OVERVIEW

We are a kitchen appliances supplier focusing on overseas markets, with products sold under our brand "Ciarra" and on ODM basis. With over 15 years of experience in the kitchen appliance industry, we have an integrated capability in product design, product development and production. Leveraging our production development capability to provide design and supply of kitchen appliances to overseas kitchen appliance brands, we strategically established our own brand in 2017 and offer our branded products through renowned e-commerce channels over the world such as Amazon, Leroy Merlin, Darty and OTTO. In addition, we also operate our own online store at *www.ciarraappliances.com*. According to the F&S Report, in terms of export sales revenue in 2025, we ranked third with a market share of 1.0% among the companies of large kitchen appliances in China exporting to Europe in 2025.

We offer a wide range of kitchen and home appliance products, which can be divided into the following categories: (i) cooker hoods, (ii) hobs, (iii) home and small kitchen appliances and (iv) others. The following table sets forth the breakdown of our revenue by product category during the Track Record Period:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Cooker hoods	297,836	81.9	330,906	73.9	353,525	71.6
Hobs [(1)]	59,857	16.5	100,272	22.4	103,019	20.9
Home and small kitchen appliances [(2)]	–	–	5,901	1.3	25,045	5.1
Others [(3)]	5,862	1.6	10,467	2.4	12,228	2.4
Total	**363,555**	**100.0**	**447,546**	**100.0**	**493,817**	**100.0**

Notes:

(1) Hobs mainly consist of induction hobs and ceramic hobs.

(2) Home and small kitchen appliances mainly include heat pumps, water purifiers and heating radiators.

(3) Others primarily include kitchenware and spare parts.

We are committed to product development and innovation. Our in-house design capabilities are internationally recognized by the "Red Dot Award" for non-traditional cooker hood in 2021. We have been awarded the "iF Design Award" for our "Ciarra" portable cooker hood in 2024. Driven by our relentless dedication to satisfying consumers' needs, we have built a robust product portfolio. As of 31 December 2025, we had a diverse range of over 160 models of cooker hood and hob products designed and manufactured by us.

Our manufacturing capability is specifically tailored to support our in-house designed cooker hoods and hobs, allowing for greater control over quality control, product innovation and supply chain management, which further strengthen our relationship with our customers and brand reputation. We operate a manufacturing facility in Foshan, Guangdong Province, the PRC with annual production capacities of approximately 867,000 units of cooker hoods and approximately 323,000 units of hobs in FY2025.

Our products are designed for international markets and comply with international safety standards. During the Track Record Period, in addition to our own brand "Ciarra", we had designed and manufactured kitchen appliance for more than 50 brands under our ODM operations with a sales network spanning across more than 80 countries/regions internationally by place of delivery of sales orders, underscoring our ability to consistently meet the stringent quality expectations of global market players.

During the Track Record Period, we derived over 60% of our total revenue from our sales to Europe. The following table sets forth the breakdown of our revenue by geographic market during the periods indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Europe	233,757	64.3	278,024	62.1	334,130	67.7
Asia	46,600	12.8	49,888	11.1	64,928	13.1
South America	46,670	12.8	78,205	17.5	51,255	10.4
North America	25,917	7.1	27,698	6.2	30,123	6.1
Others	10,611	3.0	13,731	3.1	13,381	2.7
Total	**363,555**	**100.0**	**447,546**	**100.0**	**493,817**	**100.0**

Note: Information about the geographic markets is presented based on the place of delivery of the sale orders.

The following table sets forth a breakdown of our revenue by business segment during the periods indicated:

	FY2023		FY2024		FY2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Branded business	189,963	52.3	205,906	46.0	247,877	50.2
ODM business	173,592	47.7	241,640	54.0	245,940	49.8
Total	**363,555**	**100.0**	**447,546**	**100.0**	**493,817**	**100.0**

Our revenue from branded business achieved steady growth during the Track Record Period from RMB190.0 million in FY2023 to RMB205.9 million in FY2024, and further to RMB247.9 million in FY2025, representing a CAGR of 14.2%. The increase in revenue from branded business during the Track Record Period is attributable to our increasing online presence, particularly through our expansion on e-commerce marketplaces during the Track Record Period. The number of our online stores on e-commerce marketplaces increased from 15 on eight e-commerce marketplaces in nine countries as of 1 January 2023 to 59 on 24 e-commerce marketplaces in 16 countries as of 31 December 2025. Our revenue from ODM business remained significant during the Track Record Period, which increased from RMB173.6 million in FY2023 to RMB241.6 million in FY2024, and further to RMB245.9 million in FY2025, representing a CAGR of 19.0%. The increase in revenue from our ODM business during the Track Record Period is attributable to the increasing demand and sales volume for our cooker hood and hob products.

OUR COMPETITIVE STRENGTHS

International brand in the kitchen appliances market with omnibus online sales channels and precise marketing

We are "Ciarra", an international brand with an extensive sales network in the kitchen appliances market. We offer cooker hoods, hobs as well as home and small kitchen appliances primarily under our proprietary brand "Ciarra" for our branded business. Our extensive sales network attests to our international recognition since we first launched our brand "Ciarra" in 2017. The number of our online stores on e-commerce marketplaces increased from 15 on eight e-commerce marketplaces in nine countries as of 1 January 2023 to 59 on 24 e-commerce marketplaces in 16 countries as of 31 December 2025. We also operate our own online store at *www.ciarraappliances.com* that sells our branded products and allows us to engage with our retail customers directly for feedback on product quality, market trends and consumer preference across different markets under our direct-to-consumer sales strategy.

Empowered by data insights and capitalizing on a new era of cross-border e-commerce, we adopt a social e-commerce marketing strategy for our branded business that discovers target customers actively and precisely. Our direct-to-consumer channels allow us to reach customers directly and exponentially expand and achieve strong online presence during the Track Record Period. The sales volume on our own online store and e-commerce marketplaces reached approximately 205,000 in FY2023, 230,400 in FY2024 and 273,400 in FY2025. The total revenue of our online sales from our own online store and e-commerce marketplaces grew by 6.3% from RMB171.9 million in FY2023 to RMB182.8 million in FY2024, and further by 11.4% RMB203.6 million in FY2025.

We conduct in-depth analysis on e-commerce market information and to understand our consumers. Based on our analysis, we advertise our products on mainstream social media platforms such as Meta (including Facebook and Instagram) and Google (including YouTube) to sell them internationally. By a single click on the advertisements, consumers are directed to the designated online stores to complete their online purchase of our products. Under this model, we deploy our dynamic data analytical capabilities to perform precise product discovery and recommendation, place targeted advertisements online to attract consumers from social media traffic to our online stores. We also collaborate with lifestyle influencers and key opinion leaders on social media platforms, such as YouTube and Instagram, to amplify the product's reach and enhance brand recognition by featuring our brand and products in live streaming and videos.

Our ability to achieve substantial market growth has translated into expansion of our branded business. The revenue from our branded business increased from RMB190.0 million in FY2023 to RMB205.9 million in FY2024 and further to RMB247.9 million in FY2025, at a CAGR of 14.2%.

Established relationship with international brands underpinned by proven manufacturing capabilities and track record

Under our ODM business, we design and manufacture primarily cooker hoods and hobs according to our ODM customers' requirements for sale under their brands. While we primarily focused on the Western European market, we kept expanding our market presence in emerging markets such as South America, Eastern Europe, Central Asia and Africa. During the Track

Record Period, we conducted ODM sales to over 80 countries/regions worldwide and had designed and manufactured cooker hoods and hobs for more than 50 brands sold internationally, including multinational kitchen appliances and consumer electronics companies. We have established strong recognition and trust among ODM customers, having maintained long-term business relationship from three to 14 years with our major ODM customers, who are brand owners, authorized licensees and sourcing agents of international kitchen appliances brands.

We operate a manufacturing facility in Foshan, Guangdong Province, the PRC, which houses six production lines, including four production lines for cooker hoods and two production lines for hobs. Our manufacturing capability is specifically tailored to support our in-house designed cooker hoods and hobs, allowing for greater control over quality and cost control, product development and supply chain management, which we believe are some of the most desirable qualities of an ODM supplier and can further strengthen our relationship with our customers and brand reputation. As of 31 December 2025, we had annual production capacities of approximately 867,000 units of cooker hoods and approximately 323,000 units of hobs. Having our own scalable production capability also means that we are better positioned to enjoy economies of scale and therefore able to offer competitive prices for bulk sales to our ODM customers. Furthermore, our stringent quality control and ability to produce products that fully comply with international safety standards further reinforce our ODM business as a go-to for our international customers.

According to the F&S Report, we ranked third among the companies of large kitchen appliance in China exporting to Europe in terms of export sales in 2025. Our revenue from ODM business remained significant during the Track Record Period, which increased from RMB173.6 million in FY2023 to RMB241.6 million in FY2024, and further to RMB245.9 million in FY2025, representing a CAGR of 19.0%.

Strong product development capabilities backed by international product safety standards and certifications

We pride ourselves in our ability to provide aesthetically pleasing and user-centric products to meet the needs of our diversified customers. We believe our product development team possesses keen market insights and vision in identifying the evolving consumer needs for quality kitchen appliances that stand out from other traditional products available in the market. We conduct systematic market reviews by, among others, analyzing the consumer behavior and visitor traffic on our direct-to-consumer channels, synthesizing the demand and feedback from our customers, and monitoring our customers retention metrics and the latest market development. Furthermore, through our presence on renowned e-commerce marketplaces, we have access to robust data on product performance, pricing dynamics, and target audience preferences. We incorporate these intelligence into our product development lifecycle, continuously refining and expanding our portfolio to meet shifting consumer needs.

We are dedicated to building competitive product development capabilities, which our Directors view as the cornerstone of our continued success. Our product development department had 63 employees as of 31 December 2025, 50.8% of whom possessed bachelor's degree or higher qualifications. As of 31 December 2025, our product portfolio included a diverse range of over 160 models of cooker hoods and hobs designed and manufactured by us. Furthermore, as of the Latest Practicable Date, we held more than 190 patents in the PRC and internationally, demonstrating our dedication in consistently advancing and developing quality products as we strive for excellence.

We continuously upgrade our product offerings through our extensive and comprehensive product development efforts. Our key inventions include (i) an intelligent, sensor-driven fume purification system that automatically activates based on air-pressure changes and utilizes high-voltage ionization to eliminate harmful substances and separate and oxidize odor molecules for efficient air cleaning, and (ii) a multi-burner, low-power induction hob featuring advanced electronic heating control with precise temperature regulation and optimized high-power device driving and coil design to maximize heating efficiency across different cookware materials while strictly adhering to the latest regulatory requirements.

We have maintained a strong commitment to the high and consistent quality of our manufacturing excellence, enforced by a comprehensive quality management system. Our quality management system begins in the procurement of raw materials and extends towards our manufacturing process as well as inventory control in order to ensure our raw materials used, semi-finished products and finished products produced by us are able to meet both our internal, customers' and international quality standards and expectations. Our quality control system for manufacturing procedures is ISO 9001 certified for quality management system. Our products fulfill international safety standards such as CE, GS, CB, RoHS, REACH and ErP. During the Track Record Period, we had not received any material claim or complaint from our customers in respect of the quality of our products, and we were in compliance with our customers' quality and safety requirements and codes of conduct. Our stringent quality control has been trusted by our ODM and branded business customers, and we believe it is a pillar to our continued success and market expansion.

Dynamic and efficient logistics arrangements

We operate under a dual-hub operational model under which we have warehouses located both in the PRC and overseas locations to enable efficient and timely fulfillment of orders from our customers for our branded business. As of the Latest Practicable Date, we engaged service providers to manage seven overseas warehouses strategically located in the major sales regions for our branded business in Europe and North America to arrange delivery directly to customers and e-commerce marketplaces' warehouses. Designed to enable efficient order fulfillment across our key customer bases around the globe, these warehouses serve as our distribution centers supplying products to our customers around these regions.

Further, in respect of sales under Amazon, depending on the circumstances, we also utilize the warehouses provided by Amazon under their "Fulfillment by Amazon (FBA)" arrangements. Under such arrangements, we deliver a pre-agreed amount of products to the warehouses managed by Amazon in advance of sales orders and Amazon will be responsible for order fulfilment after a sales order is placed by the customer. Such cooperation with our e-commerce marketplace partners ensures seamless logistics arrangements, reduces processing time and enhances delivery efficiency.

With our warehousing and logistics operations, we achieve greater operational efficiency and cost-effective delivery, and are able to maintain an optimal level of stock at our warehouses available to meet the various demands of our customers and deliver products to more customers on a timely basis with delivery lead time as short as typically three to seven days upon placing of the online order on e-commerce marketplaces and our own online store.

Experienced management team with in-depth industry knowledge and international vision

We are led by an experienced and insightful management team who has extensive experience in the kitchen appliance industry. Our chairman of the Board, general manager and executive Director, Mr. Kang has over 20 years of experience in the kitchen and home appliance industry and possesses an in-depth appreciation of the demands for kitchen and home appliances in the international markets. This allows him to anticipate and respond to emerging international trends. With an appreciation for the potential of younger generation, Mr. Kang fosters a culture of idea exchange among his staff, through which we gain valuable insights into the current market trends and primary user feedback. This collaborative approach has enabled us to incorporate these insights into and develop new product offerings that resonate with our customers' needs.

Our executive Director and deputy director of technical development, Mr. Liu, has over 16 years of experience in the manufacturing of kitchen appliances and household products. Our executive Director and overseas marketing director, Ms. Kang, has over 12 years of experience in the sales and marketing of kitchen and home appliances. Led by our executive Directors, our management team successfully built up our flagship brand "Ciarra" and developed a hybrid operational model with ODM and branded businesses. The vision and leadership of our management team are crucial in shaping and executing our strategy to expand into multiple overseas markets.

Further, we place great emphasis on investment in people. We encourage continuous professional development of our staff and provide to them training programs on technical knowledge and the latest developments of the industry. We believe our investment in people can strengthen our market presence, capture market opportunities and enhance the sustainability and adaptability of our business.

OUR STRATEGIES

We are committed to becoming a trusted player in the large kitchen appliance industry. To achieve this goal, we intend to steadfastly implement the following strategies:

Construct our self-owned production base to expand our production capacity and upgrade our production lines

Scalable production capacity is key to capturing business opportunities in order to reinforce our market share in the large kitchen appliance industry. Currently, our Foshan Production Base is located on a leased property. Considering the long-term benefits and administrative convenience for planned usage of a self-owned production facility, we intend to invest in the construction and development of a new self-owned production base to substitute our existing Foshan Production Base to improve our operational efficiency. The new production base is expected to house six and six new production lines for the production of cooker hoods and hobs, respectively, to replace our manufacturing facility at Foshan Production Base, thereby improving and expanding our production capacity progressively.

During the Track Record Period, our revenue from the sales of cooker hoods increased 11.1% from RMB297.8 million in FY2023 to RMB330.9 million in FY2024, and 6.8% to RMB353.5 million in FY2025. Our revenue from the sales of hobs increased 67.4% from RMB59.9 million in FY2023 to RMB100.3 million in FY2024 and 2.7% to RMB103.0 million in FY2025. According to F&S, the global market size of the cooker hoods increased from US$14.3

billion in 2020 to US$18.8 billion in 2025, with an expectation to further increase to US$23.6 billion in 2030 by a CAGR of 4.6% from 2025. In particular, the market size of cooker hoods in our key markets during the Track Record Period is expected to increase. The market size of cooker hoods in Europe is expected to increase to US$4.2 billion by a CAGR of 3.6% in 2030. Furthermore, the global market size of induction hobs increased from US$2,778.1 million in 2020 to US$3,568.5 million in 2025, with an expectation to further increase to US$4,508.7 million in 2030 by a CAGR of 4.8% from 2025.

During the Track Record Period, for our production lines for cooker hoods and hobs in our Foshan Production Base, our utilization rates increased rapidly from 73.3% in FY2023 to 87.8% in FY2025 and from 49.0% to 74.9% in the same periods, respectively. For more details on our manufacturing facilities, please refer to the paragraphs headed "Our Production" in this section. According to F&S, in FY2024 and FY2025, our utilization rate of the production lines of cooker hoods exceeded and that of our hobs approached the industry average of utilization rates of large kitchen appliance manufacturers were approximately 75%. As advised by F&S, to accommodate for possible demand volatility, new equipment maintenance, potential supply-chain disruptions and to avoid potential consequences that come with operating production lines at full capacity including equipment reliability and safety concerns, our industry generally keeps a buffer in respect to production utilization as opposed to operating close to or at full capacity. Considering (i) our utilization rates for the production lines of cooker hood and hob already exceed or are close to the industry average and (ii) the increasing demand for our cooker hoods and hobs as evidenced by our increasing sales and production volumes, our Directors consider there is a realistic need to expand our production capacity. This expansion plan is also in line with our efforts to improve demand volatility management, reduce delivery lead times and to gradually reduce outsourcing products to contract manufacturers for greater autonomy over quality administration and product development initiatives.

At the same time, we also consider the synergy of both our cooker hoods and hobs, coupled with our brand equity, an additional sales driver of our business. According to F&S, customers in the kitchen appliance industry tend to brand bundle due to reasons such as design consistency, coordinated operational compatibility or simply due to brand loyalty. This is especially so for cooker hoods and hobs for their complementary nature as these products are installed together and jointly determine kitchen aesthetics, space efficiency and performance, customers often prefer to purchase them as a matched set from the same brand. As a result, demand for cooker hoods and hobs tends to exhibit brand bundling behavior, reinforcing the competitive advantage of brands with a comprehensive and integrated product portfolio. We expect the demand for our hobs to exhibit similar growth trends as those of cooker hoods and consider expansion of production lines for both cooker hoods and hobs beneficial to our continuous growth. Accordingly, our Directors are of the view that there is a need to further expand the production capacity in order to capture the fast-growing demand for the cooker hood and hob markets, so as to reinforce our market position in our existing geographical markets.

We also plan to upgrade our own metal processing facilities at the new production base to cope with our anticipated expansion of production capacity. By integrating a part of our upstream supply chain into our operations, we aim to enhance our supply chain stability as well as to have more flexibility as to the development of our products. The metal processing units at the new production base aim to improve our control over raw material quality, which directly benefits the level of product quality assurance we are able to offer to our customers. Notably, our Directors are of the view that the expansion of our in-house metal processing units also allow us to better control our costs. With lower manufacturing cost, we will have more autonomy in our pricing strategies and be able to gain a larger price advantage over our competitors. In particular, we intend to purchase a bulk of equipment and machinery relating to laser-cutting, metal welding and bending processes to complement the production of hobs and cooker hoods.

The new production base will be built on a parcel of land in Foshan, Guangdong Province, the PRC with a site area of approximately 19,900 sq.m. that we acquired in November 2025. The new production base is expected to have a gross floor area of not less than 39,000 sq.m.. In view of increasing business opportunities and strong demand for our products going forward, we plan to construct six cooker hood production lines and six hob production lines to replace our existing manufacturing facility at Foshan Production Base with new machines and equipment with higher level of digitalization and automation to increase our production capacity for cooker hoods and hobs from around 867,000 and 323,000 units per year to 1.5 million and one million units per year, respectively, upon the completion of the new production base.

We also consider that it is more cost-efficient for us to build than to lease a production facility. The following table sets forth a five-year cost-benefit analysis that compares owning and leasing a production facility:

	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
			RMB million		
Estimated yearly depreciation on land and buildings of owning a production facility[(1)]	14.1	14.1	14.1	14.1	14.1
Estimated yearly rental costs of leasing a production facility[(2)]	17.3	17.3	17.3	17.3	17.3
Cost saving of owning a property	3.2	3.2	3.2	3.2	3.2

Notes:

1. The estimated depreciation charges are determined in accordance with our depreciation policy that depreciates the estimated total cost of land (i.e. RMB38.5 million) and buildings (i.e. RMB122.0 million) of the proposed production facility by an estimated useful life of 50 and 10 years, respectively, on a straight-line basis.

2. The estimated yearly rental costs are determined with reference to the present average market rental price of comparable properties in the same district as the production facility, our historical rental costs and an estimated annual growth in rental cost.

In addition to the aforementioned cost saving, we believe that owning a factory will also have other qualitative benefits that leasing a factory will not provide:

- Design and use flexibility – With our own production base, we would be able to tailor the design of the production base for our use and have greater flexibility to upgrade our production facilities or install new equipment which suits our business needs better. According to F&S, self-owned production facilities generally provide manufacturers with greater operational control and flexibility in areas such as automation initiatives and the introduction of new products or product variants.

- Operational stability – Owning our production base will also provide us production and financial stability that we can also avoid rent increases, spending time and effort on finding new suitable site and incurring relocation costs when lease expires or is terminated.

- Assets for financial leveraging – Owning our production base can strengthen our asset base which may be beneficial for obtaining debt financing at more preferential terms from banks for our future use.

Taking into account (i) the benefits and reasons of our future plan as explained above, in particular, the cost savings may be achieved by owning our new production base, and (ii) that the future plan is a long-term plan and it would not be commercially sensible or practicable to carry out construction for expansion in a piecemeal manner only when demand materialized, we believe that our future plan to build our own production base is justified.

Timetable

As of the Latest Practicable Date, we had already acquired from an Independent Third Party a parcel of land in Foshan, Guangdong Province, the PRC with a site area of approximately 19,900 sq.m. for a consideration of RMB38.5 million for the establishment of our new production base. As of the Latest Practicable Date, we had completed the purchase of land and obtained the relevant land use rights certificate in the PRC. We will engage a contractor to prepare the construction design and drawing of plans for our expansion plan and complete our internal assessment procedures in selecting the machinery and equipment suppliers for the new production lines.

We expect to commence construction by the first quarter of 2027. Below are the key stages and expected timeline for the establishment of our new production base upon the **[REDACTED]**:

	Key stages	Expected timeline
1.	Construction and renovation	By the first quarter of 2027
2.	Trial production	By the fourth quarter of 2028
3.	Commence production	By the first quarter of 2029

Estimated capital expenditure for setting up our new production base

We plan to utilize an aggregate of approximately RMB200.5 million for establishing our new production base, of which **[REDACTED]** million will be paid by the **[REDACTED]** from the **[REDACTED]**, representing **[REDACTED]**% of such **[REDACTED]**, and the remaining sum of **[REDACTED]** million will be financed by our internal resources and/or bank loans.

Below is our planned allocation of capital expenditure of RMB200.5 million for establishing our new production base:

	Use	Estimated capital expenditure *RMB million*	*%*
1.	Construction of infrastructure and production space	179.4	89.5
2.	Acquisition and installation of machinery and equipment	21.1	10.5
	Total	200.5	100.0

Based on the historical purchase cost of similar machinery and equipment as well as various design software, we plan to spend a total of RMB21.1 million on acquiring and installing the machinery and equipment. The table below sets out details of the machinery and equipment we plan to install for our new production base:

	Machinery and equipment to be acquired and installed	Estimated cost *RMB million*	*%*
1.	Cooker hoods manufacturing facilities	3.3	15.5
2.	Hobs manufacturing facilities	3.4	15.9
3.	Metal processing units	5.0	24.0
4.	Warehousing facilities	5.5	25.8
5.	Quality control facilities, software and others	3.9	18.8
	Total:	21.1	100.0

For further details on allocation of **[REDACTED]** and implementation plan, please refer to the section headed "Future Plans and **[REDACTED]**" in this document.

Estimated breakeven period and investment payback period for expanding our production capacity

For reference and illustration purpose only, set forth below is a highly hypothetical analysis on the payback period and breakeven point in respect of our new production base to be constructed.

We consider that the new production base has achieved breakeven when the revenue it generated is able to cover its operating costs and expenses arising in the same month on accounting basis. The production scale required to achieve breakeven varies depending on various factors, including but not limited to general economic and market conditions, market demands, utilization rate of our production lines, market competition and price of raw materials.

We consider that the new production base achieves investment payback whereby the accumulated future profit before tax from operating activities since the commencement of commercial production is able to cover the total investment amount. The time required to achieve investment payback varies depending on various factors, including those mentioned above and the capital expenditure such as costs of machinery and equipment.

Upon completion of the construction of our self-owned production base to increase our production capacities of cooker hoods to approximately 1.5 million units per year and that of hobs to one million, respectively, it is estimated that, based on the (i) current operating model of our Group; (ii) historical sales volume growth of our kitchen appliance products during the Track Record Period with the assumption of a slower growth rate during its ramp-up period; (iii) average selling price of our products for FY2025; (iv) estimated future market size of the global large kitchen appliance industry; (v) historical market share of our Group in the large kitchen appliance market; (vi) estimated number of staff to be recruited for the expansion and the salary of employees of similar positions for FY2025; (vii) historical rate of depreciation on the additional machinery and equipment to be acquired for the expansion; and (viii) historical cost per revenue for other operating expenses during its ramp-up period, the investment payback period(1) for the additional production capacity will be approximately 49 months and that operation breakeven(2) could be achieved at approximately three months, from the date of commencement of production.

Notes:

1. Investment payback period is defined as the period required for the renovation and other initial fixed costs to be fully covered by the accumulated operating cash inflows of the production facilities since its commencement of operation.

2. Operating breakeven period is defined as the period required for the production facilities to record a positive operating cash inflow for the first time following the month of commencement of operation.

Increase investment in product development and expand product portfolio

We consider our product development capabilities and efforts the backbone of our success and are instrumental in continuous market expansion and growth. We have designed and developed our cooker hoods and hobs since our inception in 2011. Our expertise in product design has set us apart from other manufacturing companies and sharpened our brand positioning of quality products.

Product development is at the core of our growth strategy, and we are committed to continuously enhancing our product development capabilities to deliver superior kitchen appliances that meet evolving consumer preferences. According to the F&S Report, the cross-border kitchen appliances market is expected to see a growing preference for smart and connected appliances which are more energy-conscious and sustainable, as well as a more diversified range fitting into different lifestyle and regional preferences. In this respect, we plan to target specific aspects of our products, such as functionality and ecotechnology, to carry out continuous product development of our major products including cooker hoods and hobs to maintain our products' continued competitiveness in the market. Additionally, recognizing the importance of design preferences, especially among younger consumers, we are committed to consistently creating visually appealing products. In this respect, we will introduce various series of products featuring stylish designs, aiming at elevating the kitchen experience and inspiring a passion for cooking and home life. We also plan on offering more customizable designs to our customers of different age and income groups and needs in the aspects of material and functionality, etc., as part of our efforts to diversify our customer base.

To accelerate these product development efforts, we plan to make investments in product development infrastructure, such as laboratory equipment that enables more efficient and advanced prototyping and refinement of new products, as well as various product design and development software. More specifically, we plan to expand our product development team by recruiting approximately ten additional electricians or engineers, particularly those specializing in electrical engineering, product design, application development or related fields. The recruitment of product development specialists will be fully funded by the **[REDACTED]** allocated to enhancing our product development capabilities.

Below sets out details on some of our planned product development initiatives:

	Product development initiative	Product development goal
1.	Performance upgrade on our cooker hoods	Stronger exhaust extraction ability is typically achieved by a strong motor which comes with the downside of louder operating noise. We aim to improve our existing models of cooker hoods in the aspects of (i) noise minimization and (ii) exhaust extraction efficiency simultaneously by developing and improving the structural and integration design of our cooker hoods' motor system.
2.	Research on integrating smart AI technologies into our products	According to F&S, there has been a stronger shift toward smart and connected large kitchen appliances among consumers in the recent decade, a part of our future product development initiatives will be on integrating smart AI technologies into our product offerings. In particular, we intend to conduct research on, namely, (i) smart analysis and tracking of cooking environment such as exhaust concentration and oil temperature to provide safety alerts and cooking progress monitoring, and (ii) building a connected kitchen ecosystem synchronizing different appliances to provide remote control assess and smart interconnected features.

Expand sales channels and online coverage

One of our future strategic focuses is to further reinforce our brand vitality and deepen our market penetration. According to the F&S Report, as price competition is no longer sufficient to maintain market share in the large kitchen appliance market, exporters are increasingly investing in brand identity, product design and localized marketing to stand out in crowded digital marketplaces. Success in cross-border markets for Chinese kitchen appliance companies will then hinge on establishing brand reputation and positioning and delivering distinctive product value, rather than relying solely on scale and low prices. To enhance our brand image in the key strategic locations where we operate, we had incurred promotion expenses of approximately RMB33.3 million, RMB40.1 million and RMB45.0 million in FY2023, FY2024 and FY2025, amounting to 9.2%, 9.0% and 9.1% of our total revenue of the corresponding periods, respectively. Our historical sales and marketing activities have enabled us to significantly increase our exposure to target consumers and build strong brand awareness. Going forward, we plan to continue to increase and optimize our sales and marketing efforts to further consolidate our market shares in our key strategic markets as well as emerging markets such as Eastern Europe, Central Asia and South America by capitalizing on our existing ODM operations in those locations.

We also intend to focus our sales and marketing strategies on building and enhancing a sustainable direct-to-consumer model by placing a strategic focus on directing sales to our own online store. This not only cuts profit margins lost to commission fees charged by e-commerce marketplaces but also allows us to directly engage with our customers and thereby having greater flexibility in gathering market intelligence and understanding prevailing customer preferences and needs for our future product development endeavors. A big part of this will be to further strengthen our brand awareness of "Ciarra", which we plan to accomplish by accelerating our brand localization efforts.

In terms of our offline branding efforts, according to the F&S Report, as consumers in the large kitchen appliances market are still inclined towards an offline shopping experience, we intend to expend resources in localizing a part of our business in the key jurisdictions where we operate, particularly in Europe. Such offline branding strategies may span from participating in international trade fairs to opening offline pop up stores, experience stores and showrooms.

At the same time, we also intend to devote more resources into our online marketing. According to the F&S Report, online channels accounted for US$4.0 billion and US$1.0 billion, representing approximately 21.2% and 27.8% for the global sales value of cooker hoods and induction hobs in 2025 respectively, and are projected to rise to US$6.0 billion and US$1.4 billion, representing approximately 25.5% and 31.1% by 2030 with a CAGR of approximately 8.8% and 6.7% from 2025 to 2030 respectively. Although still smaller in scale as compared to offline sales, online distribution is gaining momentum as e-commerce marketplaces increasingly provide end-to-end services covering delivery, installation and after-sales support. In addition, e-commerce has improved the way cooker hoods and hobs are presented and online channels are expected to steadily increase their presence in the global large kitchen appliances market. In particular, we will make further investments in our own online store, complemented by search engine optimization and targeted marketing campaigns on international social media platforms including collaborating with social media influencers. These online initiatives are expected to boost our brand awareness internationally through word-of-mouth sales and marketing and enable us to communicate our value propositions through attractive content. Such online marketing efforts will primarily focus on (i) the North American market, as part of our future expansion plan, and (ii) the European market, where we intend to continue strengthening our brand presence.

We also intend to further diversify our online sales channels as well as devoting resources to improve our international online operation team to enhance our customer service. We believe these marketing strategies will help differentiate and establish our business as a quality, internationally recognized and reliable kitchen appliance brand.

OUR BUSINESS MODEL

We operate on a dual business model of supplying our branded products and providing ODM products to our customers. Completed goods under the ODM model, which primarily include cooker hoods and hobs, are sold to our customers after being labeled with brand labels of our ODM customers. Under the branded business, we develop or, to a lesser extent, procure products which are labeled with our own proprietary brand "Ciarra". The products we sell under our branded business include cooker hoods, hobs, home and small kitchen appliances and other products including kitchenware, reflecting our continuous efforts in expanding product portfolio and addressing various market needs.

Branded Business

Leveraging our extensive experience in the kitchen appliance industry and consumer insights, we regularly roll out new products with new designs that respond to changing customer needs. Our portfolio includes a diverse range of branded products widely accessible to retail consumers through e-commerce marketplaces and our own online store. As a result of our expansion efforts, our branded business achieved rapid growth during the Track Record Period, with revenue for this segment increasing substantially from RMB190.0 million in FY2023 to RMB205.9 million in FY2024 and further to RMB247.9 million in FY2025, representing 52.3%, 46.0% and 50.2% of our total revenue for the same periods, respectively.

Our branded business is primarily conducted through e-commerce marketplaces, and to a lesser extent, direct sales and retailer channel. Customers for our branded products are primarily domestic household customers who directly place orders via our online stores on e-commerce marketplaces or our own online store. The sales volume on our own online store and online stores on e-commerce marketplaces were approximately 205,000 in FY2023, 230,400 in FY2024 and 273,400 in FY2025. Customers under the retailer sales channel for our branded products are primarily an operator of e-commerce marketplace and retailers of kitchen appliances.

ODM Business

We collaborate with our ODM customers to develop designs of our ODM products, primarily cooker hoods and hobs, and then we manufacture them for our ODM customers under their brands according to their requirements. Our ODM customers may provide a preliminary purchase target on products they may need. Our sales and marketing staff will confirm sales order after ascertaining our production capacities and schedule. Our sales team maintains close interactions with our ODM customers and conducts regular meetings with our customers to thoroughly understand their needs in order to meet their demand and timely address their feedback. By working closely with our ODM customers, we gain a deep understanding of their product vision and requests, which we convert into detailed designs and sample plates. We have entered into framework agreements with most of our ODM customers, including most of our five largest customers in each year during the Track Record Period for the sales of our products. Thereafter, sales will be placed through separate purchase orders. For details, please refer to the paragraphs headed "– Our Customers – Salient Terms of Agreements with our ODM Customers" in this section.

During the Track Record Period, our ODM customers primarily included brand owners, authorized licensees and sourcing agents of international kitchen appliances brands. We design and manufacture primarily cooker hoods and hobs according to our customers' requirements for sale under their brands under our ODM business. During the Track Record Period, we conducted ODM sales to over 80 countries/regions worldwide and had designed and manufactured cooker hoods and hobs for more than 50 brands sold internationally, including multinational kitchen appliances and consumer electronics companies. We have maintained long-term business relationship from three to 14 years with our major ODM customers.

Revenue from our five largest ODM customers in each period of the Track Record Period contributed over 50.0% of the total revenue from our ODM business in the respective periods. Specifically, during the Track Record Period, revenue from our five largest ODM customers was RMB92.1 million, RMB142.8 million and RMB124.2 million, respectively, representing 53.1%, 59.1% and 50.5% of our total revenue from ODM business for the same respective periods.

Furthermore, during the Track Record Period, revenue from our largest ODM customer amounted to RMB30.1 million, RMB48.9 million and RMB45.6 million, respectively, representing 17.3%, 20.2% and 18.5% of the total revenue from our ODM business in the corresponding periods.

OUR PRODUCTS

We offer a wide range of kitchen and home appliance products, which can be divided into the following categories: (i) cooker hoods, (ii) hobs, (iii) home and small kitchen appliances, and (iv) others products.

Cooker Hoods

We provide a wide array of quality cooker hoods, including wall-mount hoods, integrated hoods, island hoods and smart cooker hoods in various colors, styles and sizes to suit different kitchen designs, spaces and budgets. Our cooker hoods have advanced extraction systems that efficiently remove smoke, odors and grease.

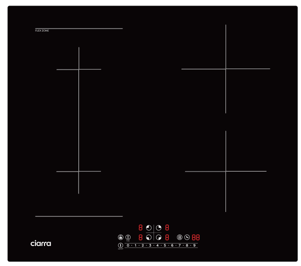
Cooker hoods "Pro Max" series

Our flagship "Ciarra Pro Max" cooker hoods collection is a series of 90cm hoods, which are designed to provide strong extraction capacity for expansive culinary spaces. This collection offers a versatile array of configurations, including T-shape and angled (side-draft) designs, each featuring glass finishes with specialized treatments, such as anti-fingerprint and easy-to-clean tempered surfaces, to ensure a sleek, professional aesthetic appearance. Driven by powerful, energy-efficient motors, this collection delivers a ventilation solution that balances performance with modern architectural design.

Smart island cooker hood

Our smart island cooker hood is a 3-in-1 cooker hood with customized decorative lamp shell design and air purifier featuring our proprietary Plasma+ system and H13 HEPA filter. Our smart island cooker hood can be controlled via its intuitive touch control interface to adjust the extraction speed levels and ambient lighting. Our smart island cooker hood was the Red Dot Winner 2021 in the kitchen appliances and kitchen accessories category.

Induction Hobs

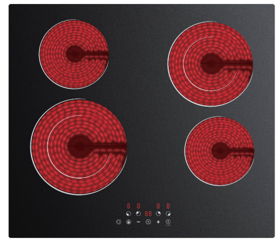


We offer built-in and portable induction hobs. Our built-in induction hobs are designed to be installed under the kitchen countertop with various advanced functionalities, such as multi-zone cooking, slider touch control, timer function and multiple safety protection functions, providing a smooth cooking experience. Our portable induction hobs function as portable cooking stoves, which are lightweight and convenient to use both indoor and outdoor.

Induction extractor hob "Ciarra ONE" collection

Our flagship induction extractor hob collection "Ciarra ONE" features integrated cooking solution combining high-performance induction technology with an embedded downdraft ventilation system designed for modern open-plan kitchens. Featuring proprietary Plasma+ purification technology, the ventilation system actively decomposes cooking fumes and neutralizes odors at a molecular level, achieving certified odor reduction exceeding 90%. A high-efficiency, ultra-quiet brushless motor captures emissions directly at source, while flexible induction zones and intuitive controls enhance cooking precision. Our induction extractor hobs meet ErP energy standards and incorporate long-lasting plasma filtration.

Ceramic Hobs



We offer a range of built-in ceramic hobs designed to accommodate a wide variety of cookware, including stainless steel, cast iron, glass and ceramic. Our ceramic hobs feature high-durability glass surfaces integrated with intuitive touch controls, programmable timers and rapid and uniform heat distribution with advanced safety protections, featuring a child safety lock, residual heat indicator and automated overheat protection while delivering a reliable culinary experience.

Home and Small Kitchen Appliances

In addition to cooker hoods, induction hobs and ceramic hobs, we offer a wide range of home and small kitchen appliance products, including heat pumps, heating radiators, water purifier series "SusGreenable" as well as slow juicers, air fryers and mini espresso machines.

Other Products

Other than those mentioned above, we also offer a mix of other products, such as our kitchenware collection "Ciarra Beyond" to complement our product portfolio of various home and kitchen appliances.

The table below sets out a breakdown of sales volume and average selling price of our key product category by business segment for the periods indicated:

	FY2023		FY2024		FY2025	
	Sales Volume	Average Selling Price *RMB*	Sales Volume	Average Selling Price *RMB*	Sales Volume	Average Selling Price *RMB*
Branded business						
Cooker hoods	177,400	886	185,800	884	222,800	822
Hobs	26,100	1,095	26,300	1,068	35,500	919
Home and small kitchen appliances	–	–	1,000	5,798	13,700	1,737
ODM business						
Cooker hoods	483,800	291	548,900	304	593,100	288
Hobs	81,200	386	171,200	422	215,400	327
Home and small kitchen appliances	–	–	20	472	4,400	279

For details of the fluctuation in sales volume and average selling price, please refer to the section headed "Financial Information – Description of Major Components of Our Results of Operations – Revenue – Sales Volume and Average Selling Price of our Products" in this document.

PRODUCT DEVELOPMENT AND INNOVATION

The product development and innovation strategy of our Group is guided by the principles of "independent innovation and green technology (自主創新、綠色科技)", with a purpose of developing comprehensive kitchen appliances solutions that can tackle the pain points faced by consumers in the kitchen appliances market. We focus on our product development and innovation initiatives because it continuously creates values for our business partners and customers, delivering comfortable and effortless living experiences for users.

Product development and innovation is critical to our continued success and future operations, and we have steadily built and refined strong capabilities in product design and development since our establishment in 2011. Our broad experience in the kitchen appliances market, including long-term cooperation with major ODM customers, has given us valuable insights into consumer preferences and market trends, enabling us to convert these insights into differentiated product designs. This accumulated expertise supports our ability to deliver products that meet customer expectations and gain market acceptance. In respect of our branded products, we regularly attend trade exhibitions and undertake market research initiatives to keep pace with evolving market trends and proactively enhance and expand our product offerings.

We believe our product development capabilities are crucial to our brand building for our design-focused brand "Ciarra" as well as our ODM business model where we design and manufacture cooker hoods and hobs according to our customers' specifications under their brands. Our own online store and online stores on e-commerce marketplaces also enable us to directly engage with our end-customers to understand prevailing consumer preferences and materialize our vision into functional and aesthetically pleasing branded products to capture market demand.

We adopt a consumer-oriented product development approach, by emphasizing consumer insights and market observations to create and iterate new products based on consumer feedback in each market. For example, recognizing the importance of design preferences, especially among younger consumers, we are committed to consistently creating visually appealing kitchen appliance and kitchenware products. To underpin these design initiatives, we maintain a dedicated in-house product design team made up of experienced professionals. We continue to invest in strengthening our product development capabilities. As of 31 December 2025, we had 63 product development staff. Our Group continuously invests in the development and innovation of our products including widening the range and quality of our product offerings. For each of FY2023, FY2024 and FY2025, our research and development expenses incurred were approximately RMB10.1 million, RMB10.9 million and RMB14.1 million, respectively. We expect to continuously invest in product development as we believe the quality and innovation of our products are the backbone of our business. For details, please refer to the paragraphs headed "– Our Strategies – Increase investment in product development and expand product portfolio" in this section above.

We conduct product testing and comprehensive evaluations of our products and other components at our in-house laboratory. With advanced testing instruments, we perform testing on our products in respect to (i) safety and regulatory compliance, (ii) durability, (iii) functional performance and (iv) energy efficiency. Our laboratory's testing capabilities and management standards have been certified by DEKRA and INTERTEK.

Our distinguished product development capabilities have earned us the recognition of "High and New Technology Enterprise" (高新技術企業) from the Department of Science and Technology of Guangdong Province (廣東省科學技術廳), Department of Finance of Guangdong Province (廣東省財政廳) and Guangdong Provincial Tax Service, State Taxation Administration (國家稅務總局廣東省稅務局). For product design, we have been internationally recognized by the "Red Dot Award" for our in-house design for non-traditional cooker hood in 2021 and the "iF Design Award" in 2024 for our "Ciarra" portable cooker hood. Our product development achievements include 124 registered patents in the PRC for existing products, including 44 design patents, 13 invention patents and 67 utility model patents as of the Latest Practicable Date.

OUR CUSTOMERS

Customers of Branded Business

We have a well-established sales network and have accumulated a wide customer base in the market. Our customers under our branded business primarily include (i) domestic household customers who purchase our products either directly from our online stores on e-commerce marketplaces or our own online store, (ii) an operator of e-commerce marketplace, to whom we supply products for its resale on its own online stores, and (iii) retailers of kitchen and home appliances. For details, please refer to the paragraphs headed "– Sales and Marketing – Our Sales Channels" in this section.

ODM Customers

Our customers under our ODM business primarily include brand owners, authorized licensees and sourcing agents of international kitchen appliance brands. We supply products that can meet the requirements of our customers, who subsequently market and sell these products under their own brand names. We have maintained long-term relationships with most of our five largest ODM customers in each period of the Track Record Period, with cooperation spanning from three to 14 years.

Major Customers

During the Track Record Period, our aggregated revenue from the five largest customers for each of FY2023, FY2024 and FY2025 amounted to RMB97.3 million, RMB142.8 million and RMB134.0 million, accounting for 26.8%, 31.9% and 27.1% of our total revenue, respectively. Our revenue from the largest customer in each of FY2023, FY2024, and FY2025 during the Track Record Period amounted to RMB30.1 million, RMB48.9 million and RMB45.6 million, accounting for 8.3%, 10.9% and 9.2% of our total revenue, respectively.

The following table sets forth details and background information of our five largest customers during FY2023:

Ranking	Customers	Background	Major products provided by us	Year of commencement of business relationship	Revenue	Approximate percentage of our total revenue	Credit terms	Payment method
					RMB'000			
1	Customer A	A Brazil-based private company principally engaged in the production and marketing of household appliances, portable electronics and electronics equipment.	Cooker hoods and hobs	2017	30,135	8.3%	60 days	Telegraphic transfer
2	Customer B	An Italy-based public home appliance group, principally engaged in the manufacture and sale of household appliances, whose parent company is listed on the Stock Exchange, the Shanghai Stock Exchange and the Frankfurt Stock Exchange.	Cooker hoods	2012	29,035	8.0%	135 days	Telegraphic transfer
3	Customer C	A France-based private company operating a discount retailer business principally engaged in the sale of household appliances and multimedia equipment.	Cooker hoods	2015	14,681	4.0%	60–90 days	Letter of credit
4	Customer D/ Supplier A[(1)]	A multinational public company headquartered in Seattle, Washington, the United States, principally engaged in e-commerce platform services and listed on Nasdaq.	Cooker hoods and hobs	2017	13,129	3.6%	90 days	Telegraphic transfer

Ranking	Customers	Background	Major products provided by us	Year of commencement of business relationship	Revenue *RMB'000*	Approximate percentage of our total revenue	Credit terms	Payment method
5	Customer E	A Kazakhstan-based private company, principally engaged in the import and sales of electrical household appliances.	Cooker hoods and hobs	2019	10,291	2.8%	90 days	Telegraphic transfer

The following table sets forth details and background information of our five largest customers during FY2024:

Ranking	Customers	Background	Major products provided by us	Year of commencement of business relationship	Revenue *RMB'000*	Approximate percentage of our total revenue	Credit terms	Payment method
1	Customer A	A Brazil-based private company principally engaged in the production and marketing of household appliances, portable electronics and electronics equipment.	Cooker hoods and hobs	2017	48,907	10.9%	60 days	Telegraphic transfer
2	Customer B	An Italy-based public home appliance group, principally engaged in the manufacture and sale of household appliances, whose parent company is listed on the Stock Exchange, the Shanghai Stock Exchange and the Frankfurt Stock Exchange.	Cooker hoods and hobs	2012	43,172	9.6%	135 days	Telegraphic transfer
3	Customer F	A Brazil-based private company principally engaged in distribution and retail of household appliances and electrical appliances business.	Cooker hoods and hobs	2020	23,900	5.3%	60 days	Telegraphic transfer
4	Customer G [(2)]	A PRC private company based in Guangdong Province, China, principally engaged in import and export trading business.	Cooker hoods	2022	14,308	3.2%	90 days	Telegraphic transfer

Ranking	Customers	Background	Major products provided by us	Year of commencement of business relationship	Revenue *RMB'000*	Approximate percentage of our total revenue	Credit terms	Payment method
5	Customer C	A France-based private company operating a discount retailer business principally engaged in the sale of household appliances and multimedia equipment.	Cooker hoods	2015	12,469	2.8%	60–120 days	Letter of credit

The following table sets forth details and background information of our five largest customers during FY2025:

Ranking	Customers	Background	Major products provided by us	Year of commencement of business relationship	Revenue *RMB'000*	Approximate percentage of our total revenue	Credit terms	Payment method
1	Customer B	An Italy-based home appliance group, principally engaged in the manufacture and sale of household appliances, whose parent company is listed on the Stock Exchange, the Shanghai Stock Exchange and the Frankfurt Stock Exchange.	Cooker hoods and hobs	2012	45,564	9.2%	135 days	Telegraphic transfer
2	Customer A	A Brazil-based private company principally engaged in the production and marketing of household appliances, portable electronics and electronics equipment.	Cooker hoods and hobs	2017	24,936	5.0%	60 days	Telegraphic transfer
3	Customer G [(2)]	A PRC private company based in Guangdong Province, China, principally engaged in import and export trading business.	Cooker hoods and hobs	2022	24,119	4.9%	90 days	Telegraphic transfer
4	Customer D/ Supplier A [(1)]	A multinational public company headquartered in Seattle, Washington, the United States, principally engaged in e-commerce platform services, and listed on Nasdaq.	Cooker hoods and hobs	2017	22,400	4.5%	90 days	Telegraphic transfer

Ranking	Customers	Background	Major products provided by us	Year of commencement of business relationship	Revenue	Approximate percentage of our total revenue	Credit terms	Payment method
					RMB'000			
5	Customer F	A Brazil-based private company principally engaged in distribution and retail of household appliances and consumer electronics business.	Cooker hoods and hobs	2020	17,007	3.4%	60 days	Telegraphic transfer

Note:

1. Customer D and Supplier A are the same entity that operates an e-commerce marketplace globally. Along with our sales through retailer channel on the e-commerce marketplace operated by Supplier A, Customer D places bulk purchase orders with us and resells the products purchased from us on its own online stores. In FY2023, FY2024 and FY2025, the revenue from Customer D was RMB13.1 million, RMB10.4 million and RMB22.4 million, respectively, accounting for 3.6%, 2.3% and 4.5%, respectively, of our total revenue in the same periods. Meanwhile, we sell our products on the same e-commerce marketplace that allows us to conduct online sales directly to end consumers under which we purchased platform services from Supplier A, including order fulfillment, storage, and customer services, among others. In general, we are required to pay a commission to Supplier A for the sales we made on its e-commerce marketplace, which is typically a certain percentage rate of our sales revenue generated through our online stores on the same e-commerce marketplace. In FY2023, FY2024 and FY2025, our purchase from Supplier A was RMB46.2 million, RMB53.0 million and RMB60.8 million, respectively, accounting for 19.7%, 18.1% and 20.7%, respectively, of our total purchase in the same periods.

2. Customer G is the sourcing agent of a brand owner, which began to purchase products directly from us since October 2025.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced nor were we aware of any circumstance leading to early termination of the contracts or material contractual disputes with or claims by our major customers.

To the best of our knowledge and after reasonable inquiry, all of our five largest customers during the Track Record Period are Independent Third Parties and none of our Directors, their respective associates or Shareholders who own more than 5% of the issued share capital of our Company as of the Latest Practicable Date has any interest in any of the five largest customers of our Group during the Track Record Period.

Salient Terms of Agreements with Our ODM Customers

Depending on factors such as years of cooperation, terms of the agreements and our customer's industry reputation and norms, we may from time to time enter into framework agreements with our ODM customers. Whether or not the customer has signed a framework agreement with us, our customers' orders are generally placed with us through purchase orders. The following table sets forth the salient terms of sales contained in the standard sales agreements with our customers:

Key terms		Description
Product description	:	We are required to produce and deliver products in accordance with our customer's specifications and/or product samples (if any).

Key terms		Description
Term of delivery	:	For overseas sales, we generally bear the costs and risks related to the shipment of ordered products before the products have been loaded on board and shipped out of the port in accordance with the Incoterm of FOB.
Payment terms	:	Prices are usually set out in separate purchase orders which shall be mutually agreed by both parties. Depending on our agreements with them, we may require our customers to pay an amount of deposit prior.
Product liability	:	We are typically held accountable for losses of our customers resulting directly from our product's defects and liability.
Termination	:	Our customers are generally entitled to terminate and claim compensation for consequential losses should we fail to deliver products as agreed mutually.

During the Track Record Period, our customers generally settled the payables through telegraphic transfer and letter of credit. For details of the credit terms we offered to our customers, please refer to the section headed "Financial Information – Description of Selected Key Items of Our Consolidated Statements of Financial Position – Trade and Other Receivables" in this document.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background

During the Track Record Period, we had one customer (the "**Relevant Customer**") who settled its payments with us through third-party payors (the "**Third-Party Payor(s)**," and such arrangement(s), the "**Third-Party Payment Arrangements**") at its request. For FY2023, FY2024 and FY2025, the aggregate amounts of third-party payments were nil, nil and RMB2.0 million, respectively, representing nil, nil and 0.4% of our total revenue. To the best knowledge of our Directors, the Third-Party Payors are business partners of the Relevant Customer. The Relevant Customer is the brand owner of the products procured by Customer G during the Track Record Period. For details, please refer to the paragraph headed "Our Customers – Our Major Customers" in this section. For FY2023, FY2024 and FY2025, there were nil, nil and two Third-Party Payors, respectively. Our Directors confirm that all Third-Party Payors are not connected person of our Group and are independent from any of our Directors, senior management and Shareholders of our Group. For more details, please refer to the section headed "Risk Factors – Risks Relating to Our Business and Industry – We are subject to various risks relating to third-party payments" in this document.

To the best knowledge of our Directors after making reasonable enquiries, there has been (i) no actual or pending disputes or administrative penalties related to the Third-Party Payment Arrangements or claims received from the Third-Party Payors or their liquidators during the Track Record Period and up to the Latest Practicable Date; (ii) no instance that our Group was required to return funds to any Third-Party Payors or other parties in relation to the Third-Party Payment Arrangements; (iii) no payment of money paid back by us to the Relevant Customer or the Third-Party Payors during the Track Record Period; and (iv) no concrete evidence to cause our Directors to believe that the payment from the Third-Party Payors are not related to the

Relevant Customer. We have ceased to allow our customers to settle payments through Third-Party Payors for all new orders placed from May 2026 and the Third-Party Payment Arrangements will cease upon the settlement of the account receivables from the Relevant Customer.

Reasons for Accepting Third-Party Payment Arrangements

During the Track Record Period and up to the Latest Practicable Date, other than simply accepting third-party payments, our Directors confirm that (i) we had not proactively initiated any Third-Party Payment Arrangements; (ii) we have not provided any discount, commission, rebate, or other benefits to the Relevant Customer or the Third-Party Payors to facilitate or encourage the Third-Party Payment Arrangements; (iii) the payment, the pricing terms and other general commercial terms of the Relevant Customer are generally the same as our other customers.

To the best knowledge of our Directors, the Relevant Customer arranged third-party payments for their convenience and flexibility and better internal treasury management from time to time and therefore the Relevant Customer might procure its Third-Party Payors to settle its payments earlier to prevent breaching its payment obligations owed to us. On the other hand, from our perspective, (i) third-party payments did not create significant inconvenience to us; (ii) it is beneficial for us to receive payments from customers as early as possible; (iii) the relevant third-party payments were genuine transactions and not related to any criminal or illegal proceeds or gains; (iv) the Third-Party Payment Arrangements do not constitute circumventions of relevant laws and regulations in the PRC; and (v) our Directors believe, and F&S confirmed, that in cross-border commercial transactions, payments may in certain circumstances be settled through third-party payors for administrative, treasury management or payment arrangement purposes. Moreover, as advised by our PRC Legal Adviser, in light of the above, the applicable laws or regulations in the PRC do not explicitly forbid the Third-Party Payment Arrangements.

Internal Control Measures for Third-Party Payment Arrangements

Our Directors are responsible for formulating and overseeing the implementation of our internal control measures and the effectiveness of our internal control system. To safeguard our Group's interest against risks associated with Third-Party Payment Arrangements, the following internal control measures have been adopted by our Group:

(1) we have updated our internal sales and treasury management policies in relation to overseas third-party payments and will maintain proper records for managing the settlement of accounts receivables;

(2) we have ceased to allow our customers to settle payments through Third-Party Payors for all new orders placed from May 2026;

(3) we internally informed all our employees of requirements on identification of, and prohibition on accepting, third-party payments; and

(4) we have established our pre-assessment mechanism to verify the risks relating to anti-money laundering and will ensure the consistency of the payors (in case of corporations) and the contracting parties of our customers. In the event of

re-occurrence of Third-Party Payment Arrangements, any tripartite agreement(s) authorizing such third-party payment(s) shall be entered into among our Company, our customer(s) and that particular payor(s).

Based on the follow-up review of the implementation of the above-mentioned internal control measures, our Directors are of the view that these measures are effective and adequate in preventing unauthorized Third-Party Payment Arrangements and the associated risks. Going forward, our Directors will continue to oversee the effectiveness of the aforementioned enhanced internal control on the Third-Party Payment Arrangements.

Based on the due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor's attention that would reasonably cause the Sole Sponsor to disagree with the Directors' view on the adequacy and effectiveness of the enhanced internal control measures of our Company with respect to the Third-Party Payment Arrangements.

Considering that our revenue generated from Third-Party Payment Arrangements as a percentage of our total revenue was immaterial, our Directors confirm that the cessation of the Third-Party Payment Arrangements would not have any material adverse impact on our business, financial condition or results of operations.

OUR PRODUCTION

Manufacturing Facilities

We operate a manufacturing facility in Foshan, Guangdong Province, the PRC, which houses six production lines as of the Latest Practicable Date, including four productions lines for cooker hoods and two productions lines for hobs.

The following table sets forth the production capacity and utilization rates of cooker hoods and hobs of our Foshan Production Base during the Track Record Period, respectively:

	Maximum production capacity[(1)]			Production volume			Utilization rate[(2)]		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Cooker hoods	867,000	867,000	867,000	636,000	754,000	761,000	73.3%	86.9%	87.8%
Hobs [(3)]	162,000	242,000	323,000	79,000	185,000	242,000	49.0%	76.2%	74.9%

Notes:

(1) Annual maximum production capacity is calculated by multiplying the maximum hourly production capacity of cooker hoods and hobs, respectively, by (i) the number of working hours per working day, being eight hours, (ii) total number of working days per year, being around 294 days, (iii) the number of production lines and (iv) net of time consumed for, among others, switching between production lines, starting up and shutting down machines and shift handovers.

Regarding the maximum hourly production capacity, our Directors consider that the production bottleneck for our: (i) cooker hoods is the panel assembly stage for three production lines and the electric wiring stage for the remaining production line; and (ii) hobs is the quality control stage where we conduct durability tests on our hobs. The maximum production capacities of our electric wiring and panel assembly production stages are therefore used to calculate our total maximum production capacity for cooker hoods, and that of the quality control stage is used to calculate the maximum production capacity for our hobs, during the Track Record Period.

During the Track Record Period, we had four production lines for cooker hoods in each year. As to hobs, we had one production line in FY2023, and subsequently added one more production line in the second half of 2024.

(2) Utilization rate is calculated by dividing the production volume of a given period by the maximum production capacity of the same period.

(3) Hobs consist of induction hobs and ceramic hobs.

Utilization rate of our production base

The utilization rate for the production of cooker hoods increased from approximately 73.3% in FY2023 to approximately 86.9% in FY2024. Such increase was mainly due to our successful marketing and international expansion efforts resulting in more demand for our products. The utilization rate for the production of cooker hoods further increased to approximately 87.8% in FY2025 following the increase in production and sales volumes.

The utilization rate for the production of hobs was approximately 49.0% in FY2023. We introduced our first production line for hobs in late 2022. The relatively low utilization rate in FY2023 reflected that our production line for hobs was in ramp up stage in early 2023 and the production volume was still picking up to cope with the demand. Given the increasing demand for our hobs, the first production line already reached a relatively high utilization rate in the first half of 2024, we therefore introduced our second production line for hobs in the second half of 2024 to cope with the then insufficient production capacity, resulting in a relatively high utilization rate of approximately 76.2%. Taking into account the full year operation of our two production lines for hobs and the continuous upward trend of our production volume, the utilization rate in FY2025 was approximately 74.9% and we expect that the utilization rate will continue to rise.

Major Machinery and Equipment

We owned most of our major machinery and equipment which were generally sourced from the PRC. Our major machinery and equipment include, among others, moulding and welding machines, laser cutting machines and assembly lines. Generally, their useful lives are around five to ten years and our major machines had on average attained over half of their estimated useful lives according to our depreciation policy. We conduct regular maintenance of our machinery and equipment. For the depreciation method of our machinery and equipment, please refer to note 15 to the Accountants' Report set out in Appendix I to this document. During the Track Record Period, we did not experience any major malfunctioning of these machinery or equipment which would have a material impact on our business, financial condition or results of operations.

Production Process

The typical production process of our products generally involves the following steps:

1. ***Design:*** For ODM customers, based on our customers' requirements and specifications, we discuss with those customers and after which we finalize the design. For our branded products, we regularly participate in international exhibitions and conduct comprehensive market research to understand the latest trends and proactively design and improve our line of product offerings.

2. ***Confirmation of customer purchase order:*** Customer submits a formal purchase order including order details such as quantity, product specifications and delivery schedules.

3. ***Material planning and procurement:*** We identify and quantify the required materials based on the finalized design and the purchase order. Our procurement team will source and place orders to purchase the required materials taking into account the lead time and logistics arrangement of suppliers.

4. ***Production and timing:*** Manufacturing begins according to the master production schedule. Quality control checks are performed after each production step. We have an internal ERP system to track and ensure the timeline of production schedules is met.

5. ***Warehousing of finished products:*** Completed products are inspected and stored in our warehouse before dispatch to our overseas customers.

6. ***Delivery to destination specified by customer:*** Our logistics team arranges transportation of our products. For most of our ODM customers, we deliver to their designated location on a FOB basis. For our branded products, depending if the customer purchased directly on our own online store or from the e-commerce marketplaces on which we sell the products, we deliver to our overseas warehouses and/or the third-party warehouses maintained by the e-commerce marketplaces. We usually keep a safety stock in each of our warehouses.

It typically takes no more than two weeks to complete the standard manufacturing process of our cooker hoods and hobs.

Outsourcing Production Processes

During the Track Record Period, we had outsourced certain production processes, particularly powder coating, which we did not have capacity to conduct in-house or considered economical to do so. We deliver semi-processed products or raw materials to subcontractors' site for their processing. Generally, upon quality inspection by us, semi-finished products will be delivered back to our Foshan Production Base for further processing. During the Track Record Period, subcontractors we engaged were Independent Third Parties.

We adopt various evaluation and assessment criteria in selecting our subcontractors, including their experience, reputation, expertise, product quality and quality control, price, financial condition, production capacity and ability to meet our delivery timeline. In addition, all of our subcontractors are subject to annual performance review, which includes an assessment on their product quality, production costs and product delivery time. We have established stringent quality control measures and standards for our subcontractors. We conduct on-site inspection prior to engagement if necessary. For any semi-finished products that are defective, the subcontractors are required to further inspect with us within the prescribed timeframe, and we are entitled to return the defective semi-finished products if necessary.

OUR SUPPLIERS

We have maintained a strong and dependable supply chain that enables the consistent and efficient provision of quality products.

Our suppliers include our platform service providers, raw materials and component suppliers, logistic service providers, subcontractors and contract manufacturers. Our major raw materials and components mainly comprise electrical components, metals, glass and plastic. We procure a majority of our principal raw materials and components from suppliers situated in the

PRC and we believe that such raw materials and components are readily available in the market. We maintain a list of approved suppliers which have satisfied our stringent vendor audit and due diligence procedure in relation to its quality, delivery timeliness and qualifications. We regularly review our list of approved suppliers and discontinue our business relationship with suppliers whose performance did not meet our standards. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we did not experience quality issues, significant delays or shortages of major raw materials and/or components, which could materially and adversely affect our business operation.

Contract Manufacturers

In order to focus our production resources, we strategically outsource the production of some of our products under our "Ciarra" brand to our contract manufacturers, which are all located in the PRC. This strategic outsourcing allows us to rapidly scale our brand footprint across complementary product categories without a proportional increase in capital expenditure for specialized production lines. During the Track Record Period and up to the Latest Practicable Date, we have sourced from over 20 contract manufacturers, who are Independent Third Parties, to produce our products according to our specifications and designs.

In the process of screening contract manufacturers, we carefully evaluate several key factors, including their experience in contract manufacturing, equipment and production capacity, product quality, reputation and competitive advantages over other potential suppliers. Leveraging our industry experience and know-how, we have implemented a stringent process for selecting and screening our suppliers. Apart from requesting and reviewing all necessary licenses and permits, an integral part of this process is conducting on-site inspections. Our representatives perform thorough factory inspections to verify that the suppliers maintain the quality standards we demand. Only those contract manufacturers that have passed our on-site inspections are considered for engagement. Additionally, we place small orders with new suppliers to test the quality of their work and fully assess their capabilities before finalizing larger orders.

Major Suppliers

During the Track Record Period, our aggregated purchase from our five largest suppliers in each of FY2023, FY2024 and FY2025 amounted to RMB81.4 million, RMB104.6 million and RMB99.9 million, accounting for 34.7%, 35.7% and 34.1% of our total purchase, respectively. Our purchase from the largest supplier in each of FY2023, FY2024 and FY2025 during the Track Record Period amounted to RMB46.2 million, RMB53.0 million and RMB60.8 million, accounting for 19.7%, 18.1% and 20.7% of our total purchase, respectively.

The following table sets forth details and background information of our five largest suppliers during FY2023:

Ranking	Suppliers	Background	Major products/ services provided to us	Year of commencement of business relationship	Purchase	Approximate percentage of our total purchase	Credit terms	Payment method
					RMB'000			
1	Supplier A/ Customer D	A multinational public company headquartered in Seattle, Washington, the United States, principally engaged in e-commerce platform services, and listed on Nasdaq.	E-commerce platform services	2017	46,232	19.7%	N/A	Telegraphic transfer
2	Meinaidike Electromagnetic Technology (Suzhou) Co., Ltd.* (美耐迪克電磁科技(蘇州)有限公司)	A PRC private company based in Suzhou, Jiangsu Province, China, principally engaged in providing electromagnetic and electrical technology-related business.	Electronic control units	2022	9,708	4.1%	45 days	Telegraphic transfer
3	JIANGMEN NOSTOP ELECTRIC CO., LTD.* (江門市路思拓電機電器有限公司)	A PRC private company based in Jiangmen, Guangdong Province, China, principally engaged in providing electrical machinery and electrical appliances-related services.	Motors	2020	9,245	3.9%	90 days	Telegraphic transfer
4	Supplier B	A PRC private company based in Foshan, Guangdong Province, China, principally engaged in providing stainless steel materials processing and related services.	Stainless steel materials	2017	8,142	3.5%	30 days	Telegraphic transfer
5	Supplier C	A PRC private company based in Zhongshan, Guangdong Province, China, principally engaged in household electrical appliances business.	Contract manufacturing of portable induction hobs	2020	8,042	3.4%	45 days	Telegraphic transfer

The following table sets forth details and background information of our five largest suppliers during FY2024:

Ranking	Suppliers	Background	Major products/ services provided to us	Year of commencement of business relationship	Purchase *RMB'000*	Approximate percentage of our total purchase	Credit Terms	Payment method
1	Supplier A/ Customer D	A multinational public company headquartered in Seattle, Washington, the United States, principally engaged in e-commerce platform services, and listed on Nasdaq.	E-commerce platform services	2017	52,976	18.1%	N/A	Telegraphic transfer
2	Meinaidike Electromagnetic Technology (Suzhou) Co., Ltd.* (美耐迪克電磁科技(蘇州)有限公司)	A PRC private company based in Suzhou, Jiangsu Province, China, principally engaged in providing electromagnetic and electrical technology-related business.	Electronic control units	2022	18,775	6.4%	30–45 days	Telegraphic transfer
3	Supplier D	A PRC private company based in Foshan, Guangdong Province, China, principally engaged in international logistics services.	Logistic service	2023	15,906	5.5%	30–60 days by milestones	Telegraphic transfer
4	Foshan Shunde Jinxiaohang Intelligent Technology Co., Ltd.* (佛山市順德區金硝行智能科技有限公司)	A PRC private company based in Foshan, Guangdong Province, China, principally engaged in the manufacturing and production of glass and crystal panels and other glass-related products.	Glass panels and crystal glass panels	2022	8,701	3.0%	55 days	Telegraphic transfer
5	Foshan Hongchangde Supply Chain Co., Ltd.* (佛山市弘暢得供應鏈有限公司)	A PRC private company based in Foshan, Guangdong Province, China, principally engaged in supply chain management of lighting products and electronic components.	LED lighting, grounding cable and electronic components	2020	8,203	2.8%	90–120 days	Telegraphic transfer

The following table sets forth details and background information of our five largest suppliers during FY2025:

Ranking	Suppliers	Background	Major products/ services provided to us	Year of commencement of business relationship	Purchase *RMB'000*	Approximate percentage of our total purchase	Credit Terms	Payment method
1	Supplier A/ Customer D	A multinational public company headquartered in Seattle, Washington, the United States, principally engaged in e-commerce platform services, and listed on Nasdaq.	E-commerce platform services	2017	60,762	20.7%	N/A	Telegraphic transfer
2	Meinaidike Electromagnetic Technology (Suzhou) Co., Ltd.* (美耐迪克電磁科技(蘇州)有限公司)	A PRC private company based in Suzhou, Jiangsu Province, China, principally engaged in providing electromagnetic and electrical technology-related business.	Electronic control units	2022	12,257	4.2%	30 days	Telegraphic transfer
3	Foshan Hongchangde Supply Chain Co., Ltd.* (佛山市弘暢得供應鏈有限公司)	A PRC private company based in Foshan, Guangdong Province, China, principally engaged in supply chain management of lighting products and electronic components.	Electronic control units and LED lighting	2020	9,243	3.2%	120 days	Telegraphic transfer
4.	Supplier E	A PRC private company based in Guangdong Province, China, principally engaged in the production of metal hardware components.	Metal hardware components	2014	9,204	3.1%	90 days	Telegraphic transfer
5	Guangdong Zhishang Intelligent Technology Co., Ltd.* (廣東志尚智能科技有限公司)	A PRC private company based in Guangdong Province, China, principally engaged in the production and sale of electronic controls, home appliance accessories and electronic components and products.	Electronic control units and power board	2021	8,441	2.9%	90 days	Telegraphic transfer

To the best of our knowledge and after reasonable inquiry, all of our five largest suppliers during the Track Record Period are Independent Third Parties and none of our Directors, their respective associates or Shareholders who owned more than 5% of the issued share capital of our Company as of the Latest Practicable Date had any interest in any of the five largest suppliers of our Group during the Track Record Period.

During the Track Record Period, most of our agreements with our contract manufacturers were for around one year and typically comprised (i) a purchase framework agreement and (ii) a quality assurance agreement. Our quality assurance agreement with our suppliers details extensively our requirements in respect of, among others, product safety and regulatory compliance. We typically place individual orders by issuing purchase orders to our contract manufacturers, which specify the terms and specifications of the products.

Salient Terms of Agreements

Depending on factors such as years of cooperation, terms of the agreements and our supplier's industry reputation and norms, we may from time to time enter into long-term and/or framework agreements with some of our suppliers. For suppliers that have signed a binding framework agreement with us, purchase will be placed through separate purchase orders. For suppliers who have not entered into framework agreements with us, purchase will only be placed through purchase orders. We also typically execute a quality assurance agreement with our suppliers detailing our requirements in respect of, among others, product safety and regulatory compliance. The salient terms of our purchase order with our suppliers of raw materials and contract manufacturers during the Track Record Period are as follows:

Key terms		**Descriptions**
Product description	:	For suppliers of raw materials and components, they are required to deliver the materials in accordance with the specifications stipulated in separate purchase orders and the materials supplied must conform to the pre-production samples (if any) and relevant international and industry standards. For contract manufacturers, our purchase agreements outline detailed specifications such as product weight, quantity, unit price, material and design.
Delivery	:	Our purchase agreements with suppliers include terms that ensure suppliers to follow our delivery instructions, including the specified time and location.
Payment terms	:	For suppliers of raw materials and components, prices are usually set out in separate purchase orders which shall be mutually agreed by both parties. For contract manufacturers, payment is typically settled through bank remittance before the products are dispatched to us.
Returns policy	:	We are generally entitled to return any products that fail to meet the specifications and requirements as mutually agreed between the parties.

Key terms		Descriptions
Safety compliance and warranty	:	Our quality assurance agreement with our suppliers generally provides for a warranty by the supplier that the products delivered are in all compliance with the applicable laws and regulations of both the place of manufacture and the place of export. Our quality assurance agreement provides for an extensive list of quality requirements and we are entitled to terminate and seek full compensation should suppliers fail to comply with any of these requirements therein.
Confidentiality	:	Contract manufacturers are obligated to comply with the confidentiality requirements and the specified obligations to maintain the integrity of our proprietary rights, including those relating to our trademarks, molds, and product and package designs.
Termination	:	Either party is generally entitled to terminate should the other party fail to adhere to the terms of the purchase agreements.

During the Track Record Period and up to the Latest Practicable Date, we were in material compliance with the terms of the contracts with our major suppliers (including contract manufacturers), and we had not experienced nor were we aware of any circumstance leading to early termination of the supply contract or contractual disputes with or claims by our major suppliers.

INVENTORY MANAGEMENT

Our inventory mainly comprises production materials, work-in-progress and finished goods. As of 31 December 2025, our inventory, with the carrying amount of RMB54.2 million, included raw materials, work-in-progress and finished goods. Our inventory turnover days for each of the FY2023, FY2024 and FY2025 was 62.5 days, 68.0 days and 73.0 days, respectively.

To manage our inventory level effectively, we generally produce our products on a made-to-order basis so that we generally do not keep large inventory of finished products in anticipation of order. On the other hand, we generally procure raw materials and components for production based on the purchase target provided by our customers, allowing us to maintain an optimal level of inventory. Given that a majority of raw materials and components for our production, such as metal, glass, components and accessories are readily available in the PRC and it is our policy to maintain alternative suppliers for major raw materials, we do not need to maintain high level of inventory for raw materials.

Our Group monitors the inventory level through our ERP system and by stocktaking. Our warehousing staff also checks the storage condition of these inventories on a regular basis to ensure proper storage and to prevent any deterioration in their quality. Our overseas warehouses are required to maintain accurate records of inventory movements and perform comprehensive weekly check for inventories. Meanwhile, the finance and operational teams at group level collaborate on cross-checking by conducting quarterly and semi-annual re-audits of a designated percentage of our inventories, tailored to the locations of the overseas sales companies.

WAREHOUSES AND LOGISTICS

For orders placed with us by our ODM customers, we operate a warehouse at our Foshan Production Base. Depending on the terms of the purchase order, we may ship products directly to the designated warehouses of our customers on a FOB basis or our customers may pick up the products at our warehouse.

For our branded business, complementing our international sales channels, we operate leased overseas warehouses to facilitate the delivery of our products to end-customers who placed orders on our own online store or through e-commerce marketplaces. In overseas markets, we ship products to our leased warehouses located in different strategic locations and deliver to customers who order from our own online store. Under our service agreement with them, these warehouse providers provide warehousing space for our inventories upon our demand and manage our inventories according to our instructions. As of the Latest Practicable Date, we had seven warehouses located in Germany, France, the U.S. and the United Kingdom. To fulfill customer orders, we may also engage third-party logistics service providers to handle the shipment of products from the warehouses provided by our service providers.

For orders we received from e-commerce marketplaces, we may directly handle the delivery to the end-customers or may ship the products to the warehouses of e-commerce marketplaces and they handle the delivery to the end-customers. For example, we may use "Fulfillment by Amazon (FBA)" services for our sales made under Amazon's e-commerce marketplace. For more details, please refer to the paragraphs headed "– Sales and Marketing – Our Sales Channels" in this section.

In FY2023, FY2024 and FY2025, our logistics costs amounted to approximately RMB36.5 million, RMB41.6 million and RMB47.3 million, respectively.

QUALITY CONTROL/QUALITY MANAGEMENT

We emphasize quality control in all aspects of our production processes from the sourcing of raw materials to manufacturing, packaging, storage and transportation, with a view to ensuring the highest quality standards. To ensure our product safety and quality, we have established a comprehensive set of standards and requirements covering all material sectors along the entire supply chain.

Pre-production check. Prior to commencing production phase, we perform rigorous testing on product samples to establish reference standards. This proactive phase allows us to identify potential issues early and ensure that all subsequent manufacturing adheres to our high-quality benchmarks.

Production check. During production phase, we implement a full inspection protocol, where every individual unit is rigorously tested to evaluate critical performance metrics and structural integrity. Any units that do not meet our precise technical specifications are addressed in real-time to ensure zero-defect output from the assembly line.

Post-production check. After manufacturing is completed, our quality inspection team conducts systematic random sampling and acceptance inspections on finished product batches. This final audit encompasses detailed visual and functional checks to confirm that our elite safety and quality standards are maintained before products are cleared for distribution.

Furthermore, we regularly evaluate supplier performance and may terminate collaboration with suppliers who fail to meet our requirements. We only purchase from suppliers who have satisfied our quality assessment. Our staff inspects the incoming raw materials before accepting the goods, and we return material that is below our inspection standard. We have maintained a formalized database to track and assess supplier performance across key metrics.

Moreover, we have implemented procedures such as the product inspection control procedure (產品檢驗控制程序), non-conforming quality control procedure (不合格品控制程序) and data analysis and evaluation control procedure (資料分析和評價控制程序), setting out quality controls for the entire product lifecycle from raw-material procurement and production to shipment. Our dedicated quality control department handles product certifications and safety-compliance verification to ensure products meet market and customer requirements. We emphasize quality awareness through regular training on quality-control systems and product safety to ensure employees understand and comply with relevant requirements. As of 31 December 2025, our quality control department comprised 38 employees who have extensive experience related to quality control. Our quality control department oversees the implementation of our quality control regime in all material respects of our business operations, and ensures that the quality of our products complies with the relevant laws and regulations and our internal standards and requirements. The design and manufacturing procedures at our Foshan Production Base is ISO 9001 (Quality Management System) certified and in compliance with prevailing safety standards including CE, GS, CB, RoHS, REACH and ErP.

During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material product safety incidents nor material quality issues and we had not experienced any product liability claims.

SALES AND MARKETING

As of 31 December 2025, we had 69 sales and marketing staff. Led by our executive Director and overseas marketing director, Ms. Kang Quyan, our sales and marketing team is responsible for identifying new business opportunities, liaising with our customers, providing after-sales services, securing sales orders and promoting our products. We believe that this has allowed us to establish and maintain good relationships with our customers which enabled us to form a better understanding of the latest market developments and our customers' needs.

As an integral part of our offline marketing effort, we attend large industry conferences and exhibitions to promote our products. We believe that the combination of our quality products and the strong word-of-mouth referrals of our customers and other market players in the industry enables us to achieve continued brand exposure and attract high-quality customers efficiently.

In terms of online marketing strategies, we also collaborate with lifestyle influencers and key opinion leaders on social media platforms, such as YouTube and Instagram, to direct customer traffic to our online sales channels by featuring our brand and products in live streaming and videos. Coupled with search engine optimization and targeted marketing campaigns, we aim to amplify the product's reach and enhance brand recognition.

Our Sales Channels

We have established omnibus sales channels. Our branded business is conducted primarily through e-commerce marketplaces, and to a lesser extent, direct sales and sales through retailer channel; while we derived our revenue for our ODM business through sales to brand owners, authorized licensees and sourcing agents of international kitchen appliances brands. During the Track Record Period, the revenue contribution by sales channel is set out below:

	FY2023		FY2024		FY2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
Branded business						
E-commerce marketplaces[1]	159,597	43.9	168,132	37.6	183,349	37.1
Retailers[2]	18,097	5.0	18,162	4.0	33,563	6.8
Direct sales[3]	12,269	3.4	19,612	4.4	30,965	6.3
Sub-total	189,963	52.3	205,906	46.0	247,817	50.2
ODM business	173,592	47.7	241,640	54.0	245,940	49.8
Total	**363,555**	**100.0**	**447,546**	**100.0**	**493,817**	**100.0**

Notes:

(1) E-commerce marketplaces refer to our sales made on various e-commerce marketplaces such as Amazon, Leroy Merlin, OTTO and Darty.

(2) Retailers refer to sales made to various retailers of our branded business products, including an operator of e-commerce marketplace and other retailers who had entered into distribution agreements with us.

(3) Direct sales refer to our sales made on our own online store and offline sales placed directly with us by our customers.

Sales through online stores on e-commerce marketplaces

During the Track Record Period, we derived a substantial portion of revenue from our online sales for our branded business through our online stores on e-commerce marketplaces. Set out below is the breakdown of our revenue from our branded business by e-commerce marketplace for the periods indicated:

	FY2023		FY2024		FY2025	
	RMB'000	%	*RMB'000*	%	*RMB'000*	%
E-commerce marketplaces						
Amazon	108,285	67.9	112,138	66.7	111,259	60.7
Leroy Merlin	10,442	6.5	13,990	8.3	19,639	10.7
OTTO	9,012	5.6	13,332	7.9	15,201	8.3
Darty	7,119	4.5	4,481	2.7	9,625	5.2
CDiscount	9,264	5.8	6,863	4.1	5,135	2.8
Others [1]	15,475	9.7	17,328	10.3	22,490	12.3
Total	**159,597**	**100.0**	**168,132**	**100.0**	**183,349**	**100.0**

Note:

(1) Others refer to e-commerce marketplaces which individually contributed to less than 5% of the revenue of our branded business.

We partnered with renowned e-commerce marketplaces such as Amazon, Leroy Merlin, Darty and OTTO to conduct our sales and cater to customers located in different geographic locations. These online stores on e-commerce marketplaces allow retail customers to directly place orders with us, widening our customers reach at a relatively low cost and thereby increasing our brand recognition internationally. With different e-commerce marketplaces, we focus on different geographic locations. As of 31 December 2025, we operated 59 online stores across 24 e-commerce marketplaces in 16 countries worldwide. We mainly sell cooker hoods, hobs as well as home and small kitchen appliances under our "Ciarra" brand via these e-commerce marketplaces.

During the Track Record Period, over 60% of our revenue from e-commerce marketplaces was derived from our online stores on Amazon. With Amazon's international reputation, we are able to connect to a worldwide customer base and utilize its sophisticated infrastructure and system to ensure operational efficiency. Through this sales channel, we sell our products on Amazon through the Seller Central program. Amazon offers standardized arrangements for all sellers, which are set out on Amazon's website. We also have similar arrangements with our other e-commerce marketplaces including Leroy Merlin and OTTO.

The table below sets out the salient terms of our arrangements with (i) Amazon under the Seller Central program, (ii) Leroy Merlin and (iii) OTTO:

	Amazon's Seller Central program	Leroy Merlin	OTTO
Term and termination :	The agreement continues until terminated. We are allowed to terminate our operations on Amazon and Leroy Merlin at any time by giving immediate notice.		Either party is generally allowed to terminate with one-month notice or immediately for cause.
Logistics :	We may choose to use "Fulfillment by Amazon (FBA)" services, third-party logistics services providers or our in-house logistics solutions. We can opt to use FBA, where Amazon ships products from its warehouses to our customers on our behalf. We bear shipping expenses, custom duties, taxes, and other charges and we retain ownership of the products and generally bear the risk of damage or loss until the products are sold and delivered to the customers.	We handle product delivery directly to customers and bear all associated costs.	
Product return :	The marketplace's refund policies apply to products sold through it. We are required to process returns and refunds in accordance with these policies on top of statutory requirements.		
Credit terms :	Amazon generally settles outstanding balance with us every two weeks.	Leroy Merlin collects weekly payment from end-customers on our behalf, and transfers to us.	OTTO collects payment from end customers on our behalf, and generally transfers to us on a weekly basis with a maximum due date of 14 days.
Taxes :	We are responsible for any taxes applicable to us, such as VAT.		
Platform service fee :	We shall pay a monthly platform subscription fee and applicable referral/commission fees as set out in the applicable fee schedule, typically around 8% to 15% calculated on the total sales amount, depending on product types with higher service fees for some special product categories. The platform generally settles the outstanding balance with us after deducting the service fees they charge us.		

Direct sales through our own online store and offline sales

For our branded business, we operate our own online store at *www.ciarraappliances.com* to conduct direct sales to end-customers. Our own online store helps cultivate brand image, connect with our customers more directly and promote our product offerings. In line with our direct-to-consumer sales strategy, our own online store serves as a point of direct contact with our customers, through which customers can provide feedback on products, reach out for any after-sales related questions and understand more about our range of product offerings and product information.

Under our direct sales channel, we also conduct offline sales of heat pumps through attending overseas trade fairs. Since 2022, we have expanded into the heat pump market in Germany amidst the EU energy crisis and successfully secured new energy subsidy qualifications for our branded heat pumps in Germany and Austria in 2024. We also intend to further expand on the business of heat pumps, taking advantage of the favorable policies in Germany.

Sales through retailer channel

During the Track Record Period, in addition to sales through e-commerce marketplaces and direct sales to end-customers, we supplied products under the sales through retailer channel to the operator of a e-commerce marketplace.

Under the sales through retailer channel, we supply products to an operator of a e-commerce marketplace, i.e. Amazon, under its Vendor Central program, whereby Amazon places bulk purchase orders with us on buyer-seller contractual arrangement at negotiated prices. Amazon then resells the products to its end-customers through its own online stores or channels and subsequently fulfills its customer orders without our further involvement. We have no control of its pricing strategy, nor do we have any access to its inventory control system. Under this model, the purchasing marketplace is recognized as our customer, and revenue is recognized when our products are delivered to the warehouses of the e-commerce marketplace operator. During FY2023, FY2024 and FY2025, our revenue generated through Amazon's Vendor Central program was RMB13.5 million, RMB10.4 million and RMB22.4 million, respectively, accounting for 3.7%, 2.3% and 4.5% of our total revenue in the corresponding periods.

Below sets forth the salient terms of our agreement with Amazon under the Vendor Central program:

Term and termination	:	The term starts when we register or use Amazon's website for bulk sales, whichever occurs first. Either party is entitled to terminate the agreement with prior written notice.
Logistics	:	We may arrange delivery of our products directly to Amazon's designated warehouse or Amazon may arrange for pick-up at our warehouse by their designated carriers.

		Ownership and risk of damage or loss for the products shall pass to Amazon when we deliver the products to such carrier. When we pay for transportation, title and risk of damage or loss for the products shall pass to Amazon when Amazon accepts the products. Amazon shall ship units to their own customers.
Product return	:	Amazon may return or dispose of at our expense, and we shall accept and reimburse Amazon for any product that (a) is damaged or defective, (b) does not conform to agreed specifications or samples, (c) is subject to recall, (d) was not ordered in the applicable purchase, or (e) does not comply with the framework agreement. We are not obliged to accept returns of Amazon's surplus stock or returns by its customers.
Credit terms	:	Amazon will typically make payment to us within 90 days of the date of invoice.
Taxes	:	We shall bear the customs duties imposed on our products if applicable.
Platform service fee	:	There is no commission fees but Amazon may charge us co-op fees, marketing fees and damage allowance.

In addition to the sales to Amazon under the Vendor Central program, we also sell our branded products through retailers who signed distribution agreements with us, with amounts of RMB4.6 million, RMB7.7 million and RMB11.2 million in FY2023, FY2024 and FY2025, respectively, accounting for 1.3%, 1.7% and 2.3% of our total revenue for the same periods, respectively. Under the distribution agreements entered into between us and our retailers, our commercial relationship with these retailers is strictly a buyer-seller transaction. They purchase our branded products and resell them under their own commercial identity. Specifically, under the distribution agreements, our retailers may, in designated sales regions, (i) sell our branded products directly on their own websites or the designated e-commerce marketplaces where they operate online stores, and/or (ii) sell our branded products directly through its offline retail or wholesale channel. They shall neither distribute our branded products outside of the designated channels nor further distribute our branded products to sub-distributors without our prior approval. As advised by F&S, it is a common industry practice among international brands of large kitchen appliances to sell products under distribution agreement.

We recognize revenue from the sales to our retailers upon the receipt of our branded products by them or, if the products are delivered directly to their end-customers upon their request, upon dispatch from our warehouse to their end-customers. In respect of the sales under the distribution agreement, we do not accept any product returns under the distribution agreement, unless it is agreed that there is a product quality issue in respect of the products concerned and the issue is raised within the designated time period from product delivery. This strict policy precludes them from returning unsold inventory of our branded products. As we implement stringent quality control measures prior to our products are being delivered, we had not experienced any product return, and we had not recalled any product due to quality or other issue, from our retailers during the Track Record Period and up to the Latest Practicable Date.

The existing distribution agreements entered into between us and our retailers for distribution of our branded products generally include the following principal terms:

Key terms		Description
Term	:	The distribution agreements are usually for a term of one year, subject to optional renewal within 30 days prior to its expiry.
Geographical region	:	Our distributors are generally appointed to handle the sales and promotion of our branded products non-exclusively within a specific geographical region.
Sales channel	:	Our distributors are permitted to sell our branded products through the following channels within their designated geographical regions, including (i) directly on their own websites or the designated e-commerce marketplaces where they operate online stores, and/or (ii) directly through its offline retail or wholesale channel. Our distributors shall neither distribute our branded products outside of the designated channels nor further distribute our branded products to sub-distributors without our prior approval.
Exclusivity	:	Our distributors are not prohibited from selling or distributing products that are not provided by us or any products that may compete with our brand or branded products.
Order placement	:	Our distributors shall place orders by issuing orders to us during the term of the distribution agreements, and we supply them with the finished products at the agreed wholesale price.
Pricing	:	The terms of each order including pricing of our branded products and processing services charged to our distributors shall be separately agreed under each order. We do not mandate the final retail prices set by our distributors or their sub-distributors (if approved by us) for the sales of our branded products.
Payment terms	:	Orders and accounts are generally invoiced every two weeks, and our distributors are generally required to settle payment within two weeks after the issue of invoice.
Delivery	:	The products may generally either be delivered by us to the distributors' designated locations, or collected by the distributors from our premises.
Product warranty	:	For our distributors, we generally provide a warranty period of two years on the delivered products. During the warranty period, we will offer free repair services for any failures caused by product quality issues.

Key terms		Description
Use of trademarks and other intellectual property rights	:	We authorize our distributors to have non-exclusive right in the designated geographical regions to use our relevant trademarks or intellectual property solely for the purpose of their performance of the agreements entered into between us during the term thereof. Our distributors must comply with all terms relating to the use of our intellectual property in printed materials or product packaging materials.
Termination	:	The distribution agreements can be terminated by either the distributors or us unilaterally in case of: (i) a substantial breach by the other party of its obligations which could be qualified as gross negligence or wilful misconduct, (ii) exceptional circumstances beyond the control of the parties, which render the continuation of this contract impossible; or (iii) failure to remedy to any other breach by the other party of its obligations, after thirty (30) days written notice to remedy to such breach.

Save for Luminex Lab Ltd (i.e. the substantial shareholder of our indirect non-wholly-owned subsidiary, EcoPure), all of the retailers who had entered into distribution agreement with us during the Track Record Period are Independent Third Parties.

PRICING

The selling prices of our ODM products are determined on a cost-plus basis with reference to (i) cost of sales, mainly representing costs of raw materials and components and logistic fees, and (ii) a mark-up rate for different products. We generally determine the mark-up rate by taking into account complexity of the products, volume of the orders, desired profit margin, our relationship with the customer and prevailing market conditions.

For our branded business, we adopt a market-oriented pricing strategy, closely monitoring changes in the markets where we operate. Our pricing strategy aims to provide customers with competitive prices by considering a series of factors, including local customer demand and preferences, cost considerations, profit considerations, business development goals, market maturity level, economic development level, competitor pricing, and currency exchange rates. While we aim to continue offering products at competitive prices, our pricing strategies are flexible and based on market conditions, avoiding mere price reductions to stay competitive. We regularly budget future expenses in major markets and anticipate potential increases or reductions in product costs or sales expenses. When an increase or decrease in these costs or expenses is foreseen, we will adjust our sales strategy based on a target profit margin, working backwards to ensure that pricing and other sales tactics align with our profit goals. In this process, we also consider the pricing of offerings from our competitors to ensure that our profit targets are practical and adaptable to the market changes. This approach allows for dynamic pricing that not only responds to market conditions but also proactively manages and ensures profitability.

PRODUCT RETURN AND WARRANTY

We generally only accept product return from our customers for defective products for our ODM business. In the event of complaint from our customers or product recall demand, we have established a product recall management procedure (產品召回管理程序) and a recall analysis team composed of technical professionals to handle these matters with experience. During the Track Record Period and up to the Latest Practicable Date, we had not received any product recall demands from our ODM customers.

For our branded products which are mainly sold directly to consumers on e-commerce marketplaces, we are subject to the return and refund policies of the relevant e-commerce marketplaces. Our sales and marketing team offers customer support to our online retail customers and handle their complaints and we generally provide product warranty for two years for our branded products from the date of delivery, depending on the local regulations and requirements of the relevant jurisdiction as well as the requirements of the e-commerce marketplaces. After understanding the needs of our customer, we either replace the whole product or deliver replacement parts to our customer for them to fix the issue with detailed instructions.

During the Track Record Period, the product return due to product quality issues did not exceed 1.5% of our total revenue of each period. During the Track Record Period and up to the Latest Practicable Date, there were no product recalls, product returns, product liability claims, or customer complaints that would have a material impact on our business, financial condition or results of operations.

TRANSFER PRICING ARRANGEMENT

During the Track Record Period, we conducted our operations primarily through our Company, our subsidiaries in the PRC and Hong Kong and established subsidiaries in Germany to cope with our operation in international markets. During the Track Record Period, we had entered into the following main intra-group transactions (the "**Covered Transactions**"):

ODM Business

For ODM business, our Company procured raw materials and components from third parties, designed and manufactured finished products and then directly exported and sold the products to overseas third-party customers. Since June 2025, Zhaochuang Intelligent has procured a small amount of finished products from our Company and sold them to overseas third-party customers.

Branded Business

For branded business, for cooker hood and hob products such as cooker hoods and a small number of outsourced small household appliances, our Company sold them directly or through Foshan Aisheng to AirWin HK, which then sold them directly or through Veyma to overseas third-party customers. During the Track Record Period, there were a small number of product transfers between AirWin HK and Foshan Aisheng. Furthermore, our Company provides after-sales spare parts to overseas related-party trading companies for after-sales service; the transaction flow of these spare parts is consistent with that of the finished products.

Business Operational Support Services

During the Track Record Period, Zhaochuang Intelligent provided network construction and maintenance services to Foshan Aisheng and AirWin HK, as well as financial consulting services to our Company.

The Organization for Economic Co-operation and Development (the "**OECD**"), an international organization of international cooperation, promulgated the transfer pricing guidelines for multinational enterprises and tax administrations (the "**OECD Transfer Pricing Guidelines**"), which is generally followed by the relevant tax jurisdictions involved in the international intra-group transactions. According to the OECD Transfer Pricing Guidelines, the intra-group transactions should be on an arm's length basis to avoid distorted taxable income in different jurisdictions.

We have engaged an independent transfer pricing consultant (the "**Transfer Pricing Consultant**") to assist us to conduct transfer pricing analysis and review and benchmarking studies on the Covered Transactions during the Track Record Period based on the information that we provided for our review to assist us to consider whether our transfer pricing arrangements during the Track Record Period are compliant with the arm's length principle in accordance with the OECD Transfer Pricing Guideline.

During the review process, the Transfer Pricing Consultant interviewed our Group's management and assisted us to understand our operations and pricing policies, to review the transfer pricing documentation, financial information as well as to conduct functional analysis followed by benchmarking analyses by using a third-party information database. When conducting the benchmarking analyses, different qualitative and quantitative searching criteria were used to come up with a set of comparable companies. Qualitative searching criteria is to identify that the operations of the selected companies are comparable to our operation in the Covered Transactions.

Having consulted the Transfer Pricing Consultant, our Directors consider the transfer pricing arrangements of the Covered Transactions during the Track Record Period are consistent with and in compliance with the OECD Transfer Pricing Guidelines and the transfer pricing regulations of their respective jurisdictions in material aspects, based on the year end financial position. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we were not aware of any inquiries, audit, investigation or challenge by any relevant tax authorities in Hong Kong and the PRC in relation to our intra-group transactions.

We are committed to ensuring that the Covered Transactions will be conducted on an arm's length principle going forward and would take various measures to ensure compliance with the relevant transfer pricing laws and regulations in jurisdictions where we operate. Our management had been and will continue to closely monitor our Group's transfer pricing arrangements including reviewing the reasonableness of the pricing policy of our transfer pricing arrangements from time to time, and where necessary, appoint a tax adviser to assist in reviewing such transfer pricing arrangements to procure compliance with the arm's length principle and measures to monitor on-going compliance.

SEASONALITY

Our Directors consider that the sales and production of our products is subject to the impact of major shopping events such as "Black Friday" promotions organized by our partner e-commerce marketplaces and holidays such as Thanksgiving in the fourth quarter of the year. Moreover, our ODM customers may place a larger order with us in the fourth quarter of the preceding year ahead of Chinese New Year, in order to maintain adequate inventory levels during the holiday period. As such, we typically receive more sales orders in the fourth quarter of the year during the Track Record Period.

AWARDS AND RECOGNITION

As of the Latest Practicable Date, we had received a number of awards and recognitions as set forth below:

Year of grant	Award/Accreditation	Issuing Organization
2015–2018, 2019–2028	High and New Technology Enterprise Certificate (高新技術企業證書)	Department of Science and Technology of Guangdong Province (廣東省科學技術廳), Department of Finance of Guangdong Province (廣東省財政廳) and Guangdong Provincial Tax Service, State Taxation Administration (國家稅務總局廣東省稅務局)
2018	Export Famous Brand Enterprises (廣東省出口名牌企業)	Department of Foreign Trade and Economic Cooperation of Guangdong (廣東省對外貿易經濟合作廳)
2020	Gold Award of Electronics and Electrical Products in Canton Fair Design Award (廣交會電子電器類設計金獎)	China Foreign Trade Centre (Group) (中國對外貿易中心(集團)
2021	Red Dot Award	The Red Dot
2023, 2025	Guangdong Specialized and New Small and Medium-Sized Enterprises (廣東省專精特新中小企業)	Department of Industry and Information Technology of Guangdong Province (廣東省工業和信息化廳)
2024	iF Product Design Award	iF International Forum Design GmbH

LICENSES, PERMITS AND APPROVALS

As of the Latest Practicable Date, our Group has obtained all the approvals, permits, consents, licenses and registrations required for our business and operations in all material aspects and all of them are valid and subsisting. During the Track Record Period and up to the Latest Practicable Date, we had not been penalized by any government authorities for non-compliance relating to material licenses, permits or approvals which may have a material and adverse impact on our Group.

DATA PRIVACY AND SECURITY

We collect certain specific personal and transaction-related data in the normal course of our business directly on our own online store and from e-commerce marketplaces, including de-identified customer information, such as partially removed or obscured names, addresses, and phone numbers, which are shared by e-commerce marketplaces with us for order fulfillment purposes, and customers agree to provide this information to receive our services when they place orders on these e-commerce marketplaces or our own online store. We do not collect consumer payment information (such as credit card information and payment accounts) which is collected and processed by the payment service providers. We typically receive only order-fulfilment information, such as the recipient's name, shipping address, and email address, to the extent necessary to complete delivery. The personal data collected by us is limited to what is required for the operation and fulfilment of the relevant products.

Compliance with applicable laws and regulations regarding data privacy and protection is a priority for us. We are dedicated to safeguarding the privacy and protection of consumers' personal information. To ensure this, we have implemented a range of policies governing the collection, processing, storage and usage of customer data. These policies include, among others, a data protection policy that outlines principles and measures for safeguarding the personal information we collect and process in our operations, as well as a data security policy that provides a holistic approach to addressing data security matters.

Our data security policy incorporates a comprehensive management framework that involves the information technology department and other relevant departments to oversee and enforce data security across our operations. This policy includes the development of detailed data security guidelines and the implementation of strict access controls. Under this policy, we prioritize the confidentiality and integrity of data through necessary impact assessments aligned with relevant laws and standards, and the adoption of good practices for data handling, including the preferential use of anonymized data. Furthermore, this policy assigns dedicated personnel within the information technology department the responsibility of monitoring compliance and ensuring the secure processing, usage, transmission, storage, and destruction of user data.

We have formulated a series of policies and procedures, including data protection policy, data protection impact assessment procedure and internal review and reporting procedure for data protection compliance. We regularly organize training for employees on personal information protection and enter into confidentiality agreements with them. We have further implemented certain policies and procedures on customer data protection, such as operation standards for management of customers' information documents and operation standards for the management of computers and software.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any data leakage, data loss or breach incidents nor did we experience any material unauthorized use of end consumers' personal information. As of the Latest Practicable Date, we have not received any cybersecurity, data security or personal data protection related enquiries from any competent regulatory authorities.

According to our EU Data Compliance Adviser, a substantive GDPR compliance program consistent with applicable laws and regulations relating to data protection and privacy in the EU has been put in place during the Track Record Period and up to the Latest Practicable Date, and we have complied with applicable laws and regulations in all material aspects with respect to data protection and privacy in the EU. As advised by our PRC Data Compliance Adviser, during the Track Record Period and up to the Latest Practicable Date, we have complied with applicable PRC laws and regulations in all material aspects with respect to personal information protection and data security.

PROPERTIES

Owned Properties

As of the Latest Practicable Date, we owned one parcel of land with a total site area of approximately 19,900 sq.m. and gross floor area of not less than approximately 39,000 sq.m., situated at plot No. 3, Lungui Road East and Hengsan Road South, Daliang, Shunde, Foshan, Guangdong Province, the PRC, which we intend to use for the construction of our new production base to house our new production lines.

For details, please refer to the paragraphs headed "– Overview – Our Strategies" above in this section and the section headed "Future Plans and **[REDACTED]**" in this document.

Leased Properties

As of the Latest Practicable Date, we leased a number of properties primarily used as our production facilities and offices. A summary of our material leased properties as of the Latest Practicable Date is set out below:

No.	Location	Use of property	Lease term	Approximate gross floor area (sq.m.)
1.	Factory Building No. 3, Factory Premises of Foshan Shunde Huideke Plastic Products Co., Ltd., No. 1 Rongye 7th Road, Xinjiao Community Residents' Committee, Daliang Subdistrict Office, Shunde District, Foshan City* (佛山市順德區大良街道辦事處新滘社區居民委員會榮業七路1號佛山市順德區匯德科塑膠製品有限公司廠房物業第3棟廠房)	Production	January 2024 – December 2028	8,270
2.	Second Floor of the Power Distribution Room adjacent to Factory Building No. 3, Factory Premises of Foshan Shunde Huideke Plastic Products Co., Ltd., No. 1 Rongye 7th Road, Xinjiao Community Residents' Committee, Daliang Subdistrict Office, Shunde District, Foshan City* (佛山市順德區大良街道辦事處新滘社區居民委員會榮業七路1號佛山市順德區匯德科塑膠製品有限公司廠房物業第3棟廠房旁電房二樓)	Production	January 2024 – December 2028	250

No.	Location	Use of property	Lease term	Approximate gross floor area (sq.m.)
3.	No. 35 Shunxiang Lu, Xinjiao Community Residents' Committee, Daliang Subdistrict Office, Shunde District, Foshan City* (佛山市順德區大良街道辦事處新窖社區居民委員會順翔路35號)	Production	August 2026 – July 2029	5,870
4.	No. 37 Shunxiang Lu, Xinjiao Community Residents' Committee, Daliang Subdistrict Office, Shunde District, Foshan City* (佛山市順德區大良街道辦事處新窖社區居民委員會順翔路37號)	Production	July 2024 – June 2029	4,800
5.	Room 2901 and Room 2908, No. 5 Linjiang Road, Tianhe District, Guangzhou City (廣州市天河區臨江大道5號2901房、2908房)	Office	August 2024 – July 2029	720
6.	Suite 702A, 7/F, Ocean Centre, Harbour City, Kowloon, Hong Kong	Office	December 2025 – December 2027	55
7.	Egilskamp 24, 22145 Hamburg, Germany	Office	May 2025 – December 2026	10

Our leases generally have a term ranging from one to five years. We are generally allowed to terminate lease agreements with a prior notice, which provides us with operational flexibility, albeit usually at the cost of forfeiting deposits and/or paying a termination fee. Either party may terminate the agreements prior to expiry by obtaining the counterparty's consent. The renewal of our existing lease agreements is typically subject to parties' re-negotiations.

During the Track Record Period, we had not experienced any significant difficulty in renewing our lease agreements on similar existing terms. We own the equipment and movable property purchased by us in the premises and will be required to remove such equipment and property when we terminate the relevant lease agreement and return the premises to the landlord.

INSURANCE

We have taken up property all risks insurance in relation to our facilities in the PRC. We have also taken up all risks and risk of spontaneous combustion insurance covering third-party property loss in general.

Taking into account the general practice of the kitchen appliance industry, our experience in running our business and the insurance products available in the PRC, our Directors are of the view that we have maintained sufficient insurance coverage for our business and operation. As of the Latest Practicable Date, we had not received any material product liability or third party liability claims from our customers or any other third parties and did not receive any such material claims during the Track Record Period.

OUR EMPLOYEES

As of 31 December 2025, we had a total of 454 full-time employees. The following sets out the number of employees by corporate division and geographic location as of 31 December 2025:

Corporate Divisions	Number of Employees
Production	194
Quality control	38
Product development	63
Sales and marketing	69
Management	14
Human resources	17
Finance	12
Warehouse	28
Procurement	15
IT	4
Total number of full-time employees	**454**

Geographic Locations	Number of Employees
The PRC	448
Germany	6
Total number of full-time employees	454

We recognize the importance of maintaining good relations with our employees. The remuneration paid to our employees includes salaries and allowances. We have not experienced any labor strikes, work interruptions or labor disputes which affected our operations. We believe that we have a good working relationship with our employees.

Remuneration

We have entered into written employment contracts with our employees. We offer remuneration package including basic salaries, overtime pay and performance related bonuses. For our PRC employees, we also offer contributions to the statutory social security insurance and when applicable, accommodation and meals. Our remuneration package is performance-oriented in general and the management would review and appraise the performance of our employees annually. Our Directors believe that our Group's remuneration package is competitive in the market.

Training and Recruitment

We have striven to provide comprehensive training to our employees to promote sense of belongings and work dedication. To help employees enhance skills and achieve career goals, we have established a systematic training and development framework covering the full career lifecycle. For more details, please refer to the paragraphs headed "– Environmental, Social and Corporate Governance – Social" in this section.

We generally recruit our workforce through posting online advertisements on recruitment websites, or recruitment events. For managerial roles, we would also engage employment agents to conduct the recruitment.

Staff Benefits and Relations

We strictly abide by the basic welfare policies of the central and local governments, and pay basic social insurance, such as basic pension insurance, basic medical insurance, unemployment insurance, occupational injury insurance, maternity insurance, as well as housing provident fund contributions for our employees based in the PRC.

During the Track Record Period, our Group had non-compliance incidents in respect of social insurance and housing provident fund contributions. For details, please refer to the paragraphs headed "– Legal Proceedings and Compliance – Non-compliance" in this section.

During the Track Record Period, we had not experienced any interruptions to our operations caused by major labor disputes and there were no complaints or claims from our employees which had a material adverse impact on our business. Our Directors believe we have established a good relationship with our employees.

INTELLECTUAL PROPERTIES

As of the Latest Practicable Date, we had (i) 23 trademarks registered in the PRC, 43 trademarks in Europe, 10 trademarks in Hong Kong and 107 trademarks in other jurisdictions; and (ii) 124 patents (including 44 design patents, 67 utility model patents and 13 invention patents) registered in the PRC in respect of our know-how. Please refer to the section headed "Further information about the Business of our Company – 2. Intellectual property rights" in Appendix IV to this document.

During the Track Record Period and up to the Latest Practicable Date, we were not aware of any material infringement, nor any pending or threatened claims in relation thereto, (i) by us of any intellectual property rights owned by third parties, or (ii) by any third parties of any intellectual property rights owned by us. Our Directors believe that we have taken all reasonable measures to prevent any infringement of our own intellectual property rights.

COMPETITION

The global large kitchen appliance market is highly competitive, and we face competition across all aspects of our business. As confirmed by F&S, the global large kitchen appliance market remains relatively fragmented, with numerous international, regional and local participants competing across different product categories and geographic regions. According to the F&S Report, the global large kitchen appliances market is expected to grow at a CAGR of 4.5% from US$93.7 billion in 2025 to US$116.7 billion in 2030. China serves as one of the major global manufacturing and export hubs for large kitchen appliances, the development of China's cross-border large kitchen appliances market is closely linked to global industry demand and supply chain dynamics. Competition is particularly evident across different price segments, where exporters leverage broad product portfolios, strong manufacturing capabilities and ODM experience to meet diverse overseas demand. At the same time, regulatory requirements, certification standards and expectations for localized services create barriers to entry, favoring companies with stronger compliance capabilities and more established global operating systems.

In 2025, we represented 0.4% market share of the exporters of large kitchen appliance in China by revenue. According to the F&S Report, in terms of export sales revenue in 2025, we ranked third with a market share of 1.0% among the companies of large kitchen appliances in China exporting to Europe in 2025. The competitive landscape is fragmented as the top 10 players accounted for 28.6% of market shares by revenue in 2025. For details of the top 10 players in the market, please refer to the section headed "Industry Overview – Competitive Landscape Analysis of China's Cross-border Large Kitchen Appliances Market" in this document.

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any litigation, arbitration or administrative proceedings that could have a material adverse effect on our financial condition or results of operations.

Non-compliance

During the Track Record Period and up to the Latest Practicable Dates, our Directors confirm that there was no non-compliance incident which constitutes material non-compliance or systemic non-compliance.

Social Insurance and Housing Provident Funds

Background and reasons of non-compliance

During the Track Record Period, we did not make sufficient social insurance and housing provident fund contributions for some of our employees, primarily due to the preference of a substantial portion of such employees not to make full contribution to such funds. Based on the estimation of our Directors, the shortfall of social insurance amounted to RMB2.3 million, RMB3.2 million and RMB2.8 million for FY2023, FY2024 and FY2025, respectively; and that for housing provident fund contributions amounted to RMB0.5 million, RMB0.7 million and RMB0.9 million for FY2023, FY2024 and FY2025, respectively.

Possible consequences of non-compliance

Pursuant to relevant PRC laws and regulations, in the event that local authorities determine our contributions to social insurance do not comply with the requirements under the relevant PRC laws and regulations, administrative authorities may require us to pay the shortfall amounts within a prescribed time period plus an overdue charge calculated as 0.05% of the shortfall amount for each day of delay. Should we fail to settle the outstanding amounts within the prescribed deadline, we may be subject to a fine, which could range from one to three times the unpaid amount.

With respect to housing provident fund, pursuant to relevant PRC laws and regulations, if any of the relevant housing provident fund authorities is of the view that our contributions to the housing provident fund do not satisfy the requirements under the relevant PRC laws and regulations, it may order us to pay the outstanding amounts within a prescribed period. Failure to comply with such order may result in compulsory enforcement by a PRC court.

Likelihood of being penalized, latest status and remedial measures

We have obtained the public credit information report (公共信用信息報告) confirming that no administrative penalties or centralized collection of the outstanding historical social insurance and housing provident fund contributions have been imposed on us with respect to the relevant shortfalls. Moreover, we have not experienced any material claims raised by employees regarding such shortfalls.

As of the Latest Practicable Date, we (i) have not received any orders from the relevant PRC authorities requesting the payment of outstanding social insurance and housing provident fund contributions and corresponding late payment fees; (ii) have not been penalized under the relevant PRC laws and regulations related to social insurance and housing provident fund contributions; and (iii) we were also not aware of any employees' complaints or demands for payment of social insurance or housing provident fund contributions.

As advised by our PRC Legal Adviser, in the absence of any employee reports or complaints to the competent government authorities against us and any material changes in regulatory requirements or enforcement practices regarding social insurance and housing provident fund contributions, the likelihood that we would be subject to centralized collection of the outstanding historical social insurance and housing provident fund contributions by the relevant government authorities and any material administrative penalties as a result of failing to make such contributions in full for our employees is remote based on (i) our consultation with the relevant competent government authorities in the regions where our PRC subsidiaries employed staff during the Track Record Period and up to the Latest Practical Date, (ii) all the abovementioned facts, and (iii) our undertaking that, if we receive notice from competent government authorities requiring us to pay the outstanding contributions, we will promptly take immediate measures as required.

We have taken the following internal control rectification measures to prevent future occurrences of such non-compliance:

- we have enhanced our human resources policies to expressly require social insurance and housing provident fund contributions to be made strictly in accordance with applicable local requirements;
- we have designated our human resources department and finance department to review and monitor, on an ongoing basis the reporting and contributions of social insurance and housing provident fund to ensure compliance with the applicable laws and regulations or in a manner as required by the relevant government authorities;

- we have kept, and will continue to keep abreast of latest developments in the PRC laws and regulations in relation to social insurance and housing provident funds;
- we have strengthened legal and regulatory compliance training for our employees to enhance their awareness of the relevant PRC laws and regulations and facilitate their cooperation in connection with the payment of social insurance and housing provident funds contributions; and
- we have committed, and will continue to consult our PRC legal advisers on a regular basis for advice on relevant PRC laws and regulations in order to stay informed of relevant regulatory developments.

Having considered (i) the facts and circumstances leading to the non-compliance incidents and (ii) nature and relevance of our Group's internal control measures to prevent recurrence of the non-compliance incidents, our Directors are of the view that the above measures have properly addressed the relevant non-compliances and are effective and adequate in preventing future non-compliance with respect to social insurance and housing provident funds.

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

It is the responsibility of our Board to oversee and ensure that we maintain sound and effective internal control and risk management systems to safeguard our Shareholders' investment and our assets at all times.

During our operations, we are exposed to various risks, details of which have been set out in the section headed "Risk Factors" in this document. In view of the potential risks faced by our Group, while our Board oversees and manages the overall risks associated to our business operation, we also established the Audit Committee to review and supervise the financial reporting process, risk management and internal control system of our Group. For a detailed description of the terms of reference and responsibility of our Audit Committee, please refer to the section headed "Directors and Senior Management – Board Committees – Audit Committee" in this document.

Furthermore, we have formulated and adopted various measures and procedures regarding risk management of our operations, such as the (i) risk assessment and monitoring on overall business operations; (ii) financial reporting and disclosure; (iii) manufacturing and production; (iv) cash management and treasury; and (v) compliance procedures with applicable laws and regulations on tax, environmental protection, and use of properties.

Our management also regularly monitors the implementation of those measures and procedures from time to time to ensure the soundness and effectiveness of our risk control system.

Internal Control

In preparation for the **[REDACTED]**, we have engaged independent internal control consultants (the "**Internal Control Consultants**") to perform a review over our internal controls in September 2025 (the "**Internal Control Review**"). The selected areas of the Internal Control Review included, among others, overall corporate governance, financial reporting policies, risk assessment, management of information and communications, sales, procurement, inventory and logistics, production and cost control, product development and innovation projects, human resources, assets, insurance and export/import matters.

During the course of the Internal Control Review, the Internal Control Consultants provided their findings and recommendations. We have accordingly taken the enhanced internal control measures to make improvements.

The Internal Control Consultants performed follow-up reviews from October 2025 to April 2026 to review the status of the management actions taken by us to address the findings of the Internal Control Review (the "**Follow-up Review**").

The Internal Control Consultants did not have any further recommendation in the Follow-up Review. The Internal Control Review and the Follow-up Review were conducted based on information provided by us and no assurance or opinion on internal control was expressed by the Internal Control Consultants.

After considering the implementation of the enhancement measures and the result of such Follow-up Review, our Directors are satisfied that our internal control system is adequate and effective for our current operational environment.

Our Group has adopted the following measures to ensure continuous compliance with the Listing Rules upon **[REDACTED]**:

- Our Directors attended training sessions on 10 April 2026 conducted by our legal advisers as to Hong Kong laws on the on-going obligations and duties of a director of a company whose shares are listed on the Stock Exchange.

- We have engaged First Shanghai Capital Limited as our compliance adviser upon **[REDACTED]** to advise and assist our Board on compliance matters in relation to the Listing Rules and/or other relevant laws and regulations applicable to our Company.

- We have established an audit committee which comprises all independent non-executive Directors, namely Mr. Ho Kim Ching, Mr. Siu Man Ho Simon and Mr. Wu Jiayao. The Audit Committee has adopted its terms of reference which sets out clearly its duties and obligations to, among other things, overseeing the internal control procedures and accounting and financial reporting matter of our Group, and ensuring compliance with the relevant laws and regulations. For the biographical details of the independent non-executive Directors, please refer to the section headed "Directors and Senior Management" in this document.

- We will comply with the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. Our Directors will review our corporate governance measures and our compliance with the Corporate Governance Code each financial year and comply with the "comply or explain" principle in our corporate governance reports to be included in our annual reports after **[REDACTED]**. To avoid potential conflicts of interest, we will implement corporate governance measures as set out in the section headed "Relationship with Controlling Shareholders – Corporate Governance Measures" in this document.

- We shall establish systems and manuals in relation to distribution of annual and interim reports and publication, handling and monitoring of inside information prior to public announcement and other requirements under the Listing Rules.

- When considered necessary and appropriate, we will seek professional advice and assistance from independent internal control consultants, external legal advisers and/or other appropriate independent professional advisers with respect to matters related to our internal controls and legal compliance.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

ESG Governance

We are committed to integrating environmental, social and governance ("**ESG**") considerations into our daily business operations to achieve sustainable growth and gradually transition to a green and low-carbon economy.

Our Board has an overall and collective responsibility for overseeing ESG matters, including managing ESG risks and opportunities that have a material impact on us, formulating and establishing our ESG-related mechanisms, and regularly reviewing our performance against our ESG targets. Through cross-departmental collaboration, we are committed to ensuring that relevant employees fully understand and comply with relevant ESG regulations and requirements.

We have established ESG-related management systems to identify, assess, prioritize and manage material ESG-related risks and opportunities. We have obtained a number of management system certifications, including ISO 14001 (Environmental Management System), ISO 45001 (Occupational Health and Safety Management System), SA8000 (Social Accountability), the Business Social Compliance Initiative (BSCI), and the Initiative for Compliance and Sustainability (ICS).

Environmental

Emissions management

We have formulated management systems related to emissions such as wastewater, exhaust gas, waste and noise to ensure compliant disposal of wastes and to reduce environmental impacts. Regarding exhaust gas emissions in the production process, we have installed three adsorption and treatment units. Grinding dust is collected by baghouse dust collectors, and exhaust gas containing volatile organic compounds (VOCs) is discharged in compliance with standards after collection, effectively reducing the emissions of VOCs. Our non-hazardous wastes mainly include general industrial solid waste and municipal solid waste, among which offcuts and substandard products are handed over to specific recyclers for disposal, while municipal solid waste is collected and treated by local sanitation authorities. Hazardous wastes primarily include waste lubricating oil, waste hydraulic oil and oily rags, which are temporarily stored in dedicated storage rooms and periodically transferred to qualified third parties for proper treatment.

As of the Latest Practicable Date, we have not experienced any environment-related non-compliance incidents.

Energy and greenhouse gas emissions management

The main types of energy used by us include purchased electricity, gasoline and diesel, used for manufacturing, office electricity consumption, vehicle transport and in-plant forklift operations, respectively. Scope 1 direct emissions include greenhouse gas ("**GHG**") emissions related to vehicles and forklifts. Scope 2 energy indirect emissions include GHG emissions from the use of purchased electricity.

In response to the national carbon neutrality goal, we have formulated energy-saving management systems for office areas and adopted a series of energy-saving measures, including regular maintenance of equipment, full use of energy-saving lamps, controlling air-conditioning temperature, maximizing natural light, and requiring employees to turn off lights and electrical equipment before leaving. We encourage employees to actively participate in energy-saving management and provide suggestions, and incorporate energy-saving performance into departmental and individual routine behavior evaluations.

	FY2023	**FY2024**	**FY2025**
Resource consumption			
Electricity consumption (MWh)	1,300.27	1,828.86	1,678.71
Diesel (MWh)	32.25	47.93	48.49
Gasoline (MWh)	170.93	205.61	201.00
GHG			
Total GHG emissions (tonnes CO_2 equivalent)	784.44	1,053.98	969.68
Scope 1 (tonnes CO_2 equivalent)	51.99	23.79	24.06
Scope 2 (tonnes CO_2 equivalent)	732.44	1,030.19	945.62
GHG emission intensity (tonnes CO_2 equivalent/ RMB million revenue)	2.16	2.36	1.97

Water resources management

Our Group's main source of water is municipal water used for our operations. To conserve water resources, we have adopted a series of water-saving measures, including timely repairing dripping taps, adopting water equipment that meet water efficiency label requirements, and monitoring water consumption. We also remind employees to minimize water consumption through internal communication channels. Regarding wastewater management, we conduct compliant treatment through the municipal sewage treatment system to ensure that wastewater discharge complies with national standards.

	FY2023	**FY2024**	**FY2025**
Water consumption (tonnes)	11,987.00	21,953.00	21,765.00
Water consumption intensity (tonnes/RMB million revenue)	32.97	49.05	44.32

Green products

The environmental friendliness and sustainability of products are crucial for us to address climate change, respond to market expectations and seize green growth opportunities. We demonstrate active environmental commitments at the product level: our cooker hoods perform well in ammonia and benzene removal, air disinfection and PM2.5 purification, providing users with healthy, clean air. The purifier system used in our core cooker hood product series have passed multiple international authoritative environmental and safety certifications, including RoHS and SVHC by TÜV Rheinland, and CB, CE, GS and ERP issued by DEKRA.

To integrate sustainability concepts throughout the product lifecycle, we have adopted several key initiatives:

- Product development and innovation: Continually optimizing product development and innovation processes and introducing advanced product development and innovation personnel for cultivation to enhance our capability to develop and innovate products that meet green consumption needs, and improving existing products, such as optimizing designs for greater energy efficiency and durability.

- Renewable materials: As of the Latest Practicable Date, around 60% of our paper packaging materials used were FSC-certified or recycled paper. In addition, we are progressively promoting the use of eco-friendly, biodegradable materials in packaging to reduce plastics. Meanwhile, we actively work with suppliers to build material traceability systems to ensure sustainable sourcing and meet international certification requirements, and actively develop product structural designs that are easy to disassemble and recycle to support the development of a circular economy.

- Fume purification technology: Our fourth-generation fume purification technology uses a grid matrix made from special adsorbent materials as the core purification medium. Leveraging its unique ion-exchange and adsorption-separation properties, it achieves efficient fume purification. Another prominent advantage of the material is its reusability. After adsorption saturation, it has strong automatic regeneration capability, making it highly sustainable and cost-effective.

- Energy efficiency: We widely apply brushless DC motors to achieve energy-efficiency breakthroughs. Their low-loss and low-temperature-rise technical characteristics help products attain the European A+++ rating, making them a prominent high-efficiency, eco-friendly and energy-saving choice in the industry.

Social

Employment and labor practices

We strictly comply with the Labor Law of the PRC, the Employment Promotion Law, the Law on the Protection of Rights and Interests of Women and other laws and regulations, and incorporate international standards such as SA8000 to build a systematic, end-to-end framework for employment and labor rights protection.

Throughout the entire employment lifecycle, including recruitment, compensation, promotion and training, we expressly prohibit discrimination based on nine categories of factors, including gender, marital status, age, disability, race, religion, sexual orientation, educational background and household registration. Our Company also has job-matching mechanisms for special groups such as persons with disabilities, executes labor contracts in accordance with law, and contributes to social insurance to effectively safeguard their equal employment rights. We actively promote gender equality, and have clearly stipulated and strictly implemented maternity protection provisions for female employees.

We strictly prohibit the recruitment and employment of child labor and prevent forced labor risks. During recruitment and hiring, we require candidates to provide valid original identity documents to strictly eliminate the risks of false identities and child labor. Upon onboarding, one-on-one pre-employment interviews are conducted to confirm employees' voluntary intent to join our Company, thereby preventing forced labor.

We conduct regular human-rights due diligence covering our own operations and related businesses. The scope of assessment includes prohibitions on forced labor, child labor and discrimination, and the safeguarding of rights to freedom of association and collective bargaining.

	FY2023	FY2024	FY2025
By gender			
Number of male employees	189	230	223
Number of female employees	177	218	231
By age group			
Employees aged 30 or below	96	131	134
Employees aged 31–49	237	280	285
Employees aged 50 or above	33	37	35

Employee development

To help employees improve skills and achieve career goals, we have established a systematic employee training and development system covering the entire career growth cycle of all employees. New employees are immediately included in the "three-level training system" upon joining, which helps them quickly adapt to the working environment through a systematic onboarding cultivation plan, including company-level general education, department-level job responsibilities and process training, and team-level practical skill enhancement.

On this basis, we have designed and implemented multi-level and professional specialized training courses tailored to job roles and employee development stages, including professional advancement courses for production personnel, product development and innovation personnel, functional and sales personnel. In addition, our Company actively introduces high-quality external resources, cooperates with institutions such as Shunde Business School, and incorporates ESG-related issues into training content to continuously improve employees' overall competencies and promote the mutual growth of both the organization and its talents.

Occupational health and safety

We have established a systematic occupational health and safety management system, implementing standardized management under the Environmental and Occupational Health and Safety Manual, and have passed ISO 45001 occupational health and safety management system certification.

To protect employee occupational health and safety, we have developed a tiered safety training mechanism covering all employees, with a particular emphasis on enhancing emergency response capability for high-risk positions. New employees must complete plant-, workshop- and team-level safety trainings, covering safety protocols, evacuation routes and first-aid skills. Personnel in high-risk roles additionally receive customized training and must pass practical assessments. Our Company regularly organizes thematic activities such as "Production Safety Month* (安全生產月)" and "Workplace Safety and Health Day* (職場安全衛生日)" and conducts multiple emergency drills simulating fires, electrical incidents and other scenarios.

To enhance safety standards, our Company deploys smart security devices at key positions, such as infrared sensing systems and intelligent monitoring equipment, enabling real-time monitoring of operation and operator behavior. In our product development and innovation laboratories, we implement end-to-end hazardous-chemicals control where operators must be specially trained and qualified, and laboratories are equipped with emergency eyewash stations and protective gear to ensure emergency response capabilities. In addition, our Company conducts periodic occupational health and safety risk assessments, focusing on high-risk areas such as production workshops and laboratories, systematically controls incident rates and continuously strengthens safety management outcomes through a normalized hazard identification and rectification mechanism.

We target "zero fatalities from work injuries" as a core goal and link OHS performance to management appraisals. Responsible personnel are subject to performance consequences in the event of work injuries. As of the Latest Practicable Date, we had no major OHS incidents involving fatalities.

Supply chain management

We have established supplier management policies and issued the Supplier Management Measures that define certification standards and norms for our supply chain partners to ensure compliance with environmental and social responsibility requirements. We assess potential and existing suppliers through the Stakeholder Environmental And Occupational Health And Safety Questionnaire (相關方環境和職業健康安全調查表), considering factors such as employment practices, health and safety, environmental protection and community relations.

We prioritize suppliers that provide low-carbon and recyclable materials. Approximately 70% to 80% of suppliers in our pool hold ISO 9001 quality management system certification, with some additionally holding ISO 14001 environmental management system, ISO 50001 energy management system and ISO 45001 occupational health and safety management system certifications. We require suppliers to ensure all products and materials meet environmental requirements and to provide regular RoHS reports to demonstrate compliance with requirements such as the RoHS Directive. For conflict minerals, our Company operates full-chain management of "policy – identification response – audit – disclosure" to achieve traceability and compliance of conflict minerals.

In addition, to regulate business conduct, we require suppliers to sign an integrity undertaking and regularly organize suppliers to participate in integrity management training, expressly prohibiting bribery, kickbacks and improper benefit transfers.

Product responsibility

Adhering to the principle of high-quality development, we have established and continuously improved the quality management system using the PDCA method and have obtained ISO 9001 quality management system certification. We have formulated systems such as the "Product Inspection Control Procedure", "Non-conforming Product Control Procedure", and "Data Analysis and Evaluation Control Procedure", defining quality management requirements throughout the lifecycle from raw material procurement and production process to product delivery. Our Company has established a dedicated quality management department to conduct product certification, verify and confirm compliance with safety regulations, and ensure products meet market and customer needs. We focus on cultivating quality awareness among employees and help relevant employees understand and comply with rules and regulations related to product quality through regular quality management system training and product safety training.

In terms of product recall management, our Company has established a "Product Recall Management Procedure" and formed a recall product analysis group composed of professional technical personnel. As of the Latest Practicable Date, we had no incidents of product recalls for safety and health reasons.

Information security and privacy protection

We attach great importance to information security and protection and have established comprehensive management systems in information security and privacy protection, including the "Information Security Management System", "Information Technology Control System", "Disaster Recovery System and Procedures", and "Information Emergency Response System", applicable to all employees, contractors, consultants and relevant third parties. In addition, we have adopted systematic and standardized management measures, including tiered access and data encryption, to prevent unauthorized access, leakage, and improper use or modification, damage or loss of data.

Business ethics

We uphold the highest standards of business ethics and strictly prohibit improper conduct such as bribery, extortion and improper benefit transfers. Our Company regularly conducts integrity training covering business ethics codes, identification of integrity risk points and preventive measures, targeting both new employees and personnel in key positions. We are committed to improving employees' moral judgment through case analysis and scenario simulation. All employees are required to sign an integrity and honesty undertaking upon joining, and suppliers are also required to sign an integrity undertaking when entering into contracts. Our Company has also formulated gift and hospitality policies, prohibiting employees from obtaining improper benefits or using their positions to seek benefits for relatives and friends.

To promote ethical practices, our Company incorporates integrity performance into employee performance appraisals and establishes recognition mechanisms to encourage positive behavior. We have also established complaint and whistleblowing procedures covering complaint channels, incident investigation, handling and response. Employees can reflect problems through suggestion boxes, regular "interview days", or direct complaints to superior management, and relevant departments must complete investigations and respond within the prescribed time.