11,587	0.7
Distributor C	A privately owned China-based company with a registered capital of RMB1 million, primarily engaged in technical services, sales and trading, with its downstream customers mainly operating online stores on major e-commerce platforms such as Taobao, Tmall and Pinduoduo to sell directly to end-consumers.	Chengdu	2024	10,836	0.6
Distributor G	A privately owned China-based company with a registered capital of RMB5 million, primarily engaged in the sales of outdoor products, serving mainly state-owned enterprises, private enterprises and public institutions.	Xingtai	2023	8,692	0.5
Total				99,820	5.7

BUSINESS

<u>Distributor</u>	<u>Background</u>	<u>Geographical Coverage</u>	<u>Commencement of Business Relationship</u>	<u>Revenue Contribution</u> <u>RMB'000</u>	<u>% of Total Revenue</u>
<i>For the year ended December 31, 2023</i>					
Distributor A (Customer C)	A privately owned China-based company with a registered capital of RMB5 million, primarily engaged in the sales of apparel and textile products through downstream customers which operate online stores on major e-commerce platforms such as Taobao, JD.com, Tmall, Pinduoduo, Douyin, and Kuaishou, directly targeting end-consumers.	Chengdu	2019	13,369	1.5
Distributor B (Customer D)	A privately owned China-based company with a registered capital of RMB1 million, primarily engaged in the sales of outdoor products through downstream customers which operate online stores on major e-commerce platforms such as Taobao, JD.com, Tmall, Pinduoduo and Douyin, directly targeting end-consumers.	Beijing	2017	11,853	1.3
Distributor H (Customer F)	A privately owned China-based company with a registered capital of RMB1 million, primarily engaged in the sales of apparel and textile products, with its downstream customers mainly operating online stores on major e-commerce platforms such as Taobao, Tmall and Pinduoduo to sell directly to end-consumers.	Xiamen	2018	7,100	0.8
Distributor F (Customer B)	A publicly listed e-commerce company with a registered capital of US\$180 million that operates a leading e-commerce platform in China, serving end-consumers who place orders through its online application and offline stores.	Ezhou	2022	5,495	0.6
Distributor I	A private company based in Shenzhen primarily engaged in the sales of outdoor products, with its sales channels mainly comprising supermarkets and large-scale special sale events.	Shenzhen	2022	5,116	0.6
Total				42,933	4.8

During the Track Record Period, to the best knowledge of our Directors, we were not aware of any past or present relationship (business, employment or otherwise) between our five largest distributors (in terms of revenue contribution) in each year during the Track Record Period and our Company, our subsidiaries, their shareholders, directors, senior management or any of their respective associates.

BUSINESS

Movement of Distributors

The following table sets forth the total number of distributors and their movement for the years indicated.

	For the year ended December 31,		
	2023	2024	2025
Number of distributors at the beginning of the year	120	147	122
Number of new distributors during the year	122	200	78
Number of discontinued distributors during the year	95	225	61
Number of increased (decreased) distributors during the year	27	(25)	17
Number of distributors at the end of the year	147	122	139

We terminated our cooperation with 95, 225 and 61 distributors in 2023, 2024 and 2025, respectively, primarily as a result of our heightened selection criteria for distributors. As our brand recognition and sales have experienced significant growth, we seek to engage with distributors who have strong sales performance and channel development capability. Our elevated benchmark and emphasis on working with high-caliber distributors naturally led to terminations with certain distributors. We believe that these terminations were strategically executed to facilitate the pursuit of more aligned and effective distribution partnerships, better positioned to support our evolving business objectives.

We engaged 122, 200, and 78 distributors in 2023, 2024, and 2025, respectively. The growth in distributor numbers from 2023 to 2024 underscores our efforts to expand our sales network. In 2025, we engaged 78 distributors as part of our strategy to enhance sales channel efficiency and maintain brand consistency. We primarily focus on strengthening partnerships with high-performing distributors while gradually phasing out those with average performance, thereby reinforcing unified management of our brand experience.

Distribution Agreements

We enter into our standardized framework distribution agreements with distributors. During the Track Record Period and as of the Latest Practicable Date, there was no material breach of the agreements. The key terms of the distributorship agreements primarily include:

Duration:	Generally one year, subject to annual renewal.
Geographic exclusivity:	Offline distributors are authorized to sell exclusively our products under the <i>Pelliot</i> brand name within stores designated in the distribution agreement.
Payment and credit terms:	Generally, payment should be made in full by distributors prior to the shipment arranged by us. We generally do not grant credit to distributors.
Delivery of products:	We assign logistics companies to deliver products to locations designated by distributors. The logistics cost will be borne by us.
Product returns/exchanges:	For sales through online distribution, we generally allow both product returns and exchanges. For sales through offline distribution, we generally allow product exchanges but not returns.

BUSINESS

Rebates:	We generally do not offer rebates to distributors.
Termination:	The agreements will be terminated upon expiration or by other means as set forth in the relevant agreements, including the underperformance of distributors (in which case we can unilaterally terminate the agreement) and breach of the agreement (in which case the non-breaching party can terminate the agreement), among others.

In order to adapt to varying market demands and avoid overstocking, we do not require our distributors to maintain a minimum inventory level, as the distribution model operating through both online and offline channels does not necessitate maintaining inventories. Our online distributors do not hold inventories, as products are shipped directly to consumers by us upon order placement. Majority of our revenue generated through distributorship was derived from online distributors. Our offline distributors place orders directly with us for product procurement after receiving customer orders, without the need to maintain inventories.

During the Track Record Period and up to the Latest Practicable Date, we had not terminated any distributors due to material breach of the terms of distribution agreements. During the same period and up to same date, we did not have any material dispute with our distributors. To the best of our knowledge, all of our distributors during the Track Record Period are Independent Third Parties.

Other Channels

During the Track Record Period, we also sold our products through other channels, primarily wholesale group purchasing. In 2023, 2024 and 2025, our revenue generated from other channels amounted to RMB8.1 million, RMB25.7 million and RMB78.3 million, respectively, accounting for 0.9%, 1.5% and 2.9% of our total revenue in the corresponding year.

Pricing Policy

Our product pricing strategy is determined by a variety of factors, including brand positioning, long-term goals, market positioning, industry price range, production and operational costs, and our overall target profit margin. When setting prices, we also take into consideration market sales trends, the product’s lifecycle, and seasonal factors. We maintain a consistent pricing strategy across all our sales channels, including online platforms, self-operated retail stores, partnership retail stores, and distributors, to ensure pricing uniformity and brand positioning. This unified pricing policy helps prevent channel conflict, protects our brand value, and maintains healthy channel relationships. All retail partners and distributors are required to strictly adhere to our suggested retail prices, with any promotional activities or discounts typically requiring our prior approval. We regularly monitor the market pricing of our products and conduct periodic reviews to ensure compliance with our pricing policies across all channels.

After-sale Services and Sales Return Policies

In line with PRC laws and regulations and relevant platform requirements, we provide comprehensive after-sales warranty services to our consumers. We distinguish ourselves in the market by offering warranty terms that exceed industry standards, including extended warranty periods and lifetime maintenance services for our products. This consumer-focused approach demonstrates our confidence in product quality and our commitment to consumer satisfaction.

We monitor and handle product returns in accordance with the internal procedures established for each sales channel. We have developed the return process according to the rules of each e-commerce platform or the operation practice of our offline retail stores. For sales through online distribution, we generally allow both product returns and exchanges. For sales through offline distribution, we generally allow product exchanges but not returns. We regularly analyze the return

BUSINESS

of products through each channel, including the category of returned products and the frequency and reasons for returns, to better support the development of our product portfolio and sales strategy.

The value of actual products returned to us was RMB324.9 million, RMB831.4 million and RMB1,683.0 million in 2023, 2024 and 2025, respectively, and the increase during the Track Record Period was in line with our fast business and sales growth. These returns accounted for 26.4%, 32.0% and 37.6% of the aggregation of our revenue plus the value of returns during the same years, which is lower than the industry average return rate for the apparel online retail industry in the PRC ranging from 40% to 50%, according to Frost & Sullivan.

Our refund liability in relation to product return represents the estimated refund to customers due to product returns. Our revenue is recognized after considering the refund liabilities. We estimate refund liabilities in relation to product returns for each sales channel based on the return policy, historical sales return rate, current sales volume, taking into consideration the types of customers and any specific sales return arrangement. As of December 31, 2023, 2024 and 2025, the estimated amount of refund liability in relation to product return was RMB19.0 million, RMB44.3 million and RMB99.2 million, respectively, representing 2.1%, 2.5% and 3.6% of our total revenue, respectively. The increase in estimated amount of refund liability was generally in line with the actual product returns, mainly resulting from our overall fast business and sales growth.

During the Track Record Period, we allowed returns under different channels based on their respective policies. For online channels, consumers were generally entitled to return products within seven days after receipt under platform rules, and we may also accept returns within three months after sales to maintain our brand image. For offline and distributor sales, returns were generally not accepted unless for product quality issues. We estimated our refund liabilities with reference to historical return rates, calculated based on actual returns within three months after sales. We update such estimates by comparing with subsequent actual returns. During the Track Record Period, the actual product returns and our estimated refund liabilities were broadly consistent.

We estimate refund liabilities based on historical return rates. During the Track Record Period, differences between estimated and actual returns were not material and were recognised in the same period without retrospective adjustment. Actual returns were recorded against the estimated refund liabilities within the expected scope, and against revenue and cost of sales if exceeding the estimated scope.

We do not estimate product exchanges as there are no significant financial liabilities arising from such exchanges. As a result, no provisions were made in the financial statements related to product exchanges. Our estimated refund liabilities already take into account both returns and exchanges, as our system does not separately distinguish exchanges from returns given that exchanges are processed as a return followed by a new sale. Accordingly, the historical return rate adopted by us is effectively a return-and-exchange rate which includes the exchange portion.

As confirmed by our PRC Legal Advisor, we were not subject to any investigation, fines, penalties or other regulatory actions by relevant governmental authorities in Chinese mainland due to product quality issues during the Track Record Period.

Coordination Between Sales Channels

We usually take a holistic approach to manage our operation and optimize our resource investments in different sales channels. Any sales conducted outside the authorized channels, or any cross-channel sales executed without our prior authorization, shall be regarded as channel cannibalization. To mitigate the risk of cannibalization among our various sales channels, we strategically implement the following measures:

- We designate stores and/or sales channels for each distribution partner through expressed terms as in the agreements. We reserve the right to unilaterally terminate the agreement and claim liquidated damages if any distribution partner breaches such terms.

BUSINESS

- We maintain robust oversight and foster consistent communication with e-commerce platforms and distributor partners. We utilize radio frequency identification system to track product movement throughout storage, transportation, and distribution stages, allowing for accurate monitoring of product flow. This system enables the timely detection and resolution of issues such as channel stuffing or unauthorized cross-regional sales.
- We manage pricing policies to provide consistent pricing for products across different sales channels.
- We provide distinct product categories based on price, design, and specifications to cater to the requirements of different sales channels and target consumer segments. Additionally, we implement channel-specific promotional activities designed to enhance overall sales performance within each channel.

During the Track Record Period and up to the Latest Practicable Date, we did not identify any material incidents of cross-regional or cross-channel sales, underscoring the effectiveness of our approach to minimize cannibalization among different sales channels and different geographical regions. In light of the above, our Directors are of the view, and the Joint Sponsors concur, that our internal measures are effective in managing the cannibalization risks.

QUALITY CONTROL

Throughout the entire business operation process, we consistently and unwaveringly implement a rigorous quality control strategy to ensure that every product brought to market meets high-quality standards. Although the manufacturing process is outsourced to third-party manufacturers, we rely on a mature and comprehensive quality management system to systematically monitor and control each stage of the value chain, from product research and design, production and manufacturing, to after-sales service. The implementation of these measures is not only aimed at preserving the strong reputation of our brand but also at ensuring consumer satisfaction, enabling our products to maintain a high level of quality consistency across all sales channels.

As of December 31, 2025, we had established a dedicated quality control and assurance team consisting of 87 members. With their extensive experience and professional expertise, the team oversees the entire product development and manufacturing process, ensuring strict quality control across all stages, including product design, R&D, procurement, manufacturing, and after-sales service.

As a result of our rigorous quality control measures, during the Track Record Period and up to the Latest Practicable Date, we had not received any material product return requests from customers, nor had we encountered any major consumer complaints or been subject to any significant penalties from government authorities due to product quality issues.

Product Design and Development

At the design and development stage, we establish detailed quality specifications for every product to set a strong foundation for quality control. These specifications outline requirements for materials, design, performance, and safety, serving as a benchmark for our contractual manufacturers. To validate these specifications, we conduct extensive testing of raw materials, prototypes, and product samples during the development phase. These tests are designed to identify and resolve potential issues early, ensuring that the final product meets our standards before production begins.

BUSINESS

Third-Party Manufacturing Oversight

While we rely on contractual manufacturers for production, we maintain strict oversight and enforce rigorous quality control protocols at their facilities to ensure compliance with our quality standards. These protocols include:

- *Pre-production material inspections.* All raw materials and components are inspected before manufacturing begins to ensure they meet our specifications and are free of defects.
- *In-process quality checks.* Quality control teams conduct inspections throughout the production process to identify and address any issues as they arise, minimizing the risk of defects in the final product.
- *Final product inspections.* Before products are shipped from the manufacturers, we typically perform thorough inspections to verify that they meet our specifications, including checks for appearance, functionality, durability, and packaging.

We work closely with our contractual manufacturers to ensure they understand and adhere to our quality requirements. To maintain consistency, our quality control team regularly conducts factory audits to assess their compliance with our standards, evaluate their production capabilities, and ensure their operational processes align with our expectations. As part of our quality assurance procedures, for each order placed with a contractual manufacturer, our quality control team generally conducts four on-site inspections at different stages of the production process, including raw material inspection, sample verification, in-process production inspection, and final product quality check. In the case of key contractual manufacturers, we deploy dedicated quality control personnel on site to provide continuous oversight and ensure a higher level of quality control. Comprehensive records of inspections, test results, and corrective actions are maintained to ensure traceability and continuous improvement.

Logistics, Warehousing and Retail Inspections

Our quality control measures extend beyond the manufacturing stage and into the logistics and retail phases. Products are inspected upon arrival at our warehouses to ensure they were not damaged during transportation. We also conduct periodic quality inspections at our warehouses and retail outlets to verify that items are stored, handled, and presented in conditions that preserve their quality. Key measures we take include monitoring the integrity of packaging and storage conditions to prevent damage or deterioration; and conducting random sampling and inspections of inventory to identify any defects that may have gone undetected earlier in the supply chain.

Consumer Feedback and After-Sales Service

We place significant emphasis on addressing quality concerns and feedback from consumers. Our after-sales service system is designed to handle consumer complaints and quality-related issues promptly and effectively. This process includes:

- logging and analyzing consumer feedback to identify recurring quality issues;
- investigating the root causes of defects or failures, whether they occur during manufacturing, transportation, or retail;
- implementing corrective actions with our contractual manufacturers to prevent similar issues from arising in the future; and
- providing timely resolutions to consumers to maintain satisfaction and build trust.

By integrating consumer feedback into our quality control system, we continuously refine our processes and strengthen the overall quality of our products.

BUSINESS

Collaboration and Continuous Improvement

Maintaining product quality while working with contractual manufacturers requires close collaboration and ongoing improvement. We provide guidance to our manufacturing partners and maintain constant communications with them to ensure they understand and implement our quality policies effectively. In addition, we leverage data from inspections, audits, and consumer feedback to evaluate performance and identify areas for improvement.

We also keep abreast of industry changes, regulatory requirements, and evolving consumer expectations to continuously enhance our quality standards. By fostering strong partnerships with our manufacturers and maintaining high visibility across the supply chain, we ensure that quality remains a top priority.

Commitment to Consistent Product Quality

Despite outsourcing production, our comprehensive quality control system ensures that our products consistently meet rigorous standards of quality, safety, and reliability. From design to delivery, we actively manage and monitor every aspect of the supply chain to ensure that the products reaching our consumers uphold our brand’s reputation for excellence.

By maintaining this level of quality assurance, we not only protect our brand but also foster long-term trust and loyalty among our consumers while delivering products that meet or exceed their expectations.

During the Track Record Period and up to the Latest Practicable Date, there were not any material quality issues or product recalls in relation to our products.

INVENTORY CONTROL

We implement an omnichannel inventory management and distribution policy across our sales channels to maintain optimal inventory levels while minimizing inventory risks. Our inventory control system integrates real-time sales data, seasonal forecasts, and historical trends to guide procurement planning and inventory allocation. We conduct regular inventory reviews and adjustments based on sales performance, seasonality, and market conditions. Through our digital management system, we monitor inventory levels, turnover rates, and aging analyses across all channels, enabling us to respond promptly to changing market demands. For our partnership retail stores and distributors, we set specific inventory requirements and regularly assess their compliance. This systematic approach to inventory management helps us maintain operational efficiency while reducing the risks of inventory obsolescence and write-downs.

WAREHOUSING AND LOGISTICS

Warehousing

We operate both self-built and leased warehousing facilities which are located in Shandong Province to efficiently manage our supply chain and distribution network. Our warehouses serve as central hubs in our logistics system, handling multiple functions primarily including finished product storage from manufacturers and product distribution to various sales channels. From these facilities, we coordinate shipments to our retail stores, distributors, and direct deliveries to consumers for online orders. As of the Latest Practicable Date, we had one self-built warehouse with a total GFA of approximately 50,000 square meters and three leased warehouses with a total GFA of approximately 29,000 square meters. In addition, we are building an intelligent warehousing base in Bozhou, Anhui Province, with an estimated gross site area of over 30,000 square meters. It is expected to be completed by the end of 2026.

In 2023 and 2024, our warehousing and logistics functions were primarily supported through leased warehouses. However, by the end of 2024, we began operating our self-built warehouse, a strategic move driven by the growing scale of our business and the increasing demand for storage space. The self-built facility allows us to enhance operational efficiency and reduce costs. All warehouses are currently self-managed. We utilize the Gwall WMS warehouse system to oversee inventory and internal warehouse processes. This system is fully integrated with other business

BUSINESS

systems, including our online Order Management System (OMS), enabling real-time inventory tracking and order fulfillment visibility, such as stock location, inventory levels, and quantities ready for dispatch. In terms of safety management, staff members strictly follow our established safety management protocol. For climate control, warehouses are equipped with dehumidifiers that automatically activate when humidity reaches a certain threshold, protecting apparel and footwear from moisture damage. Our self-built warehouse also features a water-resistant platform to further enhance humidity control and flood prevention. In addition, sandbags are kept on-site as a precautionary measure against flooding during the rainy season.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material interruption in the operation of the warehouse facilities or suffered any material inventory damages. For risks relating to our warehousing facilities, see “Risk Factors — Risks Relating to Our Business and Industry — Delivery delays and poor handling by third-party logistics providers and courier companies, disruptions in the transportation network, or interruptions in the operation of our warehouse facilities may adversely affect our business, financial condition, results of operations, and prospects.” In the view of our PRC Legal Advisor, we were in compliance with the Fire Prevention Law in all material respects in Chinese mainland during the Track Record Period and up to the Latest Practicable Date.

Our Directors, as advised by our PRC Legal Advisor, confirm that we had not received any major penalty by relevant governmental authorities in Chinese mainland due to violation of fire safety-related laws and regulations during the Track Record Period and up to the Latest Practicable Date.

Logistics

We engage third-party logistics service providers to collect our products from warehouses and deliver them to retail points, customers, and consumers. For online flagship stores, we generally engage express delivery companies. For our offline retail stores, less-than-truck-load logistics service providers are employed. As of the Latest Practicable Date, we primarily cooperated with ten third-party logistics service providers. We select logistics service providers based on their transportation capacity, industry experience, reputation, geographic coverage, and scale of operation. Our transportation arrangements with third-party logistics service providers enable us to provide fast and efficient delivery services for our products, reduce our capital investment and reduce the risk of incurring liability for traffic accidents, delivery delays, or losses, especially during online shopping festivals such as the “June 18” and “Singles’ Day” promotions.

We usually enter into agreements with our logistics service providers on an annual basis which are subject to automatic annual renewal without a written non-renewal notice prior to the expiration date. Our logistics service providers bear the risks associated with the delivery of our products and are liable for product contamination occurring during the transportation process due to their negligence according to the terms of the agreement. Any dispute arising from or in connection with the agreement shall be first settled through friendly negotiation between the parties. If the dispute cannot be resolved, the dispute shall be submitted to the venue designated in the contract. We assess our logistics service providers based on delivery performance, transportation capability, and overall service quality. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disruption in the delivery of our products or suffered any material loss due to late delivery or mishandling of products by our logistics service providers.

We incurred RMB18.1 million, RMB32.1 million and RMB48.2 million in 2023, 2024 and 2025, respectively, in utilizing transportation and logistics services provided by our logistics service providers, representing 2.0%, 1.8% and 1.7% of our revenue, respectively.

BUSINESS

CUSTOMERS

In 2023, 2024 and 2025, the aggregate revenue generated from our five largest customers in the respective year amounted to RMB212.1 million, RMB402.4 million and RMB588.7 million, respectively, representing 23.4%, 22.8% and 21.1% of our total revenue in the corresponding year. In addition, in 2023, 2024 and 2025, the revenue generated from our largest customer in the respective year amounted to RMB96.8 million, RMB190.2 million and RMB325.6 million, respectively, representing 10.7%, 10.8% and 11.7% of our total revenue in the corresponding year.

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

Customer	Type of Products Purchased	Background	Commencement of Business Relationship	Credit Term	Revenue Contribution RMB'000	% of Total Revenue
<i>For the year ended December 31, 2025</i>						
Customer A (Supplier E)	Apparel, footwear, equipment and accessories	A publicly listed e-commerce company that operates a leading e-commerce platform in China, which recorded revenue of RMB1,309.1 billion for the year ended December 31, 2025.	2016	60–90 days	325,645	11.7
Customer B	Apparel, footwear, equipment and accessories	A publicly listed e-commerce company that operates a leading e-commerce platform in China, which recorded revenue of RMB105.9 billion for the year ended December 31, 2025.	2016	60–90 days	106,644	3.8
Customer C	Apparel, footwear, equipment and accessories	A privately owned China-based company primarily engaged in the sales of apparel and textile products.	2019	N/A	81,552	2.9
Customer D	Apparel, footwear, equipment and accessories	A privately owned China-based Company primarily engaged in the sales of outdoor products.	2017	N/A	41,031	1.5
Customer E (Supplier A)	Apparel, footwear, equipment and accessories	A publicly listed online and mobile commerce company based in China, providing the technology infrastructure and marketing reach to enable businesses to transform the way they market, sell and operate and improve their efficiencies. It recorded revenue of approximately RMB1,016.7 billion for the year ended December 31, 2025.	2022	N/A	33,840	1.2
Total					588,712	21.1

BUSINESS

Customer	Type of Products Purchased	Background	Commencement of Business Relationship	Credit Term	Revenue Contribution RMB'000	% of Total Revenue
<i>For the year ended December 31, 2024</i>						
Customer A (Supplier E)	Apparel, footwear, equipment and accessories	A publicly listed e-commerce company that operates a leading e-commerce platform in China, which recorded revenue of RMB1,309.1 billion for the year ended December 31, 2025.	2016	60–90 days	190,198	10.8
Customer B	Apparel, footwear, equipment and accessories	A publicly listed e-commerce company that operates a leading e-commerce platform in China, which recorded revenue of RMB105.9 billion for the year ended December 31, 2025.	2016	60–90 days	126,415	7.2
Customer C	Apparel, footwear, equipment and accessories	A privately owned China-based company primarily engaged in the sales of apparel and textile products.	2019	N/A	50,638	2.9
Customer D	Apparel, footwear, equipment and accessories	A privately owned China-based Company primarily engaged in the sales of outdoor products.	2017	N/A	18,067	1.0
Customer E (Supplier A)	Apparel, footwear, equipment and accessories	A publicly listed online and mobile commerce company based in China, providing the technology infrastructure and marketing reach to enable businesses to transform the way they market, sell and operate and improve their efficiencies. It recorded revenue of approximately RMB1,016.7 billion for the year ended December 31, 2025.	2022	N/A	17,049	0.9
Total					402,367	22.8

For the year ended December 31, 2023

Customer B	Apparel, footwear, equipment and accessories	A publicly listed e-commerce company that operates a leading e-commerce platform in China, which recorded revenue of RMB105.9 billion for the year ended December 31, 2025.	2016	60–90 days	96,787	10.7
Customer A (Supplier E)	Apparel, footwear, equipment and accessories	A publicly listed e-commerce company that operates a leading e-commerce platform in China, which recorded revenue of RMB1,309.1 billion for the year ended December 31, 2025.	2016	60–90 days	82,995	9.1
Customer C	Apparel, footwear, equipment and accessories	A privately owned China-based company primarily engaged in the sales of apparel and textile products.	2019	N/A	13,369	1.5
Customer D	Apparel, footwear, equipment and accessories	A privately owned China-based Company primarily engaged in the sales of outdoor products.	2017	N/A	11,853	1.3
Customer F	Apparel, footwear, equipment and accessories	A privately owned China-based company primarily engaged in the sales of apparel and textile products.	2018	N/A	7,100	0.8
Total					212,104	23.4

BUSINESS

As of the Latest Practicable Date, none of our Directors, their associates or any other Shareholder which, to the knowledge of our Directors, owns more than 5% of our share capital, had any interest in any of our five largest customers in each year during the Track Record Period.

SUPPLIERS

Our major suppliers include contractual manufacturers, raw material providers, logistics service providers, e-commerce platforms, marketing service providers, and property lessors. We usually enter into agreements with our suppliers on an annual basis, subject to our standard terms and conditions. We generally settle the payment by bank transfers.

In 2023, 2024 and 2025, purchases from our five largest suppliers in the respective year amounted to RMB192.7 million, RMB485.9 million and RMB518.3 million, which accounted for 29.4%, 37.4% and 24.9% of our total purchases in the corresponding year. In addition, in 2023, 2024 and 2025, purchases from our largest supplier in the respective year amounted to RMB56.7 million, RMB164.3 million and RMB176.3 million, which accounted for 8.7%, 12.6% and 8.5% of our total purchases in the corresponding year.

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

Supplier	Type of Products/ Services Provided	Background	Commencement of Business Relationship	Credit Term	Purchase Amount RMB'000	% of Total Purchase
<i>For the year ended December 31, 2025</i>						
Supplier A (Customer E)	Advertising service, promotion service, and software service	A publicly listed online and mobile commerce company based in China, providing the technology infrastructure and marketing reach to enable businesses to transform the way they market, sell and operate and improve their efficiencies. It recorded revenue of approximately RMB1,016.7 billion for the year ended December 31, 2025.	2012	N/A	176,271	8.5
Supplier B	Apparel	A privately owned China-based company primarily engaged in the import, export and sales of apparel and textile products.	2024	~60 days	109,936	5.3
Supplier C	Apparel	A privately owned China-based company primarily engaged in the manufacturing and sales of down products and garments.	2024	~30 days	99,911	4.8
Supplier D	Apparel	A China-based company primarily engaged in the production and sales of outdoor equipment and garments.	2024	~30 days	69,228	3.3
Supplier E (Customer A)	Advertising service, promotion service, and software service	A publicly listed e-commerce company that operates a leading e-commerce platform in China, which recorded revenue of approximately RMB1,309.1 billion for the year ended December 31, 2025.	2016	60–90 days	62,925	3.0
Total					518,271	24.9

BUSINESS

Supplier	Type of Products/ Services Provided	Background	Commencement of Business Relationship	Credit Term	Purchase Amount RMB'000	% of Total Purchase
<i>For the year ended December 31, 2024</i>						
Supplier B	Apparel	A privately owned China-based company primarily engaged in the import, export and sales of apparel and textile products.	2024	~60 days	164,336	12.6
Supplier A (Customer E)	Advertising service, promotion service, and software service	A publicly listed online and mobile commerce company based in China, providing the technology infrastructure and marketing reach to enable businesses to transform the way they market, sell and operate and improve their efficiencies. It recorded revenue of approximately RMB1,016.7 billion for the year ended December 31, 2025.	2012	N/A	139,194	10.8
Supplier F	Down	A privately owned China-based company primarily engaged in the production and sales of down products.	2018	~60 days	66,491	5.1
Supplier G	Fabric	A privately owned China-based company primarily engaged in the manufacturing and sales of fabric.	2017	~90 days	59,017	4.5
Supplier H	Contractual manufacturing	A privately owned China-based company primarily engaged in the manufacturing and sales of apparel.	2021	~30 days	56,899	4.4
Total					485,937	37.4

For the year ended December 31, 2023

Supplier A (Customer E)	Advertising service, promotion service, and software service	A publicly listed online and mobile commerce company based in China, providing the technology infrastructure and marketing reach to enable businesses to transform the way they market, sell and operate and improve their efficiencies. It recorded revenue of approximately RMB1,016.7 billion for the year ended December 31, 2025.	2012	N/A	56,665	8.7
Supplier G	Fabric	A privately owned China-based company primarily engaged in the manufacturing and sales of fabric.	2017	~90 days	49,612	7.5
Supplier H	Contractual manufacturing	A privately owned China-based company primarily engaged in the manufacturing and sales of apparel.	2021	~30 days	36,873	5.6
Supplier I	Fabric	A China-based company primarily engaged in the development, production and sales of fabric and apparel.	2018	~90 days	26,609	4.1
Supplier J	Advertising service and technology service	A privately owned China-based company which operates a leading content platform in China.	2020	N/A	22,914	3.5
Total					192,673	29.4

BUSINESS

As of the Latest Practicable Date, none of our Directors, their associates or any other Shareholder which, to the knowledge of our Directors, owns more than 5% of our share capital, had any interest in any of our five largest suppliers in each year during the Track Record Period.

OVERLAPPING OF SUPPLIER AND CUSTOMER

During the Track Record Period, we primarily procured advertising and promotional services, along with software services, from Supplier A to support our marketing, branding and sales efforts, particularly for our online sales channels. Our purchases from Supplier A were RMB56.7 million, RMB139.2 million and RMB176.3 million in 2023, 2024 and 2025, respectively, accounting for 8.7%, 10.8% and 8.5% of our total purchase in the respective year. Supplier A was among our top five suppliers in each year during the Track Record Period.

During the Track Record Period, we also provided our products to Customer E as part of our online sale, a leading e-commerce platform in China. Customer E was our fifth largest customer in 2024 and 2025, from which we recognized revenue of RMB17.0 million and RMB33.8 million, respectively, accounting for 0.9% and 1.2% of our total revenue in the same years, respectively.

While the actual counterparties to us of the above transactions were separate legal entities with distinct business focuses, they are under common control and within the same group that is prominent and has an expansive footprint in Chinese mainland. Therefore, on a consolidated basis, our Supplier A is also our major customer in 2024 and 2025. Our Directors confirmed that negotiations of the terms of our purchases from Supplier A and the terms for sales to Customer E were conducted individually on an arm’s length basis. As a result, our Directors are of the view that the purchases and sales were neither connected with nor conditional upon each other. In addition, all of our relevant purchases from Supplier A and sales to Customer E were conducted in the ordinary course of business under normal commercial terms. The gross profit margin derived from the sales to Customer E is comparable to the gross profit margin with other customers of a similar nature in each year during the Track Record Period.

In addition, during the Track Record Period, Customer A was not only among the five largest customers in each year, but also a supplier of ours (i.e., Supplier E). That is because we leveraged Supplier E/Customer A’s platform to conduct marketing activities for brand awareness improvement. In 2023, 2024 and 2025, our purchases from Supplier E/Customer A amounted to RMB19.2 million, RMB40.9 million, and RMB62.9 million, respectively. All of our relevant purchases from and sales to Supplier E/Customer A were conducted in the ordinary course of business under normal commercial terms.

Save as disclosed above, none of our five largest suppliers in each year during the Track Record Period were also among our top customers during the same year, and vice versa.

COMPETITION

We face competition from other players in the performance outdoor garment industry in Chinese mainland, including leading domestic and international performance outdoor garment companies and fast-growing, emerging performance outdoor garment brands. The principal competitive factors in our industry include communication of brand philosophies, emphasis on consumer feedback and repeat purchases, advancement in functionality and stylishness, operation of sales and distribution network, effective marketing and collaboration with supply chain partners, among others. We believe that we are well-positioned to compete effectively on the basis of the foregoing factors.

However, some of our existing competitors have greater brand recognition, longer operating histories, larger consumer bases as well as greater financial, technical and other resources, compared to us. See “Risk Factors — Risks Relating to Our Business and Industry — We operate in a highly competitive industry and the size and resources of some of our competitors may allow them to compete more effectively than we can, resulting in a loss of our market share and a decrease in our sales and profitability.” For more information on the competitive landscape of our industry, see “Industry Overview.”

BUSINESS

INTELLECTUAL PROPERTY

We regard our patents, copyrights, trademarks, trade secrets and other intellectual property rights as critical to our business operations. In this regard, we rely primarily on a combination of patents, copyrights, trademarks, trade secrets, and unfair competition laws and contractual rights, such as confidentiality agreements entered into with our employees, partners, contractual manufacturers, distributors, and others, to protect our intellectual property rights. We clearly state all rights and obligations regarding the ownership and protection of intellectual properties in the employment agreements and commercial agreements we enter into. In addition, we have taken the following key measures to protect our intellectual property rights: (i) implementing a set of comprehensive internal policies to establish robust management over our intellectual property rights, (ii) deploying a special team to guide, manage, supervise and monitor our daily work regarding intellectual property rights, (iii) timely registration, filing and application for ownership of our intellectual property rights, and (iv) engaging professional intellectual property service providers.

As of the Latest Practicable Date, we possessed 57 patents and 40 copyrights in Chinese mainland, mainly for designs and technologies used for our products and their fabrics. In addition, as of the same date, we had registered 383 trademarks and 12 domain names in Chinese mainland. For detailed information about our material intellectual property, see “Appendix VI — Statutory and General Information — Further Information About Our Business — Intellectual Property Rights.”

During the Track Record Period and up to the Latest Practicable Date, we had not made, or were subject to, any material claims in respect of intellectual property rights infringement. For additional risks relating to our disputed trademarks and other intellectual property rights, see “Risk Factors — Risks Relating to Our Business and Industry — Disputes regarding trademark or other intellectual property may be expensive to defend and may disrupt our business operations” and “— Legal Proceedings and Non-Compliance — Legal Proceedings.”

The *Excelsior* Brand

The *Excelsior* trademark in Chinese mainland (Registration No. 11903469, Class 25) was registered by Kangnai Group Co., Ltd. (康奈集團有限公司) (the “**Kangnai Group**”) in Chinese mainland on May 28, 2014. Kangnai Group was established in 1980 and is headquartered in Wenzhou, Zhejiang Province. It primarily focuses on brand marketing, product design, manufacturing, and multi-channel sales within the footwear industry.

We observed that the *Excelsior* brand was rapidly gaining popularity across various online and social media platforms and recognized its strong growth potential in the Chinese market. Since the Chinese mainland trademark rights were held by Kangnai Group, we reached out to Kangnai Group and entered into a trademark transfer agreement on December 19, 2019 with it for the transfer of exclusive rights of *Excelsior* within Chinese mainland (the “**Transfer Agreement**”).

Pursuant to the Transfer Agreement, Kangnai Group agreed to transfer all present and future rights and interests associated with the *Excelsior* trademark to us on an irrevocable and perpetual basis for a consideration of RMB5.0 million. We are required to pay the consideration in two installments with no further royalties or other payments. As of the Latest Practicable Date, the total amount had been fully settled. The PRC IP Administration had no objection to the *Excelsior* trademark or the transfer.

On March 2, 2020, we entered into a sales agreement with BRANDLAB Co., Ltd. (the “**BRANDLAB**”), a company incorporated in South Korea, for the purchase of certain products manufactured by BRANDLAB (the “**Sales Agreement**”).

Pursuant to the Sales Agreement, as the trademark owner of the *Excelsior* in Chinese mainland, we authorized BRANDLAB to use the *Excelsior* trademark on products it manufactures and to be purchased by us, and purchased these products from BRANDLAB for sales in Chinese

BUSINESS

mainland. This arrangement was designed to render the footwear products a stronger sense of international, premium quality. The Sales Agreement expired in December 2024 and was not renewed thereafter.

BRANDLAB underwent bankruptcy and was dissolved in April 2024. Since then and up to the Latest Practicable Date, we had overseen the manufacturing of *Excelsior*-related products based on the *Excelsior* trademark registered in Chinese mainland. We plan to enhance investments in marketing across online and offline platforms and grow the brand’s market share in Chinese mainland.

The decision to acquire the *Excelsior* brand’s trademark rights in Chinese mainland was primarily based on several key considerations: (i) the brand had already secured a significant presence within the Chinese market; (ii) it had been associated with a distinctive design and appeal showcasing innovation within the canvas shoes segment; (iii) the acquisition effectively filled our gap in the canvas shoes category, thereby strengthening our overall product lineup; and (iv) the category offered promising long-term market potential.

Combat against Counterfeit Products

With the expansion of our business operations and the increase of our brand influence, we understand counterfeit products would pose increasing challenges to our results of operations and brand reputation. To mitigate the adverse impact of counterfeit products on us, we have adopted a range of measures, including but not limited to: (i) we monitor and detect counterfeit products through internal procedures, with teams collaborating to identify suspicious listings across channels using consumer complaints, routine checks, and external e-commerce screenings. Confirmed counterfeits trigger takedown requests, source tracing, and legal action; (ii) we collaborate with external IP agencies and legal advisors for trademark registration, monitoring, enforcement, and litigation support on infringement and unfair competition cases; (iii) we proactively collaborate with e-commerce and content platforms to enhance brand protection, implementing pre-screening and alert systems that flag and review unauthorized store registrations using similar brand names or marks; and (iv) we proactively engage local government authorities for IP enforcement support, requesting administrative or criminal actions against large-scale counterfeiting via regulatory channels.

EMPLOYEES

As of December 31, 2025, we had 1,074 full-time employees, substantially all of whom are based in Chinese mainland. The following table sets forth the number of our full-time employees by function as of December 31, 2025.

Function	As of December 31, 2025	
	Number of Employees	% of Total
Sales and marketing	570	53.1
Supply chain management	343	31.9
General administration	84	7.8
Design and R&D	50	4.7
Information technology	27	2.5
Total	1,074	100.0

Our success depends on our ability to attract, retain and motivate qualified employees. As part of our human resource strategy, we offer employees a dynamic work environment, competitive salaries, performance-based cash bonuses, equity incentives and other incentives. See “Appendix VI — Statutory and General Information — Share Incentive Plans” for details of our equity incentive plan. As a result, we are able to attract and retain qualified personnel and maintain a stable core management team.

BUSINESS

We primarily recruit our employees through on-campus job fairs, recruitment agencies and online channels, including our corporate website and third-party employment websites. We provide regular training and reviews on internal policies and work skills to our employees to enhance their performance.

We enter into standard employment agreements with our employees and confidentiality and non-compete agreements with certain key staff. In addition, we require all employees to sign standard confidentiality agreements. These agreements prohibit the disclosure of confidential information pertaining to our Company, affiliates, business, and customers without our prior consent. They also include provisions regarding non-competition obligations during the employees’ employment with us and non-solicitation obligations both during and after their employment. None of our employees are currently represented by a labor union. We believe that we maintain good working relationships with our employees, and we had not experienced any material labor disputes or any difficulty in recruiting qualified staff for our operations during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Funds

As required by PRC laws and regulations, we participate in housing provident funds and various employee social insurance plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans. We are required under applicable PRC laws to contribute to statutory employee benefit plans at certain percentages of the salaries of our employees up to a maximum amount specified by the local government from time to time.

Background and Reasons for Current Practices

During the Track Record Period, we did not make social insurance and housing provident fund contributions in full amount in accordance with the relevant PRC laws and regulations. The shortfall in social insurance and housing provident fund contribution amounted to RMB7.8 million, RMB11.3 million and RMB17.6 million in 2023, 2024 and 2025, respectively. The primary reasons for such shortfall primarily include the following: (i) certain employees were new hires and were undergoing enrollment processes for social insurance and/or housing provident fund contributions; (ii) certain employees were having their social insurance or housing provident funds paid by previous employers, making it impossible for our Group to make contributions for them; (iii) there was a portion of labor force with relatively high mobility, making it difficult for our Group to make contributions for them; and (iv) there were certain types of employees for whom contributions for their social insurance and housing provident fund were not required under the relevant PRC laws and regulations. In addition, we paid the social insurance or housing provident funds through third-party human resources agencies for certain of our employees, primarily because they preferred to have their social insurance and housing provident funds paid at their respective places of residence for the convenience of utilizing such benefits locally during the Track Record Period.

Potential Legal Consequences

According to relevant PRC laws and regulations, (a) in respect of outstanding social insurance contributions, the relevant PRC authorities may demand us to pay the outstanding social insurance contributions within a stipulated deadline and we may be liable to a late payment fee equal to 0.05% of the outstanding amount for each day of delay; if we fail to make such payments, we may be liable to a fine of one to three times the amount of the outstanding contributions; and (b) in respect of outstanding housing provident fund contributions, we may be ordered to pay the outstanding housing provident fund contributions within a prescribed time period. If we were ordered to make such payment, we will do so within the prescribed time period.

BUSINESS

Our Directors believe that such shortfall of social insurance and housing provident funds would not have a material and adverse effect on our business and results of operations, considering that: (i) during the Track Record Period and up to the Latest Practicable Date, no administrative action, fine or penalty had been imposed by the relevant regulatory authorities with respect to our social insurance and housing provident fund contributions, nor had we received any order or been informed to settle the shortfall amount; (ii) as of the Latest Practicable Date, we were not aware of any material complaint filed by any of our employees regarding our social insurance and housing provident fund policy; (iii) if the relevant authorities order us to pay the outstanding social insurance and/or housing provident funds or take rectification measures in accordance with applicable laws and regulations, we will make such payments or make such rectification measures promptly within the specified period; and (iv) as advised by our PRC Legal Advisor, considering the relevant regulatory policies, including the Urgent Notice on Enforcing the Requirement of the General Meeting of the State Council and Stabilizing the Levy of Social Insurance Payment (《關於貫徹落實國務院常務會議精神切實做好穩定社保費徵收工作的緊急通知》) promulgated by the Ministry of Human Resources and Social Security of the PRC on September 21, 2018 which stipulates that it is prohibited for local governmental authorities to organize and conduct centralized collection of enterprises’ historical social insurance arrears, the regulatory confirmations and the facts as mentioned above, in the absence of material changes to existing laws and regulations regarding social insurance and housing provident fund in Chinese mainland and in the absence of employees’ complaints, the likelihood of us being required by relevant regulatory authorities to pay the shortfall actively for social insurance and housing provident fund contributions on a mass scale and further being subject to material administrative penalties due to our failure to make full contribution of social insurance and housing provident funds during the Track Record Period is remote. On July 31, 2025, the Supreme People’s Court of the PRC promulgated the Interpretation II by the Supreme People’s Court on Legal Issues in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), or the Interpretation II, which took effect on September 1, 2025. For details, see “Regulatory Overview — Laws and Regulations Relating to Labor and Social Security — Social Insurance and Housing Provident Fund.” According to the understanding of the laws and regulations of Chinese mainland by our PRC Legal Advisor, making social insurance contributions for employees is not a new legal requirement and the provisions of the Interpretation II essentially reaffirm existing legal requirements rather than imposing new obligations and therefore the Interpretation II would not have a material adverse effect on our compliance with applicable social insurance laws and regulations in Chinese mainland in this regard.

As advised by our PRC Legal Advisor, the potential legal consequences described above are consistent with the relevant PRC laws and regulations. Our PRC Legal Advisor has further advised that, based on the current PRC laws and regulations and the factual information provided by us, as of the Latest Practicable Date, no administrative penalties or enforcement actions had been imposed on us by the relevant PRC authorities in this regard.

Internal Control and Remedial Measures

We have taken the following rectification measures to prevent future occurrences of such non-compliances: (i) we are in the process of enhancing our human resources management practices to better align with applicable local requirements, including those related to social insurance and housing provident fund contribution; (ii) we are also communicating with relevant employees to obtain their understanding and cooperation, which is integral for any changes in our current practices in social insurance and housing provident fund contribution; (iii) we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund; (iv) we will continue to stay informed of the latest developments in the PRC laws and regulations relating to social insurance and housing provident fund contributions; and (v) we will consult our PRC Legal Advisor on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments.

BUSINESS

INSURANCE

We have contracted with reputable insurance companies and providers to maintain public liability insurance and property insurance covering risks for some of our offline retail stores. In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which is not mandatory under PRC laws. We do not maintain key man life insurance, insurance policies covering damages to our network infrastructures or information technology systems. We believe our insurance policy complies with the relevant rules and regulations in China. See “Risks Factors — Risks Relating to Our Business and Industry — We may not have adequate insurance coverage for losses and liabilities arising from various operational risks and hazards that we are subject to” for details.

During the Track Record Period and up to the Latest Practicable Date, we did not submit any material insurance claims, nor did we experience any material difficulties in renewing our insurance policies.

PROPERTIES

Our current principal executive offices are located in Beijing, China. As of the Latest Practicable Date, we had land use rights to two parcels of land with an aggregate site area of approximately 150,000 square meters in Chinese mainland. Our owned land use rights are primarily used for warehouse purposes. We had obtained the land use rights certificates for all the land use rights we had as of the Latest Practicable Date.

As of the Latest Practicable Date, we owned six properties with a total GFA of over 96,000 square meters, primarily used as warehouses, for which we have obtained the real estate ownership certificates.

As of the Latest Practicable Date, we leased 42 properties in Chinese mainland with a total GFA of approximately 43,000 square meters, including (i) a property located in Beijing with an aggregate GFA of approximately 8,800 square meters, which serves as our corporate headquarters; (ii) three properties located in Shandong Province with an aggregate GFA of approximately 29,000 square meters used for our warehouses; and (iii) certain other properties leased for our offline retail stores and employee dormitories.

As of December 31, 2025, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

According to applicable PRC property-related laws and regulations, the lessor and the lessee to a lease agreement are required to file the lease agreement with relevant government authorities within 30 days after the execution of the lease agreement. As of the Latest Practicable Date, lease agreements of our 42 leased properties had not been filed with the local housing administration authorities as required under PRC laws and regulations. As advised by our PRC Legal Advisor, if such lease agreements failed to be registered as required by the relevant competent authorities, we may be subject to a fine of RMB1,000 to RMB10,000 for each of the unregistered lease agreements.

BUSINESS

In addition, as of the Latest Practicable Date, we had not received sufficient or valid ownership certificates or other ownership documents of 24 properties we leased from lessors and used as offline retail stores or employee dormitories. According to our PRC Legal Advisor, with respect to leased properties for which the lessors have not provided sufficient or valid ownership certificates or other ownership documents, if the lessor does not have the legal right to lease the property and a third party outside the relevant lease agreement holds lawful ownership of such property, such third party may challenge the validity or enforceability of the lease agreement entered into between the lessor and us. In such circumstances, the third party may also request us, as lessees, to cease using and vacate the relevant premises. However, we believe such risks are not likely to have any material adverse impact on our results of operations, financial position, and growth prospects, primarily on the basis of the following: (i) our online operations accounted for a substantial majority of our revenue during the Track Record Period and up to the Latest Practicable Date, (ii) we have been proactively engaging with the relevant lessors to obtain valid ownership certificates or other ownership documents for the relevant properties, and (iii) our increasing brand influence in the Chinese mainland market has created more favorable conditions for us to negotiate for alternative leases on comparable or better terms.

LEGAL PROCEEDINGS AND NON-COMPLIANCE

Legal Proceedings

We may from time to time become a party to various legal proceedings arising in the ordinary course of business. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not involved in any litigation, arbitration or administrative proceeding against us or any of our Directors that could have a material and adverse effect on our business, financial conditions or results of operations. Furthermore, to the knowledge of our Directors, there is no pending or foreseeable litigation, arbitration or administrative proceeding against us or any of our Directors that could cause a material and adverse effect on our business, financial conditions or results of operations.

On September 25, 2024, an individual claimant filed requests with the China National Intellectual Property Administration (the “**PRC IP Administration**”) for the invalidation of three trademarks owned by us (the “**Subject Trademarks**”), alleging that the Subject Trademarks carry a negative meaning (the “**Claim**”) from her perspective. On January 12, 2025, we received the Claim case materials delivered by the PRC IP Administration, and we had engaged a trademark litigation counsel and submitted responses to the Claim to the PRC IP Administration on February 10, 2025. On December 15, 2025, the PRC IP Administration issued three judgments in our favor (the “**Rulings**”), ruling that the grounds for the Claim are not established. In early 2026, the individual claimant appealed the Rulings by filing three administrative lawsuits with the Beijing Intellectual Property Court (the “**IP Cases**”). We are actively communicating with our trademark litigation counsel and vigorously advocating for the Subject Trademarks in the IP Cases. Currently, the IP Cases are scheduled for hearing in May 2026.

As advised by our trademark litigation counsel, we believe the IP Cases are without merit and unlikely to succeed, primarily because (i) the Rulings were issued in our favor, conclusively determining that the claimant failed to establish the grounds for invalidation requests, as it provided insufficient and non-credible evidence that the Subject Trademarks carry negative connotations or violate social morality; (ii) the individual claimant is unlikely to adduce credible evidence supporting its assertion of negative connotations based on the selective and biased search results provided to the PRC IP Administration; and (iii) we possess ample evidence demonstrating that the Subject Trademarks are associated with positive, nature-related concepts and do not conflict with these values or cause harm to public interests or social order. Based on a thorough assessment of the IP Cases and the information currently available, our Directors are of the view that the IP Cases are not expected to have a material impact on our business operations or financial performance since their filing and up to the Latest Practicable Date.

BUSINESS

According to PRC laws and regulations, pending the judgment in the IP Cases, the Subject Trademarks remain legally registered and protected, and we continue to have the right to use them. If the Beijing Intellectual Property Court rules in our favor, the invalidation decision will be upheld, and the Subject Trademarks will remain validly registered. In the unlikely event of an adverse decision, we may appeal to the Beijing High People’s Court. In the worst-case scenario where the Subject Trademarks are ultimately invalidated, we plan to cease their use unless otherwise registered, and the sale of inventory historically bearing the Subject Trademarks may be affected following the final judgment. While this scenario may allow others to legally use similar trademarks, the Directors believe that our business, results of operations, and financial condition would not be materially or adversely affected, as, among others, we have already taken steps to secure and implement alternative trademarks to ensure a seamless transition and minimize any potential impact. See “Risk Factors — Risks Relating to Our Business and Industry — Disputes regarding trademarks or other intellectual properties may be expensive to defend and may disrupt our business operations.”

Non-Compliance

During the Track Record Period and up to the Latest Practicable Date, we did not have non-compliance incidents that our Directors believe would, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

LICENSES AND APPROVALS

We are required by relevant PRC laws and regulations to obtain and maintain various licenses, approvals and permits in order to operate our business. Our legal department is responsible for monitoring the validity status of our licenses, approvals, and permits and making timely applications for renewal to relevant government authorities.

Our Directors, as advised by our PRC Legal Advisor, confirm that we had complied with the applicable PRC laws and regulations in all material respects and had obtained all requisite licenses, approvals and permits from relevant authorities in Chinese mainland except those that would not have a material adverse effect on our operations during the Track Record Period and up to the Latest Practicable Date. Our PRC Legal Advisor is of the view that these licenses, approvals, and permits obtained by the Company had remained in full effect during the Track Record Period and up to the Latest Practicable Date, and there is no material legal impediment to renewing such licenses, approvals, and permits. The following table sets forth the details of key licenses, approvals, and permits of the Company.

<u>Name of License</u>	<u>Issuing Date (or Establishment Date Specified on the Business License)</u>	<u>Expiry Date</u>
Registrations of import/export consignor and consignee	N/A	December 31, 2099
Business license	December 24, 2015	Perpetual

BUSINESS

AWARDS AND RECOGNITIONS

We have received recognition for our brand and the quality and popularity of our products. The following table sets forth major awards and recognitions we received during the Track Record Period.

Award/Recognition	Product	Year Granted	Granting Authority
International Design Awards	Pelliot Rock-Shell Hardshell Jacket (伯希和巖殼衝鋒衣)	2024	International Design Awards
Good Design Award	Little Forest Sun-proof Coat (小森林防曬衣)	2024	Ministry of International Trade and Industry, Japan
Muse Creative Awards	Little Forest Sun-proof Coat (小森林防曬衣)	2024	International Awards Associate
Asia Outdoor Gear Awards	POLARIS Hardshell Jacket (北極星硬殼衝鋒衣)	2024	ASIA OUTDOOR
Asia Outdoor Gear Awards	P Cotton Padded Jacket (P標棉服)	2024	ASIA OUTDOOR

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

We are committed to ESG development, deeply integrating sustainable principles into daily operations and long-term strategy. Our self-developed eco-friendly technological fabrics offer enhanced durability, multifunctionality, and eco-friendliness, driving the industry toward green innovation. We also focus on deeply integrating local culture into product design and, by leveraging China’s unique geographical features, have developed a product matrix adaptable to various scenarios. By incorporating local culture and China’s geographical features into product design, we create a multi-scenario product portfolio, enriching the industry with Chinese elements and promoting distinctive sustainable development.

ESG Governance Structure

A comprehensive and robust ESG governance structure is a key foundation for our sustainable development. We integrate sustainable development into our operations and plan to form an internal ESG team to submit annual reports to the Board. The Board sets the ESG strategy and holds two meetings for ESG governance annually.

The Board identifies key ESG issues through annual dedicated meetings, following a specific process: first, our management conducts preliminary screening to propose potential issues; then, the Board benchmarks against industry-leading practices to evaluate the relevance and competitiveness of each issue; next, independent directors conduct in-depth assessments of the long-term impact of these issues from a strategic perspective; finally, priority issues are confirmed through voting to ensure the scientific rigor of the identification process and the thoroughness of decision-making.

Our executive Directors bring diverse ESG experience, with involvement across various domains including environmental initiatives, corporate governance, community philanthropy, ethical labor practices, and supply chain sustainability. In our daily ESG management, our department heads coordinate resources and monitor ESG performance, while business units implement ESG projects and report ESG data. We also aim to enhance our ESG strategy through collaboration with external professional teams.

BUSINESS

ESG Risk Identification, Assessment, and Response

Based on the ESG key issues framework by MSCI, a leading provider of investment-decision support tools worldwide, the materiality map promulgated by the Sustainability Accounting Standards Board (“SASB”), and an analysis of industry-specific key topics, the Company developed a materiality assessment questionnaire. This questionnaire evaluates the significance of each ESG issue to the Group and its stakeholders — including employees, investors, suppliers, regulators, and industry associations. Through this process, the Company identified and summarized the ESG issues most relevant to the Group, and formulated corresponding measures to address them:

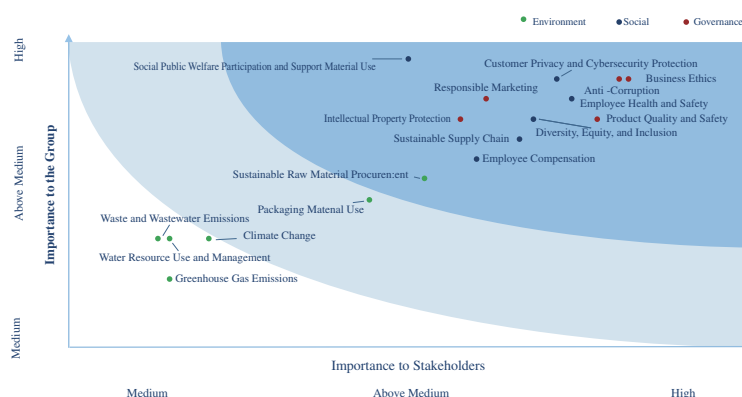
Category	Material Topics	Importance/Relevance to the Group	Corresponding Measures by the Group
Environment	Climate Change	Develop effective short- and long-term strategies to address climate risks, actively seize opportunities brought by climate change, and achieve steady and sustainable brand development	The nature of the industry requires large inventory storage. To prevent flooding from heavy rain, the Company raised the foundation when constructing its own warehouse, making the threshold significantly higher than ground level. This effectively prevents water intrusion and ensures inventory safety.
	Greenhouse Gas Emissions	Promote low-carbon operations and reduce greenhouse gas emissions to align with the brand’s advocacy for an eco-friendly outdoor lifestyle.	The Company adopts an outsourcing model to achieve near-zero emissions, promotes paperless operations to reduce resource consumption, and strictly screens suppliers to prevent major environmental violations.
	Water Resource Use and Management	Promote water conservation initiatives and optimize water resource utilization efficiency, demonstrating the brand’s capability in water resource management.	The Company implements refined water resource management, with water use primarily for employee daily needs. Waste is strictly avoided, and water-saving education is promoted to support sustainable use.
	Waste and Wastewater Emissions	Enhance waste disposal efficiency, promote resource recycling, and demonstrate the brand’s sustainable commitment to the natural environment.	The Company’s operations generate minimal waste and wastewater, mainly consisting of office and domestic waste. The cafeteria strictly enforces wet and dry waste separation to ensure proper disposal.
	Sustainable Raw Material Procurement	Adopt environmentally friendly materials, promote the development of a green supply chain, and strengthen the brand’s market positioning as an environmental pioneer.	Some of the Company’s products already incorporate sustainable and biodegradable materials during research, development, and production, reducing environmental impact. The Company will continue to expand the use of eco-friendly materials.
	Packaging Material Use	Optimize material usage to reflect the brand’s responsibility for consumer health and environmental protection.	The Company promotes the recycling of packaging cartons, carefully selecting reusable packaging cartons to ensure they are maximized for recycling.

BUSINESS

Category	Material Topics	Importance/Relevance to the Group	Corresponding Measures by the Group
Social	Employee Health and Safety	Caring for employees’ physical and mental health, creating a safe working environment, and reflecting the brand’s commitment to employee welfare.	The Company has established an employee health protection system, including regular medical check-ups, health interventions, and accident insurance, to comprehensively safeguard employee rights and well-being.
	Employee Compensation and Development	Enhance employee compensation, focus on talent development, strengthen company cohesion, and promote long-term brand growth.	The Company has established a career development system and provides promotion pathways. Each year, it conducts comprehensive evaluations based on performance and capabilities to offer employees continuous development opportunities.
	Diversity, Equity, and Inclusion	Eliminate discrimination and build a diverse, equitable, and inclusive work environment.	The Company adopts a flat management structure and implements a nickname system to downplay hierarchical titles, fostering an equal and open work environment that promotes team collaboration.
	Sustainable Supply Chain	Build a supplier evaluation and management system to create a sustainable brand supply chain.	The Company implements strict supplier management, assessing environmental performance through factory inspections and qualification reviews. In the future, it will require regular resource usage reports and prioritize efficient and energy-saving partners.
	Customer Privacy and Cybersecurity Protection	Enhance data protection to ensure the security of customer information and support the long-term trust relationship between the brand and consumers.	The Company has established a tiered customer information management system and implemented a strict data compliance framework. It has passed the national classified protection assessment and continues to strengthen security monitoring to ensure the safety of customer data.
	Social Public Welfare Participation and Support Material Use	Actively participate in public welfare activities and community development, conveying the brand’s value pursuit of harmonious coexistence between people and nature.	The Company has maintained long-term partnerships with charitable organizations and established a disaster emergency response mechanism to promptly carry out relief efforts. In the future, it will increase investment in public welfare and enhance its social responsibility system.

BUSINESS

Category	Material Topics	Importance/Relevance to the Group	Corresponding Measures by the Group
Governance	Intellectual Property Protection	Establish an intellectual property protection system, standardize intellectual property management, and reflect the brand's awareness of intellectual property protection.	The Company has established an intellectual property management system: the legal department leads trademark and patent applications, management, and rights protection, while the design, creative, and marketing departments provide business support. Third-party professional agencies are also engaged to assist with applications and monitoring, ensuring comprehensive protection of rights and interests.
	Product Quality and Safety	Provide reliable and safe outdoor equipment to ensure consumer trust, aligning with the brand's commitment to delivering a high-quality outdoor experience.	The Company has established a diversified customer feedback collection mechanism, using data analysis to guide product development. It continuously optimizes based on customer needs and has launched a lifetime warranty service, demonstrating a strong commitment to customer experience.
	Responsible Marketing	Eliminate marketing and promotional activities that involve false information or negative value orientations, enhance consumer trust, and improve brand reputation.	The Company strictly adheres to regulations and has established a standardized public relations management system. It is committed to truthful information disclosure and enhances brand image through compliant promotion, ensuring the protection of consumer rights.
	Business Ethics	Establish high-standard codes of business ethics and strictly implement them to demonstrate the brand's sense of responsibility and commitment.	The Company has built its corporate culture system around seven core elements: corporate mission, corporate vision, core values, business philosophy, management philosophy, code of conduct, and red lines. These elements are strictly integrated throughout the entire business and management process, driving high-quality development with high standards.
	Anti-Corruption	Establish anti-corruption management systems, advance anti-corruption governance, and fully safeguard the foundation of the brand's integrity and honesty.	The Company upholds integrity in its operations and maintains zero tolerance for corruption. Through mechanisms such as the <i>Integrity Commitment Letter</i> , it has strengthened its prevention and control system, establishing a long-term mechanism for promoting ethical conduct.



BUSINESS

Environmental

We adopt an outsourced manufacturing model and do not operate our own factories, nor do we directly participate in the production process, resulting in a relatively limited overall environmental impact. In the field of low-carbon office operations, we innovatively introduced a digital green collaboration mechanism:

- Leveraging the carbon-inclusive function of the DingTalk smart office platform, we established an employee carbon account system. This system quantifies paperless office behaviors, such as online meetings and electronic approvals, into individual carbon reduction contributions.
- Through the platform’s public welfare forest planting program, a “behavioral carbon reduction — points incentive — ecological feedback” closed-loop management is realized, contributing to the sustainable development of the industry.

Meanwhile, we have developed systematic strategies focusing on standardizing the daily practices of our employees. Specific measures include promoting water and energy conservation in offices, installing energy-efficient lighting, and ensuring all electrical equipment and lights are turned off after work hours, thereby comprehensively improving resource utilization efficiency and reducing carbon emission. Our daily resource consumption is primarily focused on office electricity and water usage, as well as power consumption during warehouse storage operations.

The detailed information about our resource consumption during the Track Record Period is set forth below³:

Resource Categories	Unit	For the year ended December 31,		
		2023	2024	2025
Electricity	MWh	1,011.2	1,397.3	1,435.4
Water	MT	9,993.1	12,317.1	22,421.5

We place high importance on climate-related governance and have systematically identified and analyzed climate-related risks. In 2024, we selected Dezhou, Shandong as the location for our self-built warehouse. The climate in this region is mild, with low natural disaster risks, a low probability of earthquakes, and minimal impact from extreme weather events. Located in the North China Plain with a well-developed transportation network, the site offers a superior geographic location that helps maintain warehouse safety and stability. Meanwhile, it greatly enhances shipping efficiency and logistics coverage, providing strong support for the efficient operation of our supply chain.

We have formulated the following ESG management objectives to actively promote sustainable transformation in the industry based on current business operations and industry practices:

- **Energy Management:** Taking 2024 as the benchmark, we aim to keep per capita electricity and water consumption at or below the benchmark levels by 2030, while striving to achieve a 5% reduction in per capita electricity and water usage compared to the baseline year.

³ The consumption data is calculated based on our utility payment details and the applicable water and electricity rates.

BUSINESS

In line with current business operations and industry practices, and to further drive sustainable transformation in the industry while actively supporting China’s 2030 carbon neutrality goal, the Company has established the following carbon emission targets:

- **Carbon Emission Management:** We plan to gradually replace the Company’s vehicles with new energy vehicles, aiming to complete the transition by 2030. At the same time, to reduce carbon emissions generated during the production process, some of our products use sustainable raw materials as alternatives to traditional high-energy fabrics. We will develop a five-year plan to raise our requirements for raw materials in supplier selection, gradually increase the proportion of sustainable textile materials used, and thereby reduce the overall carbon emissions of our supply chain.

To effectively mitigate climate change risks, the Company has set clear energy efficiency goals and incorporated energy conservation and emission reduction measures into climate change strategies:

- **Infrastructure Management:** The warehouse foundations have been elevated during construction to ensure that thresholds are higher than ground level, minimizing the risk of water infiltration from rainfall.
- **Employee Health and Safety Management:** We have implemented a high-temperature allowance policy and plan to further increase investment in heat protection. This includes providing more cold beverages, fruits, and ice pops to employees, as well as setting up designated air-conditioned rest areas in the warehouse (central air conditioning is not installed in work areas due to ventilation and fire safety requirements). Looking ahead, we plan to provide standardized winter workwear, such as insulated jackets, to ensure employees’ health and safety during extreme weather conditions.

While strictly complying with relevant environmental, social, and corporate governance laws and regulations, the above ESG goals are also based on the following assumptions:

- **Asset-Light Operation Model Assumption:** We will continue to adopt an outsourced production model, without involvement in the construction or operation of self-owned manufacturing facilities. This business model does not generate direct industrial emissions or production-related indirect emissions.
- **Warehouse Layout Stability Assumption:** We will maintain our existing warehouse network in the Shandong region, with no plans for new warehouse construction in other areas. Climate risk exposure is therefore limited to the existing warehouse facilities in Shandong.

Social

As China’s neo-nature outdoor brand, we are committed to enhancing corporate social responsibility and creating shared value through comprehensive social governance practices. By focusing on employee occupational safety, supporting career development and training, valuing employees’ rights and benefits, and engaging in social philanthropy, we actively cultivate positive social impact. These efforts not only elevate industry-wide CSR standards but also advance sustainable development within the industry.

We strictly implement our recruitment management policy, treating all applicants equally without discrimination. As of December 31, 2025, we had 360 male and 714 female on-duty staff. By age distribution, there were 511 employees under 30, 556 aged 30–50, and 7 above 50 years old, demonstrating balanced gender and age diversity.

BUSINESS

We have established a diversified compensation and benefits system supported by clear, quantifiable performance evaluation standards and incentive policies, continuously enhancing employee cohesion and sense of belonging. Our employee handbook provides a detailed explanation of the employee benefits system, including statutory benefits (such as social insurance and housing provident fund) and supplementary benefits (such as health insurance, employee health checks, perfect attendance awards, seniority awards, among others). In addition, we actively create a superior office environment and atmosphere, equipped with advanced office equipment, and regularly organize team-building activities and employee care initiatives. These efforts effectively enhance team cohesion and collaboration, as well as foster a strong sense of belonging among employees.

We place great importance on the construction of an occupational safety system. The Shandong warehouse area is a key focus for safety construction, which is equipped with a comprehensive safety management system. Strict regulations have been established for daily operations, such as forklift operations and climbing shelves. Before leaving work everyday, warehouse employees carefully check doors, windows, and power sources for potential hazards. Smoking is strictly prohibited within the warehouse area and must be kept away from flammable material storage zones to eliminate fire risks.

We uphold a people-oriented development philosophy, placing great importance on and fully supporting employees’ career development and continuous improvement of professional skills. To this end, a series of well-designed training programs have been established, covering three core areas: professional skills training, corporate culture, and behavioral standards. In 2025, we provided training to over 14,000 person-times, totaling approximately 3,549 training hours.

We actively fulfill corporate social responsibility by integrating local innovation with social commitment, focusing on promoting sustainable development, healthy lifestyles, and philanthropic initiatives. We made charitable donations in each year during the Track Record Period, and the amount of donations amounted to RMB1.7 million, RMB2.0 million and RMB7.4 million in 2023, 2024 and 2025, respectively. In 2023, we actively responded to flood relief efforts in North China and earthquake rescue operations in Gansu, Xinjiang, and other affected regions by promptly donating urgently needed supplies to support disaster recovery and reconstruction. In 2024 and 2025, we continued to fulfill our social responsibilities by contributing funds and supplies to the China Women’s Development Foundation for poverty alleviation, emergency disaster relief, and other initiatives, demonstrating our steadfast commitment to social welfare.

Governance

We prioritize privacy and data security as fundamental to business operations and consumer trust. Through personal information protection policy and data encryption and secure handling, we are committed to protecting sensitive information of customers, employees, and partners, ensuring compliance with legal requirements and industry best practices.

We strictly adhere to anti-corruption laws and uphold integrity. We have implemented our employee discipline policy and anti-corruption & conflict of interest management policy to standardize employee conduct, prevent corruption practices and conflicts of interest, and maintain operational transparency and fairness. These measures foster an ethical and transparent business environment while safeguarding our interests and all stakeholders.

RISK MANAGEMENT AND INTERNAL CONTROL

We have established and currently maintain risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations. We are dedicated to continually improving these systems. We have adopted and implemented comprehensive risk management policies in various aspects of our business operations such as information technology, financial reporting, and internal control. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional departments.

BUSINESS

Data Privacy and Information Security Risk Management

Data Privacy

We place great importance on risk management in our information technology systems, as safeguarding our consumers’ data and related information is a top priority. To ensure data security, we utilize a robust encryption algorithm for storing sensitive information and enforce strict policies for data access and transmission to maintain confidentiality. In addition, we have implemented stringent internal controls, data access mechanisms, and comprehensive approval and operational procedures for data storage and processing. Our internal protocols on data security outline clear and rigorous requirements for the use, disclosure, and protection of confidential information, ensuring a high standard of data protection throughout our operations.

In the course of our business operations and the provision of products or services to consumers, we collect and process data of our employees, consumers, and corporate clients within the scope of usage including order placement, arranging product delivery, providing after-sales services, etc. Such data includes order information, user registration information, review information, delivery addresses, logistics information, etc.

To ensure our compliance with the legal and regulatory requirements in the domain of data protection, we have adopted and implemented a range of internal control measures, including but not limited to the following:

- *Data security and compliance management organization.* We have established a management organization in the field of data security and compliance, which is responsible for leading, managing, executing, and supervising data security and compliance work. In addition, we have appointed a Cybersecurity Officer and a Personal Information Protection Officer. To clarify the responsibilities of each position and team, we have formulated the *Data Compliance Organization and Responsibilities System*, which specifies relevant responsibilities and operational mechanisms.
- *Data security and compliance management system.* We have established a series of systems related to data security and compliance management, which clarify the objectives, policies, key matters, and concerns of data security and compliance management. We have also formulated systems for full-process data processing management, data compliance risk assessment and auditing, data classification and grading management, information security incident management, and responding to the rights of personal information subjects.
- *Network security level protection.* The information systems used in our main business operations have all obtained the corresponding *Information System Security Level Protection Filing Certificate* and are all within their validity period.

Our Directors confirm, during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any significant administrative penalties, nor had we been involved in any unresolved material litigation or arbitration related to data compliance.

Information Security

Under the PRC Cybersecurity Law and the Measures for the Administration of Information Security Classification and Protection, information system operators shall fulfill the cybersecurity protection obligations under the classified protection of the information security regime to maintain cybersecurity and data security. Specifically, information system operators shall determine the security protection level of the information system, carry out the construction or renovation of information system security in accordance with the national classified protection of information security management standards and technical standards, and file records of the security protection level of their information systems with the public security authorities at or above the district level in their respective localities.

BUSINESS

In the course of our business operations, we provide consumers with services including product browsing, order placement, order status management, delivery, after-sales service and membership management. Our services are supported by our official website, order management system, logistics data management system, and membership information management system for the display of products and services as well as data processing. The above systems have completed the filing of the security protection level record for the corresponding level of information systems in accordance with legal requirements. For the information systems provided by third-party suppliers, we also strictly check their security protection level filing certificates to ensure the security and compliance of the information systems.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any material information leakage or loss of our data. In the view of our PRC Data Legal Advisor, we had been in compliance with applicable data privacy and cybersecurity regulations in Chinese mainland in all material respects during the Track Record Period and up to the Latest Practicable Date.

Compliance and Intellectual Property Risk Management

To effectively manage compliance and legal risks, we have implemented stringent internal procedures to ensure our business operations comply with applicable laws and regulations while safeguarding our intellectual property rights. Our in-house legal team is responsible for reviewing and updating contract templates used with customers, suppliers, and business partners. Before entering into any contract or business arrangement, the legal team thoroughly examines contract terms, verifies relevant documents, and conducts due diligence, including reviewing licenses and permits required by counterparties to fulfill their obligations. In addition, the legal team manages the preparation and submission of required documents to government authorities to obtain necessary approvals or consents within the prescribed timelines.

We continuously refine our internal policies to align with changes in laws, regulations, and industry standards, updating legal document templates as needed. Compliance management extends across all aspects of our operations and employee activities, supported by an accountability system to address violations of laws, regulations, and internal policies. Our employee code of conduct outlines rules and guidelines related to work ethics, confidentiality, negligence, anti-bribery, and anti-corruption. To strengthen adherence, we provide employees with regular training and resources to ensure a clear understanding of these guidelines.

There was no material and systemic non-compliance during the Track Record Period and up to the Latest Practicable Date.

Financial Reporting Risk Management

We have in place a set of policies in connection with our financial reporting risk management, such as financial reporting management, internal audit and budget management. We also have procedures in place to implement such policies, and our financial department reviews our management accounts and internal control procedures based on such procedures. In addition, we provide training to our financial department staff to ensure they understand our accounting policies and procedures.

Human Resources Risk Management

We have implemented comprehensive internal control and risk management policies that cover various aspects of human resource management, including recruitment, training, work ethics, and legal compliance. Our recruitment process adheres to strict guidelines to ensure the quality of new hires, and we provide specialized training tailored to the specific needs of employees across different departments.

BUSINESS

We uphold high ethical standards for our employees, supported by a code of conduct distributed to all staff members. The code of conduct outlines internal rules and guidelines on work ethics, fraud prevention, negligence, anti-bribery, and anti-corruption. Our code of conduct explicitly requires employees to comply with all applicable anti-corruption laws, regulations, and policies, prohibiting illegal or improper payments to government officials, whether directly or through third parties. Furthermore, employees and their family members are strictly forbidden from soliciting or accepting gifts, travel, hospitality, or other valuables that could potentially influence their professional judgment.

To support ethical practices, we have established a whistle-blowing policy that provides employees with an anonymous channel to report non-compliance incidents, such as bribery or corruption. All reported cases are thoroughly investigated, and appropriate actions are taken based on the findings. In addition, we conduct performance reviews, with employee remuneration tied to performance outcomes. To ensure compliance and mitigate risks, we closely monitor the implementation of internal risk management policies, addressing potential violations of our code of conduct, work ethics, internal policies, or any illegal activities within all levels of our organization.