
RISK FACTORS

In addition to other information in this document, you should carefully consider the following risk factors before making any [REDACTED] decision in relation to our H Shares. Any of the following risks may materially and adversely affect our business, financial condition or results of operations, or otherwise cause a decrease in the [REDACTED] of our H Shares and cause you to lose part or all of the value of your [REDACTED] in our H Shares. These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed “Forward-Looking Statements” in this document.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Any changes in consumer tastes or any unforeseen circumstances with a negative impact on consumer demand may materially and adversely affect our business and financial performance.

Consumer demand for fruit snacks and plum-based products is unpredictable and evolves constantly. Demand is influenced by various factors such as spending power, consumption patterns, social media trends, as well as public perception of plum-based products or the snack food in general. Our business development depends partially on our ability to proactively anticipate and identify market trends, continuously upgrade our existing products and launch new offerings in a timely and cost-effective manner to meet evolving consumer preferences. Our products may fail to capture shifting market trends. Any changes in consumer preferences and tastes, or our failure to anticipate, identify or adapt to market trends, may impose pressure on our sales and the pricing of our product, and may lead to increases in selling and distribution expenses. Moreover, the rapid changes in consumer preferences require us to invest resources in product development and market research. Notwithstanding our investment, we cannot assure you that our upgraded products or newly launched offerings will align with market trends or meet consumer expectations. Any failure to do so may materially and adversely affect our business, financial condition and results of operations.

Any negative publicity related to our brand, our products or our shareholders, directors, officers, employees and business partners will materially and adversely affect our reputation and results of operations.

Any complaints, claims or negative media coverage relating to our brand, our products or our shareholders, directors, officers, employees and business partners may impair the goodwill of our brand, even if such claims are meritless. Moreover, any negative publicity relating to our brand may not only affect the market acceptance of our existing products but could also disrupt our product development plans, causing material and adverse effects to our reputation and results of operations. In addition, our marketing campaigns featuring celebrities and KOLs are inherently risky and may fail to deliver satisfactory outcomes. We may not always select a spokesperson who suits our brand values or effectively appeals to our target consumers, which could limit the impact of our campaigns. Any negative publicity involving our selected celebrities and KOLs, such as scandals or inappropriate behavior, could tarnish our brand image due to our brand’s associations with them. There is no assurance that they will generate the expected market responses or lead to satisfactory sales performance. If these campaigns fail to resonate with our target audience, we may incur substantial financial losses. We are also susceptible to the risk of industry-wide restrictions on the use of celebrities and KOLs in marketing campaigns. Such regulations could limit our ability to effectively leverage endorsements, further impacting our marketing efforts and sales outcomes. If any of these situations occur, our business, financial condition and results of operations may be materially and adversely affected.

We face various supply chain risks.

Our raw materials primarily include plums, prunes, fresh fruits and konjac, among others. Seasoning and other auxiliary materials such as salt and sugar are also used in our production. In 2023, 2024 and 2025, our raw material costs amounted to RMB575.5 million, RMB771.4 million and

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RMB807.4 million, respectively, accounting for 43.5%, 47.7% and 47.2% of total revenue for the same years. As a result, if we are unable to procure the necessary raw materials in sufficient quantities at competitive prices, our production efficiency and profit margins may be materially and adversely affected. The costs of the raw materials are subject to price volatility caused by a variety of factors, including shifts in supply and demand, fluctuations in commodity prices, rising logistics and warehousing costs, our bargaining position with suppliers, as well as macroeconomic condition and catastrophic events. There is no assurance that our raw material costs will not increase significantly in the future, and we cannot assure you that all or part of any such increased costs can be passed to our customers in a timely manner or at all.

Our efforts to upgrade existing products, develop new products and promote new brands may not generate the results we expect to achieve.

In 2023, 2024 and 2025, we incurred research and development expenses of RMB33.6 million, RMB18.9 million and RMB27.9 million, respectively. However, the process of upgrading existing products or innovating new ones is inherently risky, and there is no guarantee that our R&D efforts will always deliver satisfactory outcomes. Furthermore, the commercialization of new products depends on multiple factors which may be beyond our control, including industry trends, market demand, production efficiency, competition and consumer acceptance. Additionally, we may attempt to launch new sub-brands under “Liuliumei”, and such attempt is subject to risks relating to incorrect judgments regarding consumer preferences, market demand and brand image and pricing. Any delays in launching new products or sub-brands can lead to missed market opportunities or diminish the appeal of our innovations, which, in turn, could adversely affect our brand reputation and results of operations.

Failure to stay competitive may materially and adversely affect our results of operations and business growth.

The snack food industry is highly competitive. We face competition from national and local snack food companies that are seeking to expand into this market. Many of these competitors, particularly those established snack food manufacturers, have already built strong brand recognition and a robust consumer base across other snack categories. With their R&D capabilities and financial resources, they are able to capture market trends and develop comparable or even superior products. If they successfully enter the segments in which we operate with products that meet consumers’ preferences, they may divert a significant portion of our existing consumers, which could negatively affect our market shares and sales. In addition, our competitors may be able to source high-quality plums and other raw materials at competitive prices. Specifically, they could establish strong connections with local suppliers or leverage their economies of scale to negotiate more favorable terms, thereby intensifying price competition within the industry. This heightened price competition may pressure us to lower our retail prices to retain our consumers and attract new ones, which could affect our profit margins and financial performance. These competitors with localized supply chains may also minimize logistics costs, enabling them to further lower the prices. Moreover, our competitors may heavily invest in advertising and promotional activities to enhance their brand visibility. This aggressive marketing approach could challenge our brand recognition and force us to increase our own advertising spending to defend our market position. As a result, we may need to devote significant resources to sales and marketing efforts, which may increase our operational costs and place additional strain on our business growth.

Any negative publicity related to the snack food industry, including the use of food additives, preservatives, flavor enhancers and food colorant in production, may materially and adversely affect our reputation and results of operations.

Any negative publicity surrounding the entire snack food industry, even if it is not directly related to our brand or products, may adversely affect the market acceptance of our products and business operation. Media coverage or the public perception regarding the use of additives, preservatives flavor enhancers and food colorant in snack foods may reinforce the stereotype that

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snack foods are unhealthy, diverting consumers who are pivoting to healthier lifestyles. Additionally, social media and e-commerce platforms play a pivotal role in shaping consumer perceptions, which may result in the stereotypical views that portray any snacks, including the ones that we produce, as unhealthy. Such negative perceptions could further divert potential buyers and restrict our market reach. There is no guarantee that our efforts will succeed in reshaping consumers’ perception. If we are unable to effectively differentiate our products from other snack foods and align with changing consumer trends, we may experience a decline in sales volume and a loss in business opportunities.

Any failure to maintain food safety and quality could materially and adversely affect our reputation and subject us to regulatory scrutiny.

Maintaining consistent product quality and food safety relies on the effectiveness of our quality control systems, which may be influenced by a number of factors, such as the design of our quality control systems and our ability to ensure that our employees and third parties comply with those quality control policies and guidelines. We cannot assure you that our quality control systems would be effective at all times, or that we can identify any defects in our systems in a timely manner. Issues such as improper production, processing, delivery and warehousing, neglect in implementing proper product validation, substandard raw materials, or other unforeseen events can compromise product quality and raise food safety concerns. These issues can lead to legal proceedings and regulatory scrutiny, which are often costly and time-consuming. Other than these immediate effects, such incidents can cause long-lasting damage to our brand reputation, eroding consumer trust and affecting our business, financial condition and results of operations in the long term. In cases where quality issues arise from suppliers, we may need to negotiate or initiate litigation against them to recover losses from substandard raw materials. These disputes can be expensive and divert resources from our core operations, negatively affecting our profitability. Moreover, compensation clauses in supplier contracts may not fully cover our financial losses, and even if litigation is resolved in our favor, enforcing judgments may not adequately compensate us for the damages incurred.

Any failure to maintain our relationships with food processing equipment suppliers may materially and adversely affect our business operations.

We cannot assure you that our investments and upgrades in production equipment and facilities can be carried out successfully, or generate positive cash flows or profitable returns within a short period of time, or at all. For example, our plum jelly factory collaborates strategically with our Japanese equipment supplier, Orihiro, whose proprietary aseptic filling technology significantly extends the shelf life of plum jelly. However, we may not be able to maintain our relationship with Orihiro or other overseas food processing equipment suppliers due to various reasons, such as disputes over contractual terms, our failure to maintain the purchase volumes stipulated in the agreements, or general geopolitical and economic circumstances. If these partnerships were to terminate, our production capabilities could be negatively impacted, as our R&D efforts may not be able to fully replicate or replace the advanced technologies provided by these partners. On the other hand, our competitors may establish similar collaborations or develop comparable production techniques, further eroding our competitive advantage in production. As a result, any failure to maintain these key partnerships or find alternative solutions could cause material and adverse impact on our production efficiency, product development and market position, which may in turn adversely affect our business, financial condition and results of operations.

Any inability to maintain, expand or optimize our sales network may cause material and adverse effects to our business operation.

Our multi-faceted sales network integrates online self-operated stores, supermarkets, membership stores, snack stores and a distributorship network, encompassing both online and offline scenarios. Revenue from our online self-operated stores, supermarkets and membership stores, snack stores accounted for 33.3%, 59.2% and 69.0% of our total revenue in 2023, 2024 and 2025, respectively. However, if we are unable to consistently maintain our relationships with these

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customers or fail to attract their consumer bases, or if there are changes in the industries where our customers, particularly snack stores, operate, or if the operational conditions of our major customers deteriorate, we may incur significant costs while failing to enhance our sales performance. Moreover, as part of our omni-channel sales strategy, we have integrated e-commerce and live commerce platforms to expand our sales, launching self-operated channels and flagship stores. However, we have limited control over the operations of these platforms, which could be vulnerable to various risks, including outages, data breaches, power failures, computer viruses, cyberattacks, vandalism and other disruptive events, which could also disrupt our operations and negatively impact our business, financial condition and results of operations. Additionally, there is no guarantee that our online sales strategy will be implemented as planned, or at all.

Failure to manage and develop our distribution network may cause material and adverse impact on our business operations.

Our comprehensive distribution network is key to our sales strategy in penetrating local markets. In 2023, 2024 and 2025, our sales to distributors accounted for 66.7%, 40.8% and 31.0% of our revenue, respectively. As of December 31, 2023, 2024 and 2025, we had 1,398, 1,396 and 1,439 distributors, respectively. Any disruptions or inefficiencies in developing and managing our distribution network may result in high operational costs, reduced sales and a weakened market presence. However, we may not be able to maintain our relationships with existing distributors or engage new ones in a timely manner and at acceptable cost. In addition, some of our distributors may promote competitors’ products, which can divert their efforts in selling our offerings. They may also encounter challenges in effectively penetrating new markets, disrupting our market expansion and limiting our growth potential. Managing an extensive distribution network also incurs significant costs, including expenses related to monitoring distributor performance, providing training and support and maintaining incentives to ensure alignment with our sales goals. However, there is no guarantee that we will always be successful in detecting noncompliance by our distributors with their contractual obligations, which may harm our brand reputation and strain our relationships with other distributors. Furthermore, if consumer demand for our products declines or if distributor orders fail to align with actual market demand, our distributors may reduce their usual orders or refrain from ordering new products, leading to a significant decline in sales volume. In addition, we cannot assure you that our measures to mitigate cannibalization risks among the distributors and other sales channels would be effective at all times. See “Business — Our Sales Channels — Coordination between Sales Channels.” Any disruption or failure in our ability to optimize these channels may lead to a material and adverse impact on our business, financial condition and results of operations.

We consider the formulas and production methods of our products as critical trade secrets, and our failure to safeguard such secrets will harm our business operation.

Our success and continued growth greatly depend on a range of proprietary knowledge and trade secrets, including the formulas for our products and food processing equipment and technologies used in production. Our employees, OEM manufacturers or other business partners may inadvertently or intentionally disclose our trade secrets to others, including our competitors. Any leakage of our trade secrets may cause a loss of our competitive advantage, further affecting our business, financial condition and results of operations.

If we fail to maintain or upgrade our production equipment and facilities, or if we fail to successfully implement production expansion plans, our production efficiency and business growth may be negatively impacted.

We may encounter capacity shortages if consumer demand for our products surges. Our production expansion plan may not be successful due to various reasons, including (i) the availability of suitable locations for new production premises, (ii) proximity to logistics infrastructure, (iii) the sufficiency of management and financial resources, and (iv) our ability to hire, train and retain skilled personnel. Any failure to execute the plan may lead to production

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capacity shortage and incur substantial investment losses, causing material and adverse effects to our business, financial condition and results of operations. We cannot assure you that investments in expanding or upgrading our production facilities will succeed or generate profits in the short term. These investments may rather become wasteful or obsolete due to the rapid technological advancements or shifts in industry standards. Failure to effectively expand our production capacity or adapt to technological changes could hinder our future growth.

Any disruption to our production process or incidents related to our production may materially and adversely affect our business operations.

Our production process is subject to potential disruptions arise from a variety of causes, including equipment malfunctions or personnel misconduct, which may be beyond our control. We may also face the risk that repairs may be delayed. Any such delay in repairing critical production equipment could result in extended periods of downtime, leading to significant interruptions in our production processes, which would undermine our ability to meet market demand and impact our inventory levels. In addition to disruption risks caused by human error or equipment malfunctions, our production may be severely disrupted by natural disasters and other force majeure events, including fires, earthquakes, pandemics, or extreme weather conditions such as droughts, floods, severe heat or cold, typhoons or storms. Such events may cause extensive damage to our production facilities, rendering our machinery and infrastructure inoperable for extended periods of time. Furthermore, these events may also disrupt essential services such as power, water or gas supplies, which are critical to our production processes. In addition, transportation channels could be affected, limiting our ability to source raw materials or distribute finished goods to customers, further compounding adverse effects to our business, financial condition and results of operations. If we are unable to resume production in a timely manner following production disruption, or if we cannot find alternative production facilities to continue operations, we may face significant challenges in meeting consumer demand, resulting in delays in product delivery, inventory shortages and loss of customer trust. Additionally, prolonged or repeated production disruptions would result in increased operational costs, reduced sales and diminished profitability.

Our engagement with third-party contractors and OEM suppliers may reduce our control over food safety, product quality, manufacturing yields, development and product delivery schedules.

We typically engage contractors to facilitate only certain phases of the production, such as the pickling for our dried plum snacks. We also engage OEM suppliers for the production of plum jelly and other plum-based products, due to the ever-increasing demand for our products. In these collaborations, we provide raw materials directly to the third-party contractors and OEM suppliers and require them to adhere to our strict quality standards and operational guidelines. However, we may lack sufficient control over the preliminary processing and production of our contractors and OEM suppliers, facing the risk that they may not fully comply with our production guidelines or fail to meet our quality requirements. In particular, they may experience operational issues that result in delays or inadequate production volumes, which could leave us unable to meet consumer demand. Additionally, these contractors’ and OEM suppliers’ failure to comply with our quality control standards may cause food safety concerns and quality issues. If the products do not meet the required quality standards, we may face product recalls, customer complaints, legal claims, or regulatory penalties, all of which could lead to significant financial liabilities and harm our brand image.

We face the risk of inventory obsolescence.

As of December 31, 2023, 2024 and 2025, we had inventories of RMB425.9 million, RMB523.7 million and RMB673.4 million, respectively. Our inventory turnover days in 2023, 2024 and 2025 were 181.7 days, 167.7 days and 198.2 days, respectively. Our ability to accurately forecast consumer demand is essential for maintaining an optimal inventory level, given the short shelf life of both our raw materials and finished products. However, unanticipated events may significantly affect consumer demand, leading to excess inventory, which could further result in inventory obsolescence,

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a decline in inventory value, or the need for inventory write-downs. We cannot assure that our inventory management system will always function effectively. Any inefficiencies or failures in the system may further exacerbate inventory-related issues and adversely affect our business, financial condition and results of operations.

Disruptions in our own or third-party warehouses could damage raw materials, work-in-progress and finished products, while delays or mishandling by third-party logistics providers may affect timely product delivery.

During the Track Record Period and up to the Latest Practicable Date, we primarily operated our own warehouses. During peak sales seasons or raw material procurement periods, we rent third-party warehouses on a small scale to store raw materials, work-in-progress and finished goods. Some unforeseeable events that are beyond our control, such as climate disasters, may lead to inventory loss, delays in delivery and disruptions in our supply chain which could disrupt our operations, strain customer relationships and cause financial losses. During the Track Record Period and as of the Latest Practicable Date, the majority of our product transportation was provided by independent third-party logistics service providers. Our logistics providers may delay their delivery due to unforeseeable events beyond our control, such as natural disasters, traffic accidents or labor strikes, disrupting our business operations. Furthermore, if any of our logistics providers were to suspend their services, we may not be able to promptly secure a suitable alternative provider, which could lead to delivery delays, hindering our ability to timely meet customer demand. We also face the risk that our logistics providers may mishandle our products during delivery, resulting in damaged goods. Such incidents can lead to customer dissatisfaction and harm our brand reputation. If customers consistently receive products in poor condition, we may suffer from loss of customers, an increase in product returns or complaints, further exacerbating the adverse effects on our competitiveness and market position. Moreover, we may encounter increases in the cost of logistics services, which could place additional financial pressure on our operational expenses. If we are unable to either absorb these increased costs or pass them on to our customers through price adjustments, our profit margins will be reduced, which may adversely affect our business, financial condition and results of operations.

Our measures may not completely avoid the occurrence of channel stuffing among different distribution channels.

We operate a comprehensive and diversified sales network that includes self-operated online stores, supermarkets, membership stores, snack shops and an extensive network of distributors and sub-distributors. We depend on distributors to provide self-reported inventory data and primarily conduct sample-based inventory reviews rather than comprehensive evaluations. Since we do not have direct contractual relationships with sub-distributors, our visibility and control over their inventory and sales practices remain limited. The relatively short shelf life of our products increases the risk of overstocking and potential product wastage if demand is overestimated. If distributors or sub-distributors purchase more products than they can sell to end customers — whether to meet minimum purchase requirements, take advantage of sales incentives, or for other reasons — it may result in channel stuffing. Channel stuffing can lead to excessive inventory build-up at the distributor or sub-distributor level, heighten risks of product expiry or write-offs, and distort our sales figures for the relevant year. If significant channel stuffing occurs, it could negatively impact our business, financial condition, operational results, and brand reputation.

Changes in international trade policies, geopolitics and trade tariffs, export controls, economic or trade sanctions and foreign currency movements may materially and adversely affect our business, financial condition and results of operations.

Our overseas business expansion is exposed to international trade policies, geopolitical tensions and the imposition of tariffs, export controls or economic sanctions, which are inherently unpredictable and beyond our control. In particular, geopolitical tensions and economic sanctions may lead to restrictions on our product sales and raw material procurement in certain countries,

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limiting our access to key markets. Changes in trade or investment agreements could result in bans or limitations on our goods, thereby curbing our expansion efforts. In addition, sanctions could strain our relationships with foreign partners and suppliers, adversely affecting our international business.

Additionally, heightened tensions may shift consumer preferences in overseas markets toward domestically produced products, reducing demand for imported goods, including ours. In some regions, we may face increased tariffs on our products, driving up our products’ prices, undermining our competitiveness and impacting our profit margins.

During the course of February and April 2025, U.S. President Trump implemented tariffs on several major trading partners, including Canada, China, the European Union and Mexico, with a baseline of 10% tariffs on all countries and an additional individualized reciprocal higher tariff on the countries with which the U.S. has the largest trade deficits (“**U.S. Reciprocal Tariffs**”). In response to the U.S. Reciprocal Tariffs, China adopted a series of trade measures including raising its tariffs on U.S. goods to 125%, which was subsequently suspended on May 12, 2025 for 90 days, but will retain a 10% tariff during the period of the pause. This temporary reduction was subsequently extended, and as of February 23, 2026, the 10% tariff rate imposed by the PRC on goods imported from the United States remains in effect. On February 20, 2026, the U.S. Supreme Court struck down tariffs imposed by President Trump pursuant to executive orders issued under a national emergency statute. On the same day, President Trump announced a 10% across-the-board tariff, which he increased to 15% the following day. During the Track Record Period, we sourced certain prunes from the U.S. Our procurement from U.S. suppliers mainly comprised prunes, representing nil, 0.3% and 1.1% of the total purchase amount in 2023, 2024 and 2025, respectively. We continued to procure prunes from the U.S., prior to China’s implementation of additional tariffs on U.S. goods or after China’s lower tariffs on U.S. goods, mainly due to customer demand for our prune-based products. Under the new tariff regime, we may incur additional costs in these purchases going forward. We may not be able to absorb the increased procurement costs or pass the costs to consumers, thereby facing the decline in profitability of our prune-based products.

Moreover, these tariffs as well as their scope of application remain subject to further negotiations and adjustments. There is also substantial uncertainty in relation to the interpretation, implementation and administration of the tariffs. Existing bilateral or multilateral trade agreements between the U.S. and other countries may also affect the scope of application of the U.S. Reciprocal tariffs. It is therefore uncertain how China may adjust its trade measures on U.S. goods. If China’s tariffs on the U.S. goods continue to rise, and we are unable to find the alternative prune suppliers in a timely and cost-effective manner, we may bear substantial cost surges that may adversely affect our business, financial condition and results of operations.

Further, we are exposed to foreign currency risk, as exchange rates fluctuate, related to our procurement of raw materials and equipment, as well as our product exports. During the Track Record Period, our procurement settled in foreign currency accounted for 15.3%, 13.3% and 22.6% of the cost of sales in 2023, 2024 and 2025, respectively. The translational and transactional impacts caused by fluctuation in exchange rates vary over time and may be more material in the future. There can be no assurance that we can implement effective measures to reduce or eliminate our exposure to fluctuations in foreign exchange rates.

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

Our well-established brand has drawn the attention of imitators who produce and sell unauthorized replicas of our products, misappropriating our brand without permission. These counterfeit goods can potentially mislead our current and prospective customers, resulting in the loss of sales. In addition, low-quality counterfeit products could tarnish our brand reputation, leading to a decline in financial performance, a reduction in market share and the need to allocate additional resources towards identifying and pursuing legal action against these infringements. We cannot

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assure you that our measures to curb the production and distribution of counterfeit products will fully prevent unauthorized use of our trademarks or the imitation of our products. Ongoing challenges with counterfeit goods could erode consumer trust and undermine our brand recognition, ultimately affecting our business, financial condition and results of operations.

If we fail to maintain our relationships with our customers or meet their changing preferences, our results of operations may be materially and adversely affected.

Our major customers primarily comprise major retailers and distributors. During the Track Record Period, revenue from our five largest customers in each year accounted for 14.2%, 33.1% and 45.8% of our total revenue for the respective year. During the Track Record Period, revenue from our largest customer in each year accounted for 3.4%, 14.1% and 16.4% of our total revenue for the respective year. Any factors that cause these major customers to reduce their purchases, including economic downturns, shifts in industry trends, or changes in their preferences, could significantly affect the results of our operations. If some of our major customers encounter operational issues, or if we fail to maintain or grow our revenue from existing customers or to establish relationships with new customers, our business, financial condition and results of operations could be materially and adversely affected.

Our business is subject to seasonality, which may cause fluctuations in consumer demand for our products.

Consumer demand for our products is subject to seasonality. We experience pronounced sales peaks during major holiday seasons and shopping events, such as Chinese New Year, the 618 Shopping Festival and Double Eleven. Meanwhile, we also have low seasons where we experience lower profitability and reduced utilization of our production facilities. Our sales fluctuate due to various factors, including, among others, the timing of new product launches and the scheduling of marketing and promotional activities. As a result, comparing sales and operating results across different periods may not provide an accurate representation of our overall performance. Our results in any given quarter or half-year period may not necessarily reflect the outcomes we may achieve for the entire fiscal year. Therefore, you should be cautious when interpreting interim financial results, as they may not be an accurate predictor of our full-year performance.

We may not be able to sustain our historical growth rate, and our historical results of operations and financial performance may not be indicative of our future growth or future performance.

Our revenue growth during the Track Record Period was primarily driven by the success of our newly launched products, such as plum jelly and Chilean pitted prunes. However, we cannot guarantee that future product launches will achieve similar outcomes, as consumer preferences are inherently unpredictable, and our innovations may not always resonate with customers to the same extent as past offerings. Similarly, while our marketing and promotional campaigns have been effective during the Track Record Period, we cannot assure you that these strategies can be replicated with the same level of success in the future. Additionally, consumer demand can shift quickly due to changing market trends and tastes, or external factors. We may not always be able to anticipate or capture these changes in a timely manner, which could affect our ability to sustain business growth.

We may not be able to obtain, maintain and protect our intellectual property or may be involved in legal disputes of infringement of third parties’ intellectual property, which may harm our reputation and brand value, and adversely affect our business operations.

As of the Latest Practicable Date, we registered 42 invention and utility model patents, 40 trademarks and 77 copyrights that are material to our business operations in China. However, we face the risk of unauthorized use or infringement by third parties, particularly in cases where counterfeit products misappropriate our intellectual property. Such infringement can be difficult to detect and may harm our brand reputation and divert our market share. We cannot assure you that our measures to protect our intellectual property may always be effective. We may need to engage in

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costly and time-consuming litigation to enforce our rights, with no guarantee of success. Failure to protect our intellectual property could have a material adverse impact on our business operations and product development. Monitoring and enforcing our rights can be challenging and resource-intensive, and any failure to safeguard our intellectual property could negatively affect our business and market position. We also face the risk of being accused of infringing third parties’ intellectual property. Defending against these claims can be expensive and could damage our reputation, thereby adversely affecting our business, financial condition and results of operations.

We may not be able to retain, attract, recruit and train management and other key personnel.

The composition and ongoing commitment of our management team have been critical to our success and operational efficiency. If there are significant changes in the composition of our management team or if key employees depart, we may not be able to find suitable replacements with comparable industry expertise. Additionally, new recruits might not seamlessly adapt to our business operation, leading to potential disruptions. Recruiting and training new personnel may also incur additional costs and delay our growth, weakening our competitiveness and disrupting our operations. The loss of such experienced leadership could also affect our brand reputation and our ability to maintain customer relationships.

Any failure to offer high-quality after-sales services or promptly address consumer complaints may harm our relationships with them and, consequently, our business.

To maintain and enhance customer relationships, providing high-quality after-sales services and addressing consumers’ complaints are essential. We cannot assure you that we can always provide satisfactory services to every customer. There is a possibility that our after-sales team may, at times, unintentionally overlook certain complaints, leading to customer dissatisfaction and straining our relationships with customers. In the long term, such issues may harm our business reputation and weaken customer trust, which would adversely affect our business, financial condition and results of operations.

Our failure to timely collect our trade and bills receivables, other receivables and prepayments may adversely affect our financial performance.

We generally grant a credit period of one month to our retailer customers, and may extend up to 30 to 60 days for major retailer customers. As of December 31, 2023, 2024 and 2025, our trade and bills receivables were RMB80.5 million, RMB162.9 million and RMB221.0 million, respectively. We cannot guarantee that our customers or other parties could make payments to us in a timely manner, and delays in their payments may cause an adverse effect on our liquidity position and working capital efficiency, which may in turn increase our finance costs and adversely affect our financial performance. Our trade and bills receivables turnover days were 23.4 days, 28.9 days and 42.7 days in 2023, 2024 and 2025, respectively. With the expansion of our business, there is a possibility that these turnover days will increase in the future, which will make it more challenging for us to manage our working capital effectively, and our results of operations, financial condition and liquidity may be materially and adversely affected. In addition, our prepayments may involve significant uncertainties. As of December 31, 2023, 2024 and 2025, the balance of our prepayments, other receivables and other assets was RMB81.6 million, RMB147.4 million and RMB182.5 million, respectively. However, we cannot assure you that suppliers and third-party service providers will perform their obligations in a timely manner, which may cause prepayment default and impairment loss risk in relation to the prepayments, causing material and adverse effect to our business and financial position. We cannot assure you that we will not incur material impairment losses in the future.

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

Our financial assets at FVTPL primarily arose from our repurchase rights and other embedded derivatives associated with special rights granted to shareholders, which are measured at fair value with fair value, determined using significant unobservable inputs and valuation techniques. As of December 31, 2023, 2024 and 2025, our financial assets at FVTPL amounted to RMB262.5 million, RMB171.1 million and nil, respectively. The value of these equity instrument can fluctuate due to various factors, such as market volatility, changes in interest rates, shifts in our creditworthiness, and other market-driven variables. The valuation of these financial assets and equity instrument can be highly uncertain, especially when unobservable inputs are used in valuation models. These inputs might not accurately reflect actual market conditions or could be based on assumptions that may not materialize, leading to potential discrepancies between the recorded fair value and the price we might obtain in an actual transaction. Any changes in the fair value change of financial assets at FVTPL may adversely affect our profit and loss statements, potentially impacting our overall financial condition and results of operations. There can be no assurance that we will recognize fair value gains from financial assets in the future.

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

Contract liabilities mainly arise from the advance payments received from distributors while the underlying goods are yet to be provided. As of December 31, 2023, 2024 and 2025, we had contract liabilities of RMB122.3 million, RMB73.2 million and RMB83.8 million, respectively. If we fail to honor our obligations under our contracts with customers, we may not be able to convert such contract liabilities into revenue, and our customers may also require us to refund the prepayments they have made, which may in turn adversely affect our financial performance. In addition, any failure to honor our contractual obligations to customers may result in our relationship with such customers to deteriorate, which may further affect our business, financial condition and results of operations in the future.

We had net current liabilities during the Track Record Period. We cannot assure you that we will not experience net current liabilities or net liabilities in the future, which could expose us to liquidity risks.

We had net current liabilities and assets during the Track Record Period. As of December 31, 2023, 2024 and 2025, we recorded net current liabilities of RMB239.0 million, RMB113.2 million and net current assets of RMB29.1 million, respectively, mainly arising from our inventories, financial liabilities at FVTPL, trade and bills receivables and interest-bearing bank borrowings. We cannot assure you that we will not experience liquidity problems in the future. If we fail to maintain sufficient cash and financing, we may not have sufficient cash flows to fund our business operations and capital expenditure and our business and financial position will be adversely affected.

We may experience discontinuation, reduction or delay of any preferential tax treatments or government grants.

During the Track Record Period, we benefited from preferential tax treatment under relevant tax policies. For example, certain of our subsidiaries were qualified as small and micro enterprises and were entitled to preferential corporate income tax rates of 5% in 2023, 2024 and 2025, respectively. One of our subsidiaries in China was approved as High and New Technology Enterprise in 2022 and was entitled to a preferential corporate income tax rate of 15% in 2023, 2024 and 2025. This qualification is subject to review by the relevant tax authority in the PRC every three years. If we lose eligibility for these tax incentives, our income tax expenses may increase, potentially affecting our financial results and profitability. We also receive government grants and subsidies, primarily in the form of non-recurring financial assistance from local governments. These grants amounted to RMB19.5 million, RMB33.8 million and RMB23.7 million in 2023, 2024 and 2025, respectively. See Note 6 to the Accountants’ Report in Appendix I to this document. However, we

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cannot assure you that we will continue to receive or benefit from such government support in the future, and any reduction or cessation of these grants could adversely impact our financial performance.

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

Pursuant to relevant PRC laws and regulations, employers are obligated to directly and duly contribute to social insurance and housing provident funds for their employees. During the Track Record Period, we failed to make and had not made social insurance and housing provident funds for some of our employees in full in accordance with the relevant PRC laws and regulations. According to the applicable laws and regulations, the relevant competent authorities may demand that we take rectification measures. If we fail to take the measures as demanded, we may be subject to fines. In addition, we engaged a third-party human resource agency to pay social insurance and housing provident funds for a small number of our employees during the Track Record Period.

During the Track Record Period, the shortfall of our social insurance and housing provident fund contributions amounted to approximately RMB5.0 million, RMB5.2 million and RMB4.9 million in 2023, 2024 and 2025, respectively. According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), for the shortfall of social insurance, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period and to pay a daily overdue charge of 0.05% of the delayed payment amount, and (ii) to pay a fine of one to three times the overdue amount if such payment is not made within the stipulated period. Under the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), for the shortfall of housing provident funds, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period, and (ii) an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit. In light of Article 19(1) of the Supreme People’s Court’s Interpretation II on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**New Judicial Interpretation**”), any agreement or undertaking that exempts an employer from paying social insurance contributions shall be deemed invalid. See “Regulatory Overview — Regulations Relating to Labor and Employment.” As a result, we may be required by competent authorities to pay the outstanding amount, and could be subject to late payment penalties or enforcement application made to the court.

The social insurance and housing provident contributions made by the third-party human resource agency amounted to RMB1.4 million, RMB1.5 million and RMB1.2 million, respectively, with the shortfall of such contributions amounting to RMB83.6 thousand, RMB81.8 thousand and RMB127 thousand in 2023, 2024 and 2025, respectively. We might be subject to additional contribution, late payment fee and/or penalties imposed by the relevant authorities if the third-party human resource agency failed to pay the social insurance or housing provident funds for the relevant employees in full and/or in a timely manner, or if the validity of such arrangements are challenged by relevant authorities. We might also be subject to potential labor disputes arising from such arrangements with the relevant employees.

We cannot assure you that the relevant governmental authorities will not require us to pay the outstanding amount and impose late fees or fines, pecuniary penalties or other administrative actions on us. If we are otherwise subject to investigations of such incidents related to labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our results of operations, financial performance and business prospects may be materially and adversely affected.

We are subject to various risks relating to third-party payments.

During the Track Record Period, certain of our customers (individually or collectively, the “**Relevant Customer(s)**”) settled payments with us through accounts that do not belong to the contractual parties, except for those settled through the accounts of the operators in the case of sole

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proprietorships, under the corresponding sales and purchase agreements (the “**Third Party Payment Arrangements**”). In 2023, 2024 and 2025, the aggregate amount settled with the Relevant Customers under the Third-Party Payment Arrangements was RMB299.8 million, RMB193.7 million and RMB73.1 million, respectively, representing 22.7%, 12.0% and 4.3% of the total revenue for the same years. See “Business — Our Customers — Third-Party Payment Arrangements.” We are subject to various risks relating to such Third-party Payment Arrangements, including possible claims from third-party payers for the return of funds, and possible claims from liquidators of third-party payers. In the event of any claims from third-party payers or their liquidators, or legal proceedings (whether civil or criminal) instituted or brought against us in respect of third-party payments, we may have to expend financial and managerial resources to defend against such claims and legal proceedings, and our business, financial condition and results of operations may as a result be adversely affected.

Any defect of our IT systems can subject us to regulatory scrutiny and legal proceedings, damaging our reputation and negatively affecting our operation.

Our IT systems are susceptible to interruptions and data breaches due to a variety of factors beyond our control. These could include natural disasters, telecommunications failures, system flaws, cyberattacks, computer viruses, hacking attempts and other security vulnerabilities. Any significant disruption to our IT systems could lead to operational delays, potentially interrupting our production or delivery processes, which in turn may result in lost sales and damage to our reputation. To support our growth and adapt to the evolving digital landscape, we periodically implement, modify and upgrade our IT systems, particularly as we expand our online presence and digitalize our production process. These upgrades often require significant investment, but there is no guarantee that these modifications or upgrades will deliver the expected benefits or lead to increased profitability. In fact, such changes could introduce new technical issues, disrupt ongoing operations or fail to generate returns that justify the incurred costs, potentially impacting our business, financial condition and results of operations.

We face ESG-related risks.

We are subject to an increasingly complex framework of ESG-related laws and regulations. We are committed to improve our ESG performance across our business operations. However, we may fail to uphold ourselves to the ESG standards. As consumers, investors and other stakeholders increasingly prioritize ESG-related issues, any perceived lapse in our commitment to these principles could damage our brand and public image, making it harder to maintain customer loyalty and attract investment. In turn, this noncompliance could cause a material adverse effect on our business, financial condition and results of operations.

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

We are subject to the risks of litigation or legal proceedings in the ordinary course of business, including matters related to product liability, labor disputes or contractual disagreements. Whether or not we can successfully defend against such claims, they could generate negative publicity, damage our brand reputation and reduce consumer demand for our products. Becoming involved in litigation could cause significant legal expenses, with uncertain outcomes that could lead to unfavorable settlements or rulings adversely affecting our financial condition. In addition, managing these legal matters would require substantial time and resources from our management, diverting their attention from core business operations and potentially impacting our overall performance.

We may encounter challenges in expanding our business overseas.

We have expanded our presence beyond China and are committed to continuing our global expansion efforts, but our efforts may fail due to our limited overseas operating experience. In particular, our overseas operations are subject to complex and diverse regulatory environments. The costs associated with complying with local laws and regulations may be substantial and could impose

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significant operational burdens. We also face challenges in anticipating foreign consumers’ preferences due to different cultural contexts, taste profiles and consumption patterns. Our inability to adapt our products to suit local tastes could limit demand and slow the growth of our overseas business. Likewise, our branding and marketing strategies developed for the Chinese market may not resonate with consumers in other countries, making it difficult to establish our brand recognition. Moreover, we may fail to establish strong, cost-effective relationships with local suppliers in overseas markets, which could drive up our procurement costs and further reduce our profit margins. Without the ability to secure reliable and efficient suppliers, our ability to operate sustainably and profitably in these new markets may be compromised. Altogether, these challenges could hinder our ability to successfully expand overseas, leading to increased costs, delayed growth and negative impact on our overall profitability.

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

We carry limited statutory insurance, which we believe aligns with industry standards for businesses of our size and type. See “Business — Insurance.” However, if we incur substantial uninsured losses, our financial results and operational performance could be significantly impacted. Additionally, we do not have insurance coverage for product liability or business interruptions caused by natural disasters such as droughts, floods, earthquakes or severe weather, nor for disruptions in utility supply or other unforeseen events. Any claims related to product liability, operational interruptions or the resulting losses could materially and adversely affect our business, financial condition and results of operations.

We may face risks relating to labor relations, labor disputes, labor shortages and increases in labor costs.

The production and sale of our products are labor-intensive processes, and our success relies on our ability to hire, train, retain and motivate a skilled workforce. Any deterioration in our relationships with employees may lead to labor disputes, potentially resulting in disruption to our production and operations, which would adversely affect our business operations. As China’s economy continues to grow, labor costs are expected to continue to increase. Additionally, labor shortages and an aging population may exacerbate the labor cost issue. To remain competitive, we may need to offer higher compensation packages, which could materially increase our labor costs and negatively impact our profitability, financial condition and results of operations. Prolonged labor shortages or further inflation in labor costs could intensify these challenges and restrict our ability to expand or maintain operations efficiently.

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

Our production involves the use of production machinery and equipment, all of which carry inherent safety risks. The use of such production machinery and equipment may cause industrial accidents and personal injury to our employees, exposing us to legal liabilities and regulatory penalties. Our insurance coverage may be insufficient to completely offset the losses or claims that arise from such incidents. We cannot guarantee that accidents will not occur in the future and, in the event of a major accident, we may face substantial claims for property damage and personal injury. These incidents could result in costly medical expenses, compensation payments to employees and their families and potential fines or penalties imposed by regulatory authorities. In addition to the financial costs, such accidents could significantly damage our reputation and brand image, affecting trust in our ability to maintain safe operations. Furthermore, ongoing challenges related to workplace safety may also affect our ability to attract and retain talent, further compounding the negative effects on our business, financial condition and results of operations.

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We are subject to risks in relation to our owned and leased properties.

As of the Latest Practicable Date, we were not able to obtain the relevant title certificates for certain owned properties situated on two parcels of land for which we had land use right. Among these properties, no. 17 plant building at the Guangxi facility was primarily used for pickling and drying, with a gross floor area accounting for approximately 4% of the total gross floor area of our self-owned properties. The property without title certificate at Fujian Liuliu was mainly used as sun-drying facilities for the drying process of our raw materials, with a gross floor area of these properties accounting for approximately 3% of our total owned properties as of the Latest Practicable Date. We acquired the land with such buildings that lacked the title certificates at the time, due to incomplete regulatory procedures, as a result of which these properties do not have the necessary construction approval procedures to obtain title certificates. As advised by the PRC Legal Advisor, the relevant competent authorities may order the construction entity to demolish the buildings or structures, and confiscate the buildings or structures or any income illegally earned from such buildings or structures; and/or impose a fine of not more than 10% of the construction cost. See “Business — Properties — Owned Properties.” In addition, we commenced the production at our plum processing facilities for sun-drying and pickling in Guangxi without completing the filing of the inspection and acceptance check (竣工驗收備案) with relevant authorities. In Fujian, we began utilizing a building for employee dormitory and cafeteria purposes prior to completing the filing of final inspection and acceptance check with relevant authorities. As of the Latest Practicable Date, we had obtained the ownership certificate for employee dormitory A of Fujian Green Plum. See “— Licenses, Approvals and Permits — Non-compliance — Incomplete Acceptance Check for the Plum Processing Facility in Daxin, Guangxi” and “— Licenses, Approvals and Permits — Non-compliance — Incomplete Acceptance Check for Employee Dormitory in Fujian,” respectively. Pursuant to the applicable laws and regulations in China, property lease agreements for leased buildings must be registered with the relevant real estate administration bureaus in China. As of the Latest Practicable Date, we had not registered the lease agreements for nine of our leased properties with the relevant competent authorities in accordance with applicable laws and regulations in China. Our PRC Legal Advisor advised us that the lack of registration does not affect the validity and enforceability of the lease agreements, but we may be subject to fines from RMB1,000 to RMB10,000 for each such lease agreement for failure to register. As of the Latest Practicable Date, lessors of five out of our 20 leased properties with an aggregate gross floor area of 1,296.45 sq.m. failed to provide us their property ownership certificates or proof of authorizations from the property owners. Additionally, as of the same date, the actual use of two out of our 20 leased properties with an aggregate gross floor area of 140.76 sq.m. did not fit into the prescribed scope of usage shown on the relevant certificates. As advised by our PRC Legal Advisor, for the leased properties that were subject to title defects or with inconsistent usage, the property owners and the relevant lessors shall take the responsibility to obtain valid title certificates and ensure the actual usage complies with the prescribed usage of the properties. As the tenants, we would not be subject to any administrative penalties pursuant to the relevant laws and regulations. However, if any of these leases is terminated as a result of challenges by third parties, we may not be able to continue to use the properties. See “Business — Properties — Leased Properties.” Furthermore, we may be exposed to risks of unexpected early lease termination at the request of the lessors or other reasons beyond our control, and the relevant facilities need to be temporarily closed if we are unable to identify suitable premises on acceptable terms to relocate in a timely manner. There is no assurance that we will not be subject to any administrative penalties for these defective titles in the future, and if this were to happen, our business, results of operation and financial position may be adversely affected.

Our business growth, financial condition and prospects may be affected by any future occurrence of force majeure events, changes in global and regional macroeconomic conditions, natural disasters, health epidemics and pandemics, and social disruption and other outbreaks.

Uncertainties about global economic conditions and regulatory changes and other factors including fluctuation of interest rates, inflation level, unemployment, labor and healthcare costs, access to credit, consumer confidence and other macroeconomic factors may pose risks and

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materially and adversely affect demand for our solutions. In addition, force majeure events or natural disasters such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic or any severe epidemic disease such as SARS, Ebola, Zika or the COVID-19, acts of war, terrorism or other force majeure events beyond our control may disrupt our R&D, commercialization activities and business operations, all of which could adversely affect our business, financial condition and prospects.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTION WHERE WE OPERATE

Changes in the economic policies of the geographic markets in which we operate may pose challenges to our ability to maintain our current expansion plans and overall business performance and affect our business, financial condition and results of operations.

A significant portion of our business assets are conducted in China, and nearly all of our sales are currently derived from the Chinese market. As a result, our financial performance, growth prospects and overall business operations are heavily influenced by economic and legal developments in China. In recent years, the Chinese government has introduced a series of laws, regulations and policies that impose stricter standards on the snack food industry in which we operate our business, particularly regarding food safety and the production process. If the government continues to implement stricter regulations, we may face rising compliance costs, which could adversely affect our profitability. Additionally, our business is subject to the broader macroeconomic conditions in China, which affect consumer behavior, spending power and consumption patterns. Any downturn in the Chinese economy, shifts in disposable income, or changes in consumer preferences could negatively impact demand for our products, further affecting our financial results.

We may be subject to the approval or other requirements of the CSRC or other PRC governmental authorities in connection with future capital raising activities.

On February 17, 2023, the China Securities Regulatory Commission (CSRC) issued the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “**Overseas Listing Trial Measures**”) and five related guidelines, which became effective on March 31, 2023. These measures require PRC domestic companies conducting overseas offerings or listings to complete filing procedures and report relevant information to the CSRC for any future securities offerings in the same or other overseas markets (the “**Future Offerings**”). As a result, we will be required to comply with the CSRC’s filing requirements for any Future Offerings. However, we cannot assure you that we will be able to complete these filing procedures in a timely manner, or at all, which could adversely affect our ability to carry out Future Offerings. Moreover, we cannot guarantee that future laws or regulations will not impose additional requirements or restrictions on our financing activities. If it is determined in the future that approval from, or filing with, the CSRC or other regulatory authorities is required for this [REDACTED] or our future financing activities, we may fail to obtain such approval, perform the necessary filing procedures, or meet other regulatory requirements, either in a timely manner or at all. In such a case, we could face potential sanctions from the CSRC or other PRC regulatory authorities, which could include fines, penalties, restrictions on our operating activities within China, or limitations on our ability to pay dividends outside of China. Any of these outcomes could have a material adverse effect on our business, financial condition and results of operations.

It may be difficult to effect service of process upon us or our management that reside in China or to enforce against them or us in China any judgments obtained from foreign courts.

We are a company incorporated under the laws of the PRC, with all of our business operations and assets located in China. Additionally, the majority of our Directors, Supervisors and executive officers reside in China, and their assets are largely based in China as well. Consequently, it may be difficult for investors to initiate legal proceedings or serve process on us or our key personnel outside of China, including in the United States or other jurisdictions, particularly for matters related to U.S. federal or state securities laws. China and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the

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Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned which came into effect on August 1, 2008. This was abolished on January 29, 2024, pursuant to which a party with an enforceable final court judgment rendered by any designated people’s court of China or any designated Hong Kong court requiring payment of money in a civil and commercial case according to a written choice of court agreement, may apply for recognition and enforcement of the judgment in the relevant people’s court of China or Hong Kong court. China and Hong Kong have concluded the Arrangement on Mutual Recognition and Enforcement of Civil and Commercial Judgments between the Mainland and the Hong Kong Special Administrative Region, which took effect on January 29, 2024. Accordingly, the scope of applicable cases for judicial assistance can be expanded. In principle, judgments made after January 29, 2024 are subject to the provisions of the new “Arrangement”. However, for cases where the “written jurisdiction agreement” referred to in the old “Arrangement” was signed before January 29, 2024, the old “Arrangement” still applies regardless of when the judgment is made. Moreover, China has not entered into similar reciprocal treaties for the enforcement of court judgments with countries such as the United States, the United Kingdom, Japan and many other nations. Furthermore, Hong Kong lacks an arrangement with the United States for the reciprocal enforcement of court judgments. According to PRC Civil Procedure Law and other relevant regulations, a court judgment from the United States or other jurisdictions may only be recognized and enforced in China or Hong Kong if there is a relevant treaty or agreement between China and the country where the judgment was issued, which is currently not the case with many major jurisdictions.

Fluctuations in foreign currency exchange rates may adversely affect our operational and financial results.

The exchange rate of the Renminbi against the U.S. dollar and other foreign currencies is subject to fluctuations, which are influenced by various factors including Chinese government policies, political and economic conditions in both China and globally, as well as supply and demand in the local currency market. We cannot assure you that we will have sufficient foreign exchange to meet our needs at a given exchange rate. In addition, we are unable to predict how market forces or government interventions might impact the exchange rate between the Renminbi and other currencies, such as the Hong Kong dollar or U.S. dollar, in the future. The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars, and any appreciation of the Renminbi against the U.S. dollar, Hong Kong dollar or other currencies could reduce the value of these [REDACTED]. Conversely, any depreciation of the Renminbi could negatively affect the value of our Shares and the dividends payable in foreign currencies. Furthermore, there are only limited hedging instruments available to us at reasonable costs to mitigate our exposure to foreign currency risks. These factors could have a material adverse effect on our business, financial condition and results of operations. [REDACTED] may also experience difficulties in serving legal process, enforcing foreign judgments or initiating legal actions based on foreign laws against us, our Directors or senior management in China or Hong Kong.

Changes in currency conversion policies may adversely affect the value of your [REDACTED].

We may need to convert a portion of our revenue into foreign currencies to meet obligations such as operating costs, expenses and any dividends declared on our H Shares. However, if there are shortages in the availability of foreign currency, our ability to remit sufficient funds to cover these obligations could be restricted, including our ability to pay dividends or meet other foreign currency-denominated commitments. Under current PRC foreign exchange regulations, payments for current account items like profit distributions, interest payments and trade-related transactions can be made in foreign currencies without prior approval from the State Administration of Foreign Exchange (SAFE), provided that certain procedural requirements are met. However, when converting Renminbi into foreign currency to pay for capital expenses, such as the repayment of foreign currency-denominated loans, the approval of or registration with relevant government authorities is required. Additionally, if a significant imbalance in international payments arises, the

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PRC government may impose safeguards or other control measures. There is no guarantee that the regulations governing the remittance of Renminbi in and out of China will remain unchanged in the future, and any modifications could impact our ability to meet foreign currency obligations.

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

Under applicable PRC tax laws, regulations and statutory documents, non-PRC resident individuals and enterprises are subject to different tax obligations with respect to dividends received from us or gains realized upon the sale or other disposition of our H Shares. Non-PRC individuals are generally subject to PRC individual income tax under the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) with respect to PRC source income or gains at a rate of 20%. We are required to withhold related tax from dividend payments paid to non-PRC resident individuals, unless specifically exempted by the tax authority of the State Council or reduced or eliminated by an applicable tax treaty. Pursuant to the Circular on Questions Concerning the Collection of Individual Income Tax Following the Repeal of Guo Shui Fa [1993] No. 045 (《關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》) (Guo Shui Han [2011] No. 348) (國稅函[2011]348號) dated June 28, 2011, issued by the SAT, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides, as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) issued by the MOF of the PRC and the SAT on March 30, 1998, gains of individuals derived from the transfer of listed shares of enterprises may be exempt from individual income tax. In addition, on December 31, 2009, the MOF, the SAT and the CSRC jointly issued the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (Cai Shui [2009] No. 167) (財稅[2009]167號) which states that individuals' income from the transfer of listed shares on certain domestic exchanges shall continue to be exempted from individual income tax, except for the relevant shares which are subject to sales restrictions as defined in the Supplementary Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of the Listed Shares Subject to Sales Limitations (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) (Cai Shui [2010] No. 70) (財稅[2010]70號). As of the Latest Practicable Date, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance as to whether further implemented laws, regulations or practices in the future would result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

Pursuant to the EIT Law and its implementing rules and Notice on the Issues concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H-share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣繳企業所得稅有關問題的通知》) (Guo Shui Han [2008] No. 897) (國稅函[2008]897號), dated June 28, 2011, issued by the SAT, non-PRC resident enterprises that do not have establishments or premises in the PRC, or that have establishments or premises in the PRC but their income is not related to such establishments or premises, are subject to PRC EIT at the rate of 10% on dividends received from PRC companies and gains realized upon disposition of equity interests in such PRC companies, which may be reduced or eliminated under special arrangements or applicable treaties between the PRC and the jurisdiction where the non-resident enterprise resides.

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Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED] and payments through [REDACTED]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of any such refund will be subject to the PRC tax authorities’ verification. As of the Latest Practicable Date, there were no specific rules on how to levy tax on gains realized by non-resident enterprise holders of H Shares through the sale or transfer by other means of H Shares. If any PRC income tax is collected from the transfer of our H Shares or on dividends paid to our non-PRC resident [REDACTED], the value of your [REDACTED] in our H Shares may be affected.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our H Shares and the [REDACTED] and [REDACTED] volume of our H Shares may be volatile, which could cause substantial losses to [REDACTED] in the [REDACTED].

The [REDACTED] of our H Shares was determined through negotiations between us and the [REDACTED] and [REDACTED]. As a result, the [REDACTED] may differ substantially from the market price of the H Shares once [REDACTED] begins following the [REDACTED]. While we have applied to [REDACTED] our H Shares on the Stock Exchange, we cannot guarantee that the [REDACTED] will lead to the development of an active or liquid [REDACTED] market for the H Shares. Furthermore, the price and [REDACTED] volumes of the H Shares may be volatile. Several factors could influence the market price and [REDACTED] volume of our H Shares, including: (i) actual or anticipated fluctuations in our financial performance, such as revenue, earnings and cash flow; (ii) changes in analyst recommendations or earnings estimates, as well as general market conditions or developments affecting us or our industry; (iii) potential litigation or regulatory investigations; (iv) the performance of other companies in our sector or other industries, as well as events beyond our control; and (v) the release of lock-up restrictions or sales (or perceived sales) of additional H Shares by us or other shareholders. Moreover, the securities market has historically experienced periods of significant price and volume fluctuations that are not necessarily tied to the operational performance of specific companies. Such fluctuations — whether driven by market conditions, industry trends or political factors — could adversely impact the market price and [REDACTED] volume of our H Shares. In particular, the market [REDACTED] and [REDACTED] volume of our H Shares could experience substantial volatility due to factors beyond our control, such as: (i) variations in our revenue, earnings and cash flow; (ii) announcements of new investments, strategic partnerships, or acquisitions; (iii) unexpected business interruptions due to natural disasters or power outages; (iv) significant changes in our key personnel or senior management; (v) difficulties in obtaining or maintaining necessary regulatory approvals; (vi) challenges in competing effectively with our competitors; (vii) broader political, economic, financial or social developments; (viii) fluctuations in market prices for our products or raw materials; or (ix) the lifting of restrictions on H share transactions. Additionally, the Stock Exchange and other securities markets have, at times, experienced significant volatility in both price and [REDACTED] volume that may not be linked to the performance of any particular company. This broader market volatility could also have a material adverse effect on the market price of our H Shares.

Future sales or perceived sales of substantial amounts of our H Shares in the public market could have a material and adverse effect on the price of our H Shares and our ability to raise additional capital in the future.

The future [REDACTED] of a significant number of our H Shares in the public market after the [REDACTED], or the possibility of such sales, by our Controlling Shareholders or [REDACTED] could materially and adversely affect the market [REDACTED] of our H Shares and could materially impair our future ability to raise capital through [REDACTED] of our H Shares. Although such Controlling Shareholders and [REDACTED] have agreed to a lock-up on their H Shares, any major disposal of our H Shares by any of such Controlling Shareholders and

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[REDACTED] upon expiry of the relevant lock-up periods (or the perception that these disposals may occur) may cause the prevailing market [REDACTED] of our H Shares to fall which could negatively impact our ability to raise equity capital in the future.

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

The initial [REDACTED] of our H Shares is higher than the net tangible asset value per Share of the outstanding H Shares issued to our existing Shareholders immediately prior to the [REDACTED]. Therefore, purchasers of our H Shares in the [REDACTED] will experience an immediate dilution in terms of the [REDACTED] net tangible asset value. In addition, we may consider [REDACTED] and [REDACTED] additional H Shares or equity-related securities in the future to raise additional funds, finance acquisitions or for other purposes. Purchasers of our H Shares may experience further dilution in terms of the net tangible asset value per Share if we issue additional H Shares in the future at a price that is lower than the net tangible asset value per Share.

There can be no assurance whether and when we will pay dividends in the future.

No dividend was paid or declared by our Company or other entities comprising our Group during the Track Record Period. On May 10, 2026, we declared dividends of RMB67.3 million to our shareholders based on their equity interests in our Company as of March 31, 2026, which was fully paid on May 12, 2026. There is no guarantee as to whether we will pay dividends in the future. The declaration and distribution of dividends shall be proposed and formulated by our Board of Directors at their discretion and will be subject to shareholder approval. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors including, without limitation, our results of operations, financial condition, operating and capital expenditure requirements, distributable profits, future prospects and other factors that our Board of Directors may determine are important. Accordingly, our historical dividend distributions are not indicative of our future dividend distribution policy and potential [REDACTED] should be aware that the amount of dividends paid previously should not be used as a reference or basis upon which future dividends are determined. See “Financial Information — Dividends and Dividend Policy.”

If securities or industry analysts do not publish research on, or publish inaccurate or unfavorable research about our business, the market [REDACTED] for our H Shares and [REDACTED] volume could decline.

The market [REDACTED] and [REDACTED] volume of our H Shares are likely to be influenced by the opinions and research published by securities or industry analysts. If these analysts fail to regularly cover our business, or if they issue inaccurate, misleading or unfavorable reports, it could significantly reduce [REDACTED] interest in our H Shares. A lack of consistent analyst coverage may lead to decreased visibility within the financial markets, making it more difficult for potential [REDACTED] to obtain independent evaluations of our business and growth prospects which could, in turn, lower the demand for our H Shares. Additionally, if one or more analysts downgrade their recommendations, lower their price targets, or publish negative assessments of our business, it could result in a sharp decline in the market [REDACTED] of our H Shares. Even if our operating results and financial performance meet or exceed expectations, negative media or analyst reports could still damage the market perception of our company. Moreover, unfavorable comparisons with our competitors or pessimistic forecasts about our industry as a whole could also drive down the value of our H Shares. The impact of such reports could be amplified by high [REDACTED] volumes, resulting in more pronounced price movements. In some cases, inaccurate or overly critical reports may arise from misinterpretations of our business model or financials, which could cause unnecessary volatility in the market. In the absence of adequate or favorable coverage, [REDACTED] may be less inclined to purchase or hold our H Shares, leading to reduced liquidity, increased price volatility and, ultimately, a potential decline in the value of your [REDACTED]. This could also affect our ability to raise capital or pursue strategic opportunities in the future, as a lower market valuation may limit our access to financing and other growth-related initiatives.

RISK FACTORS

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various government publications, market data providers and other independent third-party sources, including the industry expert reports, contained in this document.

This document, particularly the sections headed “Industry Overview” and “Business,” contains information and statistics relating to the industries in which we operate. Such information and statistics were extracted from the report prepared by Frost & Sullivan, which was commissioned by us, and from various publicly available publications. We believe that the sources of this information are appropriate source for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In any event, you should consider carefully the importance placed on such information or statistics.

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

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [REDACTED]. Prior to the publication of this document, there has been press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

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

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as “anticipate,” “believe,” “could,” “going forward,” “intend,” “plan,” “project,” “seek,” “expect,” “may,” “ought to,” “should,” “would” or “will” and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend publicly to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.