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### WHO WE ARE

We are a fruit snack company focusing on the plum-based products. We also aspire to promote plum culture and to introduce snacking options with natural ingredients. Guided by our plum-centric product development strategy, we have built a diverse plum-based products portfolio ranging from classic products crafted with traditional techniques to products fused with complex flavors. Since the launch of our iconic brand Liuliumei (“溜溜梅”) in 2001, we have been dedicated to developing high-quality plum-based products and unlocking the culinary potential of sour flavors within plums.

In 2024, we ranked first in China’s fruit snacks industry in terms of the retail sales value, with a market share of 4.9%, according to Frost & Sullivan. Since its launch in 2019, our plum jelly rapidly captured consumer bases. As a result, according to Frost & Sullivan, in 2024, we ranked first in China’s natural ingredient jelly industry in terms of retail sales value, representing a market share of 45.7%.

Our brand is synonymous with plum-based products, owing to our decades-long foothold in the industry. Plum-based products, due to their digestion-aiding components, organic acids and antioxidant substances, align with the modern consumers’ pursuit of functional snack options. Chinese consumers are increasingly prioritizing food safety and natural ingredients, while demonstrating a stronger willingness to pay a premium for snacks made with natural ingredients, generating market opportunities for plum-based products that are rich in vitamins, organic acids and polyphenols.

Drawing on the Chinese phrase, “suan liu liu” (“酸溜溜”), which stands for mouthwatering sourness, our Liuliumei brand can be instantly associated with the sour flavor sensation. We have leveraged our decades-long industry expertise and deep market insights to establish the plum-centric product development strategy, which explores diverse plum-based products and different combinations of plum’s sour flavor and other taste profiles. Pursuing this strategy, we have presented three major product categories: dried plum snacks, prune-based products and plum jelly, as well as other plum-based products, such as plum gummy and plum tea concentrate.

To ensure raw material quality control and strengthen our bargaining power with upstream suppliers, we procure plums from all major sourcing regions in China and provide technical guidance to farmers on seedling and orchard management, while sourcing prunes directly from premium farms in Chile and France for high-quality supplies at competitive prices. We have established production bases in Anhui, Fujian and Guangxi to maintain food safety and finished product quality by minimising the time between harvest and preliminary processing.

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. We have effectively capitalized on the growth opportunities brought by emerging retail channels, such as snack stores and membership stores. By offering products in differentiated packaging tailored to each channel’s target customer base, we effectively promote our product portfolio. Leveraging our comprehensive distribution network, we have successfully amplified our shelf presence across cities of different tiers. We also operate online flagship stores and engage with other online platforms, such as e-commerce and live commerce, to expand our market reach.

Drawing on our products and marketing campaigns, we have established our brand has enjoyed nationwide popularity across consumers of different demographics. Committed to promoting the plum culture, we have implemented culture-driven marketing campaigns that highlight the rich cultural and historical roots of plum-based products. We also carefully select celebrities and KOLs who seamlessly align with our brand image to appeal to younger consumers and to extend our brand influences. Our brand was honored as one of the Top Ten Innovative Brands in China’s Food Industry in 2016. Meanwhile, our products have received multiple awards, with our plum jelly products winning the Gold Award at the National Competition for Special Tourism Products in 2021 and the Superior Taste Award 1-Star Medal by the International Taste Institute in 2023.

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During the Track Record Period, we achieved strong growth. In 2023, 2024 and 2025, our total revenue amounted to RMB1,322.0 million, RMB1,616.0 million and RMB1,710.7 million, respectively. We also effectively managed our costs and enjoyed benefit from economies of scale, recording net profit of RMB99.2 million, RMB147.7 million and RMB182.1 million in 2023, 2024 and 2025, respectively.

### OUR STRENGTHS

#### Market leadership in fruit snacks industry.

We lead in several segments of snack industry. According to Frost & Sullivan, in 2024, we ranked first in China’s fruit snacks industry in terms of retail sales, with a market share of 4.9%. Meanwhile, our plum jelly had rapidly gained widespread market acceptance. According to the same source, in 2024, we ranked the first in the natural ingredient jelly industry in China in terms of retail sales, with a market share of 45.7%. The market segments in which we operate in present substantial market opportunities for our sustainable growth. According to Frost & Sullivan, the market size of fruit snacks industry by retail sales value was RMB52.0 billion in 2024, and is expected to reach RMB78.0 billion in 2029, at a CAGR of 8.6% from 2025; the market size of natural ingredient jelly industry by retail sales value was RMB2.0 billion in 2024, and is expected to reach RMB10.7 billion in 2029, at a CAGR of 39.8% from 2024. Through our market leadership and diversified product offerings, we are well-positioned to seize emerging market opportunities, extend our reach to new segments of snack industry.

Since the launch in 2001, our brand has become synonymous with plum-based products. Our signature dried plum snacks that are crafted with traditional techniques, such as Snow Plum and Refreshing Plum, enjoy enduring popularity and widespread acceptance across various consumer demographics. Dedicated to the spirit of innovation, we have also blended the taste of plums with other distinct flavors, introducing dried plum snacks with complex flavors, such as our pineapple-flavored plum and sour-spicy plum.

We are also actively exploring new raw materials to expand our fruit snacks portfolio. Finding that prunes have distinctive ingredients such as anti-oxidants, improving metabolism besides their well-balanced sweet and sour taste, we have focused on developing prune-based snacks in recent years. We introduced our first prune-based product in 2016, and established “Prune Knight” pitted prune-based product in response to the rising demand for healthy and natural fruit snacks. According to Frost & Sullivan, we ranked first in China’s prune-based fruit snacks industry for four consecutive years from 2021 to 2024.

Our plum jelly represents a milestone in our product innovation strategy, marking the successful expansion into snacking option with natural ingredients for consumers pursuing preservative-free, low-fat snacking options. Our plum jelly effectively addresses longstanding pain points of jelly industry regarding the use of artificial additives, redefining the consumer perception of the jelly products. The popularity of our plum jelly products has been unequivocally validated by the success of our marketing campaigns. According to Frost & Sullivan, in 2024, we were a major player in China’s jelly industry in terms of retail sales value, representing a market share of 2.9%, and we ranked first in China’s natural ingredient jelly industry in terms of retail sales value, representing a market share of 45.7%.

Moreover, we led the formation of various industry alliances such as National Plum Innovation Alliance, integrating the industry resources within the snack food industry to fully unlock the culinary potential of plums. Additionally, we helped to formulate industry standards, such as “Provincial Standard for Plum Seedlings” and the “Provincial Standard for Plum Cultivation,” further solidifying our leading position in the industry.

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### **Robust product development strategy and continuous R&D efforts.**

We actively promote the development of plum-based products through various fundamental R&D initiatives. In particular, we led the establishment of Liuliumei Research Institute and the formation of the National Plum Innovation Alliance, which facilitate the fundamental research on the plum’s culinary and medicinal value and plum planting techniques. As of December 31, 2025, we had obtained 42 invention and utility model patents that are material to our business.

We actively pursue the plum-centric product development strategy, a plum-centric product development philosophy that blends the natural sour taste of plums with other flavors and versatile product types. Our success in launching plum jelly illustrated our robust product R&D capabilities of developing commercially successful plum-based products. Additionally, to expand into the confectionery sector, we had also launched the plum gummy in 2025, which integrated natural plum extracts to deliver refreshing tastes and reinvigorating effects. Looking forward, in the condiment sector, we plan to launch plum-based seasoning products, aiming to bring plum elements to Chinese consumers’ daily lifestyles.

### **Comprehensive sales network and diversified marketing campaigns.**

Our comprehensive and diversified channel networks that span from offline to online channels are crucial to our extensive market expansion. We promptly seize the growth opportunities brought by emerging retail channels, such as snack stores and membership stores, in recent years. For instance, we offer customized products of differentiated packaging to snack stores, catering to their target consumers’ consumption behaviors. By leveraging this sales expertise and their extensive consumer bases, we have enhanced our products’ shelf presence, thereby increasing brand and product recognition among customers and gaining more direct access to target consumer bases with a high demand for snacks. With the rising per capita income, membership stores have also experienced rapid growth in China, gathering loyal consumers who are willing to pay premium prices for high-quality products. Through providing customized products for these membership stores, we have fostered a close connection with them. Recognizing the potential of e-commerce channels and growing popularity of live commerce among young consumers, we have built an online sales network on major e-commerce and live commerce platforms, operating our flagship stores and hosting large-scale live commerce events.

In addition to our online self-operated stores and sales to supermarkets, membership stores and snack stores, our comprehensive distribution network ensures our reach to a wide range of customers. As of December 31, 2025, we had engaged 1,439 distributors, covering 34 provinces and municipalities.

Our culture-driven marketing campaigns also drive our sales performance, promoting plum-based products and appealing to customers of different demographics. Multimedia marketing campaigns, coupled with various forms of offline promotional activities, continuously amplify our brand recognition. We also pay particular attention to interactive communication, livestreaming the daily operations of the plum industry covering the seedling and processing, as well as the value proposition and culture of our brand. Additionally, we strategically establish partnerships with celebrities who may convey our energetic and youthful brand image to young consumer. Through live events or product campaigns featuring our celebrity brand ambassadors, we can quickly amplify our presence on mainstream platforms and effectively promote our new products to a broad consumer group. The events also triggered a buzz on internet, generating over one billion views and over one million discussion posts on social media platforms.

We actively promote the rich heritage of plum-based products. For example, we host annual events like the “66 Plum Festival,” passing on the traditional Chinese plum culture while appealing to the cultural sensibilities of younger generations. Coupled with our extensive marketing campaigns on social media platforms, we have reached widespread popularity.

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### **Integrated supply chain covering procurement to production management.**

We have strategically established our production bases near key plum-growing regions across Southwest, South and East China, significantly reducing the time from raw material procurement to production. Additionally, we maintain robust, long-term partnerships with local plum farmers by offering them advanced planting techniques, proprietary plum varieties and price stabilization support by entering into cooperation arrangement contracts with them. We collaborated with research centers, agricultural and farming organizations and local government authorities to publish technical protocols for plum cultivation, which established best practices in the site selection, orchard management, variety selection, planting, soil management, trimming, pest control and harvesting. Additionally, beyond procurement management, we offered agronomic support for plum farmers on cultivation techniques and orchard management to foster a long-term cooperative relationships with plum farmers and farmers’ specialized cooperatives. Specifically, we supply proprietary plum varieties or high-quality plum varieties procured from third parties to farmers at favorable prices, encouraging plum farmers to plant such varieties on required land and in accordance with our technical protocols and requirements. We provide planting guidance, soil improvement, and pest and disease control services free of charge. Furthermore, we collaborated with academic and research institutions to develop proprietary plum varieties featuring enhanced pest resistance and high yield. We cultivated the seedlings in small batches on the land located in Fanchang District of Wuhu City, and then sold these seedlings at favorable prices to local farmers or farmers’ specialized cooperatives. We generally held no contractual or harvest rights over the grown-up plum trees. Following our integrated supply chain strategy, we implement guaranteed pricing mechanisms in certain regions by combining minimum purchase price with collaborative price stabilization initiatives, providing local farmers with predictable returns for growing plums, further promoting the plum farming and empowering the broader plum growing ecosystem. Under our collaborative price stabilization initiatives, we agree to purchase all qualified plums at the prevailing market price, protecting collaborative plum farmers’ economic interests. Under the guaranteed pricing mechanism, we agree, during market downturns, to purchase all qualifying plums that partner farmers are unable to sell, at a pre-agreed minimum price set out in the cooperation agreements. The minimum price is set based on factors such as planting and harvesting costs, aiming to cover plum farmers’ expenses and incentivizing them to cultivate plums. These arrangements are intended to provide downside support to partner farmers while empowering the entire industry chain. We procure plums from all major plum-sourcing regions in China, securing a reliable supply of high-grade plums at competitive prices while being resilient against price volatility and supply disruptions from certain production areas. Similarly, for our prune-based products, we directly source prunes from various reputable farms to uphold quality while effectively controlling procurement costs. Our close relationships with upstream suppliers, coupled with reliable high-quality raw material sources, enable us to exercise end-to-end quality control, thereby ensuring a strong bargaining power against upstream suppliers while maintaining our cost advantage.

Other than our control over raw materials, we have implemented a modern production system incorporating advanced food processing equipment and production automation technologies, enhancing production efficiency while guaranteeing product quality. In 2022, we launched our Plum Jelly Plant to specialize in producing high-quality plum jelly products. We are Orihiro’s exclusive strategic partner in China. As a part of our ten-year strategic partnership with Orihiro, we introduced the advanced jelly production line to preserve the freshness of our plum jelly products for up to nine months without any preservatives or additives. We also adopted various advanced technologies for other key production steps, such as preliminary processing and packaging.

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### **Experienced management team with entrepreneurship and market insights.**

Our founder, Mr. Yang, maintains entrepreneurial passion, having dedicated himself to the fruit snacks industry for more than two decades. Our management team shares unified values and collaborates seamlessly, possessing an average of 20 years of industry experience. In addition, supported by a comprehensive talent management system, we have built a well-structured and talented team capable of executing our strategic objectives with precision.

As a flagship enterprise of the industry, we also actively assume social responsibilities to expand our influences. In Southern Anhui, we encourage the plum cultivation, securing long-term cooperation agreements with local farmers to facilitate their farming practice while mitigate market risks. We have also spearheaded the national “851 Project” for the industry, which encouraged farmers to grow plums in major plum sourcing regions in China by providing farmers with comprehensive guidance on planting techniques and our proprietary high-quality plum varieties.

### **OUR GROWTH STRATEGIES**

#### **Enrich our product offerings and engage in fundamental R&D.**

Through leading the formation of industrial alliances, such as National Plum Innovation Alliance and establishing Liuliumei Research Institute, we work closely with top-tier academic institutions, agricultural research organizations and industry-leading snack food enterprises. These industrial alliances and research initiatives drive the technological advancements in the production and processing capabilities, develop innovative and distinctive products, and enhance the quality and yield of plum varieties.

We focus our fundamental R&D on cultivating high-quality plum varieties and developing efficient planting techniques to ensure stable supply of premium raw materials and promote efficient farming practices. Leveraging insights from our R&D on the value of plums together with advancements in food processing technologies, we will integrate complementary flavours into our plum-based products and incorporate the distinctive plum flavour into other categories, while further diversifying our comprehensive portfolio by exploring new culinary applications and consumption scenarios to enhance competitiveness.

#### **Enhance our brand recognition and solidify market leadership.**

To enhance our brand recognition and strengthen customer loyalty, we plan to implement tailored marketing strategies across various consumption scenarios of plum-based products, develop creative packaging for seasonal campaigns that highlight our products’ unique attributes, and pursue strategic collaborations with cross-industry brands and KA customers for co-branding and customised offerings to reach a broader consumer base. We will also deepen customer engagement through diversified online and offline activities, festival campaigns, KOL and celebrity endorsements to cultivate an appealing brand image across demographics, while leveraging social media, e-commerce and live commerce platforms to promote plum culture, collect feedback, refine product formulas and enhance customer stickiness and loyalty.

#### **Expanding our sales network, increasing customer bases and exploring international markets.**

To further penetrate our existing markets and extend our reach to new markets, we are committed to optimizing and expanding our sales and distribution network. We plan to balance sales across channels, reinforcing partnerships with KA customers, including supermarkets, membership stores and national snack chains through customized and co-branded products with strategic displays, and establish collaborations with emerging channels such as snack stores, fruit shops, restaurants and tea brands, while developing differentiated packaging and customized products for lower-tier cities. We will also pursue international expansion by targeting markets with large Chinese communities or similar dietary habits and offering a tailored product portfolio with positioning and packaging adapted to local cultures and consumer preferences.

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### Optimizing our production capacity and supply chain.

Our business growth depends on the optimization of production capacity and effective supply chain management. We plan to expand production capacity by constructing new facilities, enhancing existing efficiency through refined production processes and upgraded facilities and techniques, and continuously investing in advanced equipment and technology to elevate automation levels, while strengthening supply chain management by optimizing intelligent inventory and warehouse systems to improve efficiency and reduce costs, solidifying collaborations with professional logistics providers for shortened delivery times and enhanced service to end customers, and establishing long-term relationships with plum farmers in major sourcing regions in China to secure stable high-quality raw material supplies, together with ongoing R&D of premium plum varieties to mitigate seasonal fluctuations and maintain our competitiveness.

### OUR BRAND AND PRODUCTS

We offer three major product categories, namely, our dried plum snacks, prune-based products and plum jelly. For each category, we have launched different series encompassing both products crafted with traditional methods and products fused with flavors, continuously providing consumers with distinctive taste experience to satisfy their evolving preferences. We have further launched other plum-based products with significant market potential, such as Dameida plum gummy and plum tea concentrate. With our continuous product innovations capabilities and deep market insights, we aim to fully explore the culinary value of plums. Looking forward, we plan to launch our plum-based ready-to-drink beverages and condiment products.

The following table sets forth the breakdown of the sales volume and average selling price per kg of our major product categories for the years indicated:

		<b>Year ended December 31,</b>		
		<b>2023</b>	<b>2024</b>	<b>2025</b>
Dried plum snacks	kilotons	23.2	29.9	23.6
	RMB/kg	36.2	32.6	35.2
Prune-based products	kilotons	4.0	5.6	9.0
	RMB/kg	38.7	39.7	42.1
Plum jelly	kilotons	12.1	21.8	24.7
	RMB/kg	25.7	18.8	18.8

*Note:* the average selling price per kg is estimated through dividing the revenue of each product category by the sales volume.

From 2023 to 2024, we proactively offered more competitive prices of dried plum snacks to enhance our market penetration in the broader snack industry. For example, we introduced various packaging sizes and combinations tailored to the targeted consumers’ preferences, including family-sized packages and variety packs which typically have lower per-unit prices. Additionally, in 2024, we offer customized products with lower per-unit prices for distributors targeting the lower-tier cities, expanding our market presence. The average selling price of our dried plum snacks increased from 2024 to 2025, primarily due to the launch of various new products that have higher prices. We expanded our production capacity for plum jelly during the Track Record Period and successfully optimized the cost structure by reducing outsourced processing costs, allowing us to implement more competitive pricing strategies to appeal to a broader range of consumers. The average selling price of our prune-based products increased from 2024 to 2025, primarily due to the launch of premium prune-based products sold to certain membership stores and our pricing strategy in response to the higher raw material costs.

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The following table sets forth the breakdown of our revenue by product category for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	<i>RMB</i>	%	<i>RMB</i>	%	<i>RMB</i>	%
	<i>(RMB in thousands, except for percentages)</i>					
Dried plum snacks	838,110	63.4	973,531	60.3	829,895	48.5
Prune-based products	155,985	11.8	223,561	13.8	380,210	22.2
Plum jelly	311,069	23.5	410,358	25.4	465,879	27.3
Others <sup>(1)</sup>	16,878	1.3	8,568	0.5	34,747	2.0
<b>Total</b>	<b><u>1,322,042</u></b>	<b><u>100.0</u></b>	<b><u>1,616,018</u></b>	<b><u>100.0</u></b>	<b><u>1,710,731</u></b>	<b><u>100.0</u></b>

*Note:*

- (1) Others mainly represent plum gummy, plum-based seasoning products, plum tea concentrate and other fruit-based products.

### Dried Plum Snacks

The decades-long journey of our brand started with dried plum snacks that are primarily crafted with green plums. We offer a range of dried plum snacks, featuring three series: classic products, special-flavored products and customized products.

#### *Classic Products*

Our classic products are flagship dried plum snacks that are most familiar and widely accepted by customers, enjoying widespread and enduring popularity. We craft our classic products by using the superior plums, while preserving the authentic taste and texture of dried plum snacks made with traditional methods. We procure plums from all major plum sourcing regions in China, following a same-day processing workflow to preserve the plums’ original flavor and nutrition.

We combine traditional craftsmanship with modern fine-tuning to create unique flavor experiences fitting for diversified consumption scenarios. Our product portfolio comprises four flagship plum-based snacks that blend traditional craftsmanship with modern innovations to meet diverse consumer preferences. Our popular Snow Plum is continuously upgraded with natural herbal extracts such as mint, monk fruit and honeysuckle, delivering a cooling and refreshing taste that effectively relieves throat discomfort; complementing this profile, our Refreshing Plum sources fully ripened plums from the mountainous regions of Fujian and Guangdong, combined with natural honey and traditional Taiwanese manufacturing techniques, to provide a succulent texture rich in dietary fiber and a refreshing taste. Building on time-honored recipes, our Preserved Plum is crafted from thick, succulent high-quality green plums through established techniques to achieve a deep, layered sweet-and-sour flavor that stimulates appetite as an ideal daily appetizer, with ongoing innovations including herbal-flavored and zero-sucrose variants; furthermore, our distinctive Smoked Plum, produced from selected green plums ripened in May, features a soft and smooth texture enhanced by traditional methods and natural ingredients such as aged citrus peel, licorice and hibiscus flowers, creating a revitalizing smoky flavor that pairs perfectly with beverages and appeals to contemporary palates.

#### *Special-flavored Products*

We have cultivated a diversified dried plum snacks portfolio tailored to customers’ evolving texture preferences. For instance, our Crispy Green Plum (脆青梅) was developed in response to consumer demand for dried plum snacks with crispy texture and refreshing taste, delivering a vibrant tasting experience marked by freshness, crunch and juiciness. We drew inspiration for our Crispy Green Plum from the plum varieties sourced from Southern Anhui, Jiangsu and Zhejiang regions,

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which naturally contain lower tannin levels, offering a uniquely crispy texture with minimal astringency. Meanwhile, our Plum Cakes (梅餅) cater to consumers seeking delicate and soft plum products by faithfully blending time-honored preservation methods with modern manufacturing techniques to achieve a balanced aromatic profile that has garnered significant consumer appreciation. Additionally, we have introduced our Plum Slice (“梅片”), a functional snack crafted for consumers seeking invigorating flavors. By incorporating menthol complex or perilla essence into plum slices, this product delivers a stimulating taste and energizing experience. We have further broadened our dried plum snacks portfolio with the recent launch of our Plum Strips (“梅條”), a novel strip-format plum product crafted to cater to consumers who seek a more substantial and texturally satisfying snacking experience. Our Plum Strips achieve a first-of-its-kind integration of premium highland green plums with dried tangerine peel. By drawing upon our traditional plum-making process — encompassing sea-salt activation, double-selection for fruit integrity, natural drying and honey-curing — the product strikes a refined balance between the plum’s natural organic acids and the aromatic depth of the aged tangerine peel, yielding a layered tasting experience that transitions from an initial sweet-sour note to a lingering mellow sweetness.

In addition, we creatively blend the plum’s inherent flavor with other flavors to form complex flavors, which has become increasingly popular among customers. For example, our Green Tea Plum (綠茶青梅) perfectly combines the fresh aroma of green tea with plum flavors for a refreshing taste. Additionally, inspired by the unique taste profiles in certain regions, we introduce dried plum snacks featuring regional-specific flavors, such as pineapple-flavored and sour-spicy plums, creatively combining regional-exclusive flavors like pineapple from Taiwan, yellow peach from Shanghai, Mango from Hainan and sour-spicy elements from Guizhou with the original plum flavor. We have further given expression to this multi-flavor philosophy through the launch of our Mei He Guozi (梅和菓子) series, a creative filled dried plum product line that positions our natural premium green plum as the foundation for innovative fruit-flavored combinations. Each product in the series pairs our thick, plump and seedless plum flesh with a distinct fruit infusion, spanning guava, lemon, mango, grape and pineapple, among others, to deliver a vibrant sweet-sour flavor profile that is at once appetite-stimulating and refreshing. The seedless, thick-flesh format of the Mei He Guozi range is specifically designed to provide a more substantial and satisfying bite, while enabling the layered fruit flavors to be fully expressed.

### *Customized Products*

We offer customized dried plum snacks tailored to chain snack stores and membership stores. These customized products allow us to access each KA customers’ target consumer base, providing unique offerings to a broader range of consumers. In addition, given that KA customers are critical in our sales network, establishing these partnerships positions us for continued success as we expand our reach and introduce our brand to new customers. In particular, since its launch, our high-end product “Premium Plum” (皇梅) quickly captured the attention of consumers with its unparalleled quality and craftsmanship. Exclusively available at a high-end membership store, it ranked first on this membership store’s New Product Hot List within eight days after its launch, showcasing its immense popularity and market appeal. In addition, we launched Chilean pitted prune in membership stores, which is a premium prune-based products catering to mid- to high-income consumers demanding high-quality products with high nutritional value.

### **Prune-based Products**

We introduced prunes to our portfolio in 2016, enabling us to explore new market opportunities. Prunes are rich in dietary fiber, natural antioxidants, as well as essential vitamins and minerals, including high levels of anthocyanins. Additionally, prunes have been scientifically proven to support digestive health and enhance metabolic functions, thereby enjoying widespread popularity among urban middle-class, white-collar professionals and the discerning Generation Z consumers who appreciate the health benefits of snacks and have growing demand for natural food alternatives.

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We have developed three core series of prune-based products tailored to different consumer preferences. For consumers seeking diversified snack options, we introduce classic dried prune product that uses premium prunes with rich flavor and fine-textured flesh. On the other hand, we launch the “Fiber Life” pitted prune product to cater to consumers calling for convenient, natural snacking options. Crafted by precision de-pitting techniques and constant-temperature drying technology, our “Fiber Life” pitted prune product offers a convenient, ready-to-eat alternative to our classic dried prune product, while preserving the natural content of high-quality, large-sized prunes. We have further elevated our prune-based product portfolio through the launch of our Prune Knight (西梅騎士) series, a premium prune product line that embodies our commitment to global sourcing and clean-label formulation. The Prune Knight series sources its prunes exclusively from premier growing regions across the globe. The product is also rich in dietary fiber, iron, potassium and vitamin B6, and is classified as a low-GI food, making it well-suited for consumers who seek both nutritional value and digestive wellness.

Our prune-based products have rapidly captured market share. According to Frost & Sullivan, we ranked first in prune-based fruit snacks industry for four consecutive years in terms of retail sales value from 2021 to 2024.

### **Plum Jelly (梅凍)**

According to Frost & Sullivan, the China’s jelly market is evolving toward innovations of functional products made with natural ingredients and free of preservatives. Following our plum-centric product development strategy, we launched the plum jelly products in 2019. Unlike traditional jelly products frequently perceived as additive-heavy snacks, our plum jelly, made with locust bean gum, natural green plum nectar and other natural fruit nectars, is positioned as a low-calorie, convenient jelly option made with natural ingredients. Additionally, deploying Orihiro’s advanced food processing equipment and technologies, we extend our plum jelly’s shelf life to nine months without adding preservatives. During the Track Record Period, we generated revenue of RMB311.1 million, RMB410.4 million and RMB465.9 million from the sales of plum jelly products in 2023, 2024 and 2025, respectively, demonstrating the growing market acceptance of our plum jelly products. According to Frost & Sullivan, in 2024, we were one of the leading player in China’s jelly market in terms of retail sales value, capturing a market share of 2.9%. Additionally, according to Frost & Sullivan, we ranked first the natural ingredient jelly industry in terms of retail sales value, representing a market share of 45.7% in 2024.

### ***Classic Products***

Our portfolio also extends to natural fruit-flavored plum jelly and lactic acid bacteria (LAB) plum jelly products that further harness the natural tartness of green plums through advanced flavor innovations to meet evolving consumer preferences. Our natural fruit-flavored plum jelly achieves harmonious and authentic fruit flavors by blending natural fruit nectars with the delicate tartness of green plums, creating a balanced and invigorating taste profile. For instance, our white peach plum jelly contains more than 40% white peach nectar carefully extracted from two premium peach varieties, delivering a refined aroma reminiscent of freshly picked peaches. Building upon this fruit-forward foundation, our LAB plum jelly incorporates a concentrate of six distinct bacterial strains through a specialized fermentation process that preserves distinctive cheesy and buttery flavor notes, while infusing natural fruit nectars to develop popular fruit-flavored variants that have gained strong market acceptance.

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### *Seasonal-themed Products*

Inspired by market trends and seasonal elements, we periodically introduce seasonal-themed plum jelly products integrating seasonal ingredients that reflect distinctive characteristics of certain seasons.

To capture seasonal and festive consumption trends, we launched a range of new plum jelly products in 2024. In spring, we introduced snow pear loquat plum jelly, blending the sweet crisp texture of snow pears with the moisturizing and throat-soothing properties of loquat for a refreshing taste ideally suited for springtime consumption, alongside orange grapefruit plum jelly that harmonizes the natural sweetness of oranges with the mild invigorating acidity of grapefruit; in summer, we launched lychee sea salt lime plum jelly and pineapple wampee lemon plum jelly, delivering cooling and refreshing flavors perfectly suited for summertime, with these summer-themed products featuring our brand ambassador Teens in Times rapidly attracting over 100 million online views and effectively conveying our core brand values. Furthermore, we introduced festival-themed plum jelly products aligned with our marketing campaigns, including vibrant red and gold packaging for the 2025 Chinese New Year symbolizing prosperity, good fortune and wealth, featuring red plum, red grape and red cherry variants as well as golden osmanthus, golden pomelo and kumquat plum jelly to resonate with consumers’ aspirations for an auspicious year.

### *Electrolyte-infused Slushy Jelly*

In 2025, we introduced our electrolyte-infused slushy jelly, yet another testament to our market-driven product development strategy. The electrolyte-infused slushy jelly incorporates carefully selected fruit nectar to provide the authentic, rich fruit flavor. Unlike traditional frozen products, our electrolyte-infused slushy jelly can be easily stored at room temperature. After being placed into the freezer, it can soon transform into a smooth, slushy texture, offering a refreshing new taste and an innovative frozen-snack experience. Added with electrolytes, this product serves not only as an ideal option for a quick energy boost after workout, but also as a convenient way to replenish energy during everyday leisure moments.

### **Other Products**

We plan to expand into various plum-based product categories, including confectionery, tea concentrate, ready-to-drink beverages and condiments, integrating plum-based products into consumers’ everyday lives.

We launched our plum gummy “Dameida” (打梅打) in 2025 and our plum tea concentrate products in 2024. Made with plum extract and Madeira tea extract that provides invigorating effects, “Dameida” plum gummy provides refreshing and harmonious sweet-sour tastes, targeting consumers who need fruit-based and functional snack options. In addition, we offer two tea concentrate options, namely the smoked plum ginger tea concentrate made from Yunnan small yellow ginger, donkey-hide gelatin, brown sugar and smoked plum extract, and the green plum snow pear tea concentrate made from pear syrup, green plum juice, loquat juice and smoked plum extract, providing a warming, soothing drink in just 30 seconds.

## **OUR SALES CHANNELS**

### **Overview**

Our sales strategy integrates distributorship, online self-operated and sales to supermarkets, membership stores and snack stores.

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

	Year ended December 31,					
	2023		2024		2025	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
	<i>(RMB in thousands, except for percentages)</i>					
Online self-operated stores	135,582	10.3	139,226	8.6	128,945	7.5
Supermarkets and membership stores <sup>(1)</sup>	170,919	12.9	266,914	16.5	402,554	23.5
Snack stores	133,827	10.1	550,813	34.1	648,451	38.0
Distributorship	881,714	66.7	659,065	40.8	530,781	31.0
<b>Total</b>	<b><u>1,322,042</u></b>	<b><u>100.0</u></b>	<b><u>1,616,018</u></b>	<b><u>100.0</u></b>	<b><u>1,710,731</u></b>	<b><u>100.0</u></b>

*Note:*

- (1) Supermarkets and membership stores primarily include national and regional supermarkets operating both online and offline, as well as membership stores with whom we began cooperation in late 2024. Our revenue from membership stores accounted for 0.7% and 8.6% of our total revenue in 2024 and 2025, respectively.

### Self-Operated Stores and Retail Channels

We adeptly capitalize on the expansive reach of online platforms by selling our products directly to consumers through our self-operated stores on leading e-commerce platforms and live commerce platforms. In the meantime, we directly sell our products to various retail channels, including national and regional supermarkets with both online and offline operations, as well as emerging retail channels such as membership stores and snack stores.

Our revenue growth during the Track Record Period was primarily driven by sales to supermarkets and membership stores, as well as snack stores. Revenue from supermarkets and membership stores increased by 56.2% from RMB170.9 million in 2023 to RMB266.9 million in 2024, and further increased by 50.8% to RMB402.6 million in 2025. Revenue from snack stores increased from RMB133.8 million in 2023 to RMB550.8 million in 2024, and further increased to RMB648.5 million in 2025. During the Track Record Period, our revenue attributable to snack stores increased significantly, primarily because we expanded our presence in this channel only after 2022 following our assessment of channel dynamics that consumers will increasingly prefer snack stores that specialize in offering a wide range of snacking options and packaging sizes. Such cooperation has enabled us to capture (i) the continued expansion of the store networks of national snack chains and (ii) the sustained growth of the snack and beverage retail industry, thereby driving a rapid increase in sales through this channel. In addition, our revenue per snack store customer was significantly higher than that of our supermarket and membership store customers during the Track Record Period primarily because the snack store channel has become increasingly concentrated among a limited number of major national snack chains, each of which typically operates a large and expanding store network with higher order volumes.

These customers possess extensive consumer bases and robust purchasing power, enabling us to strengthen our presence across multiple channels while ensuring our products are prominently displayed in their well-established retail networks. For select retailers, we provide tailored products that closely align with their brand positioning and consumers expectations. For instance, we developed a customized Premium Plum and Chilean pitted prunes exclusively for a membership store, which resonated strongly with this membership store’s mid- to high-income consumer bases. Additionally, we offer variety package, family-sized package and small package for snack stores, targeting their consumers who prefer to purchase various flavors and products at once. We rely on our retailer customers’ report on their inventory. However, we are unable to ascertain the precise volume of unsold inventory held by retailers, since we do not have complete, up-to-date inventory data from most retailer customers.

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Correspondingly, revenue from our self-operated online stores and online distributors decreased during the Track Record Period. In particular, we strategically adjusted our channel strategies, as we believe the sales to emerging retail channels, such as membership stores and national snack chains are in line with the prevailing industry development toward these channels and offer consistent growth momentum and better sales efficiency through, among others, improved shelf visibility and more targeted consumer reach.

### *Arrangements with Retailer Customers*

We had similar framework agreements with most retailer customers including supermarkets, membership stores and snack stores. Our arrangements with retailer customers differ from those with distributors in that we typically supply customized products exclusive to retailers, whereas we primarily supply standardized products to distributors. For example, the products we offer to retailers may differ from those sold to distributors in terms package, size and sometimes product types. In addition, we generally afford retailer customers greater flexibility with respect to marketing promotions, sales strategies and favorable credit terms compared to distributors. During the Track Record Period, the salient terms of our agreements with supermarkets and snack stores typically include:

- *Terms.* We typically enter into one-year agreement with retailer customers, subject to renewal upon mutual consent by the parties.
- *Payment and Credit Terms.* We issue invoices to our retailer customers following the shipment of relevant products, and our customers are required to pay within the specified time upon receipt of invoices.
- *Delivery.* Generally, we are responsible for delivering the products to the location designated by our retailer customers at the specified time.
- *Pricing.* We sell our products to retailer customers at mutually agreed price levels and provide them with recommended retail prices.
- *Minimum Purchase Requirements.* We may set minimum purchase requirements for our retailer customers. For retailer customers who fail to meet the required purchase amount, we do not impose penalties on them but may offer support, such as facilitating their marketing efforts.
- *Product Promotions.* For certain retailer customers, such as national supermarkets, we are permitted to conduct marketing activities on their sites.
- *Product Returns.* We may accept return of defective products or products that are not delivered under the agreed conditions. We do not accept expired products from retailer customers. During the Track Record Period, we did not have any product returns from retailer customers in respect of expired products.
- *Anti-Bribery and Corruption.* We agree to comply with any laws, regulations or internal policies relating to anti-bribery and anti-kickbacks in selling our products to retailer customers.

While contractual agreements with these membership stores are generally similar to those with retailer customers, we customized or co-developed products in accordance with the agreed specifications that catered to their target consumer groups. During the Track Record Period, the salient terms of our agreements with membership store customers typically include:

- *Terms.* We typically enter into one-year agreement with membership stores.
- *Payment Term.* We typically require membership store customers to pay upon receiving the products, and we may offer credit terms.

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- *Product Specifications.* We ensure our products comply with product specifications mutually agreed upon with the membership store, which may also stipulate specific requirements for the raw materials used in production.
- *Delivery.* We are obligated to deliver products to the location designated by the membership stores.
- *Product Return.* We generally do not accept any product return, except in cases of product defect or quality issues.
- *Anti-Bribery and Corruption.* We agree to comply with any laws, regulations or internal policies relating to anti-bribery, anti-kickbacks and anti-corruption in our collaboration with membership stores.

### *Movements of Retailer Customers*

We experienced rapid growth in the number of retailer customers we cooperated with, including supermarket customers and snack store customers from 2023 to 2025. In addition, we started to engage membership store customers in late 2024 and cooperated with two membership stores as of December 31, 2025.

The table below sets forth the total number of supermarket customers and their movements for the years indicated:

	<b>Years ended December 31,</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
Number at the beginning of the year	26	44	111
Number of supermarket customers newly engaged	19	70	32
Number of supermarket customers terminated	1	3	2
Net increase (or decrease) in the number of supermarket customers	18	67	30
<b>Number at the end of the year</b>	<b>44</b>	<b>111</b>	<b>141</b>

The table below sets forth the total number of snack store customers and their movements for the years indicated:

	<b>Years ended December 31,</b>		
	<b>2023</b>	<b>2024</b>	<b>2025</b>
Number at the beginning of the year	12	45	104
Number of snack store customers newly engaged	33	62	11
Number of snack store customers terminated	0	3	6
Net increase (or decrease) in the number of snack store customers	33	59	5
<b>Number at the end of the year</b>	<b>45</b>	<b>104</b>	<b>109</b>

*Note:*

\* The number of snack store customers refers to the number of snack store groups that we collaborated.

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### **Distributorship**

We have cultivated a highly adaptive distribution network. Wholesale distributors, with their deeply entrenched networks in high-demand markets, enable us to seamlessly connect with core consumer bases and swiftly address concentrated demand. Additionally, we primarily sell products to convenience stores through our distributors. Online distributors, leveraging their advanced digital infrastructure and robust logistical capabilities, facilitate streamlined bulk transactions and foster efficient engagement with business customers. Our online distributors typically sell our products on reputable e-commerce platforms, such as Taobao, JD.com, as well as live commerce platforms, such as Douyin.

As of December 31, 2025, we engaged a total of 1,439 distributors. During the Track Record Period, our revenue from distributorship amounted to RMB881.7 million, RMB659.1 million and RMB530.8 million in 2023, 2024 and 2025, respectively. We offer customized products that feature affordability and price-to-value to certain distributors, targeting lower-tiered cities through our market campaign to make our high-quality plum products accessible to everyone.

We determine the number and allocation of distributors by considering the income level of the target consumer bases, market potential and distribution coverage, establishing an efficient and reasonable distribution network.

### ***Management of Distributors***

We implement a strict screening and evaluation mechanism to assess our distributors' performance, emphasizing on both their sales capabilities and marketing efforts. We conduct on-site visits to gather feedback from local points of sale regarding the distributors' distribution capacity, service quality and reputation in their respective regions, while also reviewing the quality of distributors' product display through documenting the photographs of display condition in our internal system. This assessment process allows us to further gauge distributors' reputation and network reach within their geographic regions. Our local business supervisors, who have close connections with local points of sales, also assess the distributors' capacity by reviewing the coverage of products they currently distribute at these points of sales. These local business supervisors are members of our in-house sales and marketing teams and are responsible for overseeing our sales network within designated geographic markets. They monitor channel performance, coordinate local execution of sales initiatives, and liaise between our sales and marketing team and local market participants. Additionally, we evaluate distributors' key operational capabilities, including their warehousing facilities, logistical vehicles, personnel management and financial stability, thereby ensuring that they meet our high standards. We maintain a distributor selection and management policy, which sets out obligations for distributors serving different channels. In general, a prospective distributor must possess (i) valid operating credentials, adequate capital resources and a solid business reputation, (ii) well-established commercial relationships with local points of sales, robust display resources, and the ability to provide high quality retail services, (iii) extensive experience and strategic approaches in operating snack food brands, (iv) a professional sales team with strong capabilities in channel servicing and expansion, (v) sound internal management, and (vi) qualified warehouse for inventory storage, along with appropriate logistics vehicles that can fulfill timely delivery to customers. We also impose market coverage requirements on distributors for different sales channels. Distributors place orders based on their demand, and we ship products to them within a week of receiving the payment, ensuring the efficiency of our distribution.

We evaluate our distributors' performance by regularly monitoring their inventory level to measure their sales performance and assess if they may achieve the minimum purchase amount. However, we cannot ascertain the precise volume of unsold inventory held by our distributors, since our on-site inventory reviews of distributors are conducted on a sample basis and are not comprehensive to cover all inventory held by distributors. Besides their sales performance, we also evaluate their involvement in advancing and executing our marketing goals, ensuring alignment with our broader brand objectives. To incentivize our distributors, we offer sales discounts for our

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distributors with outstanding annual sales performance and set different tiers for distributors based on their sales performance. Specifically, we set quarterly sales targets for our distributors, who are evaluated at the end of each quarter. Sales discounts are granted exclusively to those distributors who are able to meet their designated quarterly targets. During the Track Record Period, the sales discounts we offered to distributors amounted to RMB117.1 million, RMB88.3 million and RMB44.9 million in 2023, 2024 and 2025, respectively, accounting for 13.3%, 13.4% and 8.5% of the revenue from sales to distributors during the respective years. The decrease in such sales discounts during the Track Record Period was primarily attributable to our strategic refinement of our distributorship arrangement to enhance distribution efficiency. In particular, we granted sales discounts only to those who both achieve sales targets and demonstrate effective product promotion. In parallel, we are strategically shifting focus from distributorships to other sales channels, including membership stores and snack stores. For those distributors who are unable to achieve our minimum purchase amount targets, we may decide to terminate their distributorship.

Our distributors may engage sub-distributors, and we did not enter into any agreements or otherwise directly establish relationships with any sub-distributor during the Track Record Period. As a result, we do not have control over sub-distributors. This arrangement enhances operational efficiency by delegating key localized responsibilities such as inventory management, last-mile delivery and order fulfillment, allowing distributors to prioritize overarching operational goals and strategic management. Under our distributorship agreements, distributors are expected to monitor the operations of their sub-distributors, including their inventory levels, sales performance and market activities, to ensure alignment with our overall sales and distribution strategy. We impose penalties on distributors for any violations and misconduct by their sub-distributors, encouraging them to actively oversee their sub-distributors. During the Track Record Period, our distributors appointed 578, 782 and 1,365 sub-distributors in 2023, 2024 and 2025, respectively. The number of sub-distributors increased throughout Track Record Period mainly because our distributors further penetrated lower-tier cities, where they relied on the sub-distributors’ local operation and sales expertise. According to Frost & Sullivan, it is a common industry practice for companies in the industry in which we operate to rely on third-party distributors to sell their products to sub-distributors and retailers without entering into contractual relationships with such sub-distributors and retailers.

Offering sales discounts and the engagement of sub-distributors could potentially increase the risk of channel stuffing, as distributors or their sub-distributors might be incentivized to purchase more products than they can sell in order to benefit from discounts or maintain relationships. However, we believe that we have taken comprehensive measures to mitigate such risks and that our sales correspond to actual consumer demand and therefore our products are at low risk of channel stuffing in our distribution network, because (i) we generally do not accept product returns from distributors except for returns caused by product quality issues, ensuring that distributors place orders based on realistic sales forecasts rather than speculative or inflated volumes; (ii) we carefully determine the types of products sold to distributors by evaluating market demand forecasts and adjust the minimum purchase requirements according to distributors’ sales capabilities. Specifically, our approach combines consumer surveys and analysis of sales data from key retail outlets to capture purchasing preferences and price sensitivity. We also review third-party industry reports to monitor competitive dynamics and incorporate historical sales trends to project market capacity and upcoming sales targets. These assessments are conducted on a regular basis and minimum purchase requirements are adjusted periodically to reflect changes in market demand and distributors’ actual sales performance; (iii) we offer sales discounts mainly to incentivize distributors with outstanding sales performance; (iv) the relatively short shelf life of our products further discourages overstocking, as distributors bear full responsibility for the costs of disposing of expired products, incentivizing them to maintain prudent inventory levels that align with market demand; (v) we deliver products to distributors only after they make full payments for their orders, which promotes their disciplined inventory management aligned with actual sales projections; (vi) we closely monitor distributors’ demand, and if an order exceeds the demand forecast, our sales team may conduct an on-site assessment to verify whether the distributor can sell the requested quantity; and (vii) our

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dedicated market research team conducts consumer and market studies three to four times per month. To stay closely connected to market dynamics, our local business supervisors conduct weekly assessments to evaluate channel demand, identify emerging trends, and address distributor concerns. Our sales personnel from our headquarters also carry out one to two on-site visits each month, engaging directly with both points of sales and distributors to ensure the effective implementation of our sales strategy.

### *Arrangements with Distributors*

We typically enter into standard distribution agreements, which are sales and purchase agreements in nature, with our distributors. Under these agreements, we deliver our products to distributors after they place orders and recognize revenue when they accept our products upon delivery. According to Frost & Sullivan, our distribution arrangement, in particular the goods return policy, is in line with industry norm.

During the Track Record Period, the salient terms of our standard distribution agreements include:

- *Terms.* We typically enter into one-year agreements with distributors, subject to renewal upon mutual consent of the parties.
- *Minimum Purchase Amount.* To incentivize our distributors, we typically set overall minimum purchase amount for distributors during the terms of distributorships, considering their designated regions and sales capabilities. We further specify their monthly targets for different product categories to align with our overall sales and marketing strategies.
- *Pricing.* Our distributors must set their retail prices in accordance with our suggested prices.
- *Payment and Delivery.* We require our distributors to make payment before the delivery of products, and we will deliver to the location designated by distributors.
- *Inventory.* Our distributors are required to keep our products in suitable warehousing conditions.
- *Product Return.* We generally do not allow product returns. We reserve the rights to reject any product returns except those caused by the defective products upon inspection.
- *Marketing and Promotions.* Our distributors should assist our marketing plans and promptly report market information to us. They are also obligated to protect our intellectual properties, reputation and brand images.
- *Termination.* We have the right to terminate the distribution contracts if our distributors breach specified contractual terms. In particular, we are typically allowed to terminate contracts with distributors who fail to purchase products for several consecutive months or violate their sales obligations under contracts.
- *Penalties for Cannibalization.* We expressly prohibit distributors from selling products outside of their designated channels and geographical regions. In addition, we send sales teams to regularly monitor any cannibalization. We impose fines or terminate distributorships for distributors who sell products outside of their designated channels and regions.
- *Anti-Bribery and Anti-Corruption.* Our distributors are committed to the transparent and fair business practices, agreeing to comply with any anti-bribery, anti-corruption and anti-kickbacks laws and regulations.

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We formulate and implement policies to prevent existing employees from working for or owning equity in any of our distributors. In addition, our internal control policy ensures equal treatment of our distributors, providing consistent pricing and incentive mechanisms to distributors across regions. To the best of our knowledge, during the Track Record Period, all of our distributors were Independent Third Parties. During the Track Record Period, there was no employment, financing or family relationship between our distributors and us or our subsidiaries, our shareholders, directors or senior management, or any of their respective associates.

### *Movements of Distributors*

The table below sets forth the total number of our distributors during and their movements for the years indicated:

	Year ended December 31,		
	2023	2024	2025
Number at the beginning of the year	1,200	1,398	1,396
Number of distributors newly engaged	336	281	263
Number of distributors terminated	138	283	220
Net increase (or decrease) in the number of distributors	198	(2)	43
<b>Number at the end of the year</b>	<b>1,398</b>	<b>1,396</b>	<b>1,439</b>

During Track Record Period, we terminated 641 distributors. We terminated distributors mainly because we changed our sales strategy to increase sales through our retailer customers, while replacing underperforming distributors with new distributors to further penetrate into new markets. During the Track Record Period and up to the Latest Practicable Date, we had no material unresolved disputes or lawsuits with terminated distributors.

### **Coordination between Sales Channels**

To balance different sales channels and ensure our distribution efficiency, we adopt the following measures to mitigate cannibalization risks among the distributors and other sales channels:

- *Differentiated Products.* We strategically sell products with different packaging across various sales channels. For example, products sold through our self-operated online stores differ from those sold in other channels in several aspects, including packaging design, product weight, flavor selection and pricing. We may customize products with different packaging specifications for our membership store or snack store customers. Additionally, to mitigate channel cannibalization, we differentiate our product portfolio for different channels based on the consumption behaviors of their target consumer bases. Meanwhile, for distributors, we adjust product types and packaging sizes according to local consumption patterns. We strictly prohibit distributors from selling any other similar products without our authorization. In addition, we designate product categories and specify sales targets by each category for distributors.
- *Pricing.* We also employ channel-specific pricing strategies to ensure that retailer customers and distributors all maintain sufficient profit margins. Each channel’s customized offerings are priced to align with its target consumer base while preserving adequate profitability, thereby discouraging channel cannibalization. We implement a pricing policy setting the minimum retail price for our products and require both our distributors and their sub-distributors to strictly adhere to this policy by not setting their prices below the established minimum. If any distributors or their sub-distributors violate our pricing strategy, we may temporarily suspend product deliveries to non-compliant

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distributors, impose penalties, or even terminate their distributorships, until they complete necessary rectifying measures and ensure future compliance with our pricing policies.

- *Monitoring.* Our sales team monitors the pricing of our products across various sales channels. This team conducts regular reviews, at least once a month, of price levels at both distributor and retail endpoints, identifying any deviations from our suggested retail price. In cases where pricing violations or cross-regional sales are detected, the team promptly reports such incidents.
- *Geographical and Channel Restrictions.* We specifically require our distributors to restrict their sales to the designated regions and channels authorized by us. We have established comprehensive written policies that requires sub-distributors to operate strictly within the authorized channels and regions specified in the distribution agreement. In addition to contractual controls, we have implemented a product tracing system, which enables full traceability of each product throughout the distribution chain.
- *Penalties for Violations.* We have implemented a three-strikes penalty system to discourage distributors from selling products outside their designated channels. For the first two violations, we will either impose fines or increase the sales price, and upon the third violation, we will terminate the distributorship.
- *Product Tracing System.* We have employed a comprehensive product tracing system in which every product is assigned a unique label, enabling us to trace the product back to the distributor who places it in the market. Additionally, for products sold through our online self-operated stores and retail channels, we can track their origin to ensure full oversight.

During the Track Record Period, our revenue was mainly attributable to standardized products, which accounted for 99.6%, 98.6% and 86.3% of our total revenue in 2023, 2024 and 2025, respectively. We introduced certain customized products and co-branding products in 2022 and 2023 on a trial basis to explore market opportunities. Beginning in 2024, we strategically offered certain customized products tailored for emerging retail channels.

### Pricing

Our retail sales prices are set according to various factors, such as brand positioning, marketing strategy, market condition and production costs. In managing our distribution network, we implement stringent pricing policies to prevent channel cannibalization and maintain market order. Our pricing typically leaves sufficient profit margins for our distributors. We enforce compliance with these policies by requiring adherence to minimum pricing standards, supported by robust monitoring mechanisms and clear consequences for violations.

### MARKETING AND PROMOTION

During the Track Record Period, our selling and distribution expenses amounted to RMB309.4 million, RMB310.2 million and RMB271.7 million in 2023, 2024 and 2025, respectively, representing 23.4%, 19.2% and 15.9% of our total revenue in each respective year.

Committed to promoting the plum culture, we adopt the culture-driven marketing strategy that educates consumers about the rich history of plum-based food. Our multi-faceted marketing style provides an immersive experience to consumers, creating emotional connections with our customers, while enriching the cultural narratives of our brand.

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### Product Marketing

Our product marketing strategy is tailored to the distinct features of our products. For our classic products, we emphasize on assigning unique identities of each product by highlighting its distinctive features and functionalities, while advocating diversified consumption scenarios and driving consumption. For instance, Snow Plum is marketed for its soothing effects on throat discomfort and Smoked Plum is marketed for its appetite-stimulating properties, and prune-based product for its digestive benefits. Meanwhile, packaging is meticulously designed to reinforce each product’s core and strengthen consumer recognition. For special-flavor products, we launch targeted campaigns centered on unique ingredients and origins, supported by distinctive slogans and visual elements, to create compelling consumption scenarios and broaden appeal, particularly among younger consumers. For example, our market campaign for our pineapple-flavored plum highlights the origin of the pineapple used for the product while adopting the invigorating packaging and regional-special slogan, seamlessly integrating this narrative into the product’s promotional materials. We position plum jelly as a versatile product that transcends the seasonal limitations often associated with traditional jelly products. In particular, through packaging and slogans resonating with the holiday spirit, our Chinese New Year campaign for plum jelly makes it a New Year treat. By associating different flavors of plum jelly with diversified specific lifestyles or occasions, we redefine plum jelly as a year-round staple that addresses the seasonality limitations of traditional jelly products.

### Product Customization

Through providing customized products to KA customers and targeted marketing of these products, we reach to diversified consumer bases. For our customized products to membership stores, we strategically position them as premium offerings tailored to meet the preferences of high-end consumer segments.

Understanding that different channels cater to unique consumer bases with distinct purchasing habits, we tailor our product offerings accordingly to capture these varying consumption patterns. In particular, to expand our reach in lower-tier cities, we provide customized products to certain distributors, advocating in our campaign to make our high-quality plum-based products accessible to everyone.

Moreover, we collaborate with major food and beverage brands by developing co-branded plum-flavored products. This collaboration enables us to fully explore the potential of plum flavor.

The salient terms of our co-branding collaboration agreements typically include:

- *Terms.* We generally enter into agreements with our co-branding corporate partner for a term not exceeding one year.
- *Branding.* Both parties determine the design of co-branding products for sale and permit the use of each other’s brands and logos on these products and related marketing materials.
- *Approval.* All materials featuring our brands and logos must be submitted to us for evaluation and approval prior to their release for marketing purposes.
- *Intellectual Property.* We own all intellectual property rights related to our branding, marketing materials and logos, and we share intellectual property rights with the other party for materials incorporating both our brands and logos.
- *Termination.* We are allowed to terminate the agreement if the other party breaches the agreed terms in the contract or causes damages to our brand.

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In 2023 and 2024, we partnered with cross-industry brands, including a well-known chain milk tea brand and a chain bakery store, to co-develop plum-flavored milk tea and plum-flavored cake, which gained significant popularity upon launch. These co-branding collaboration initiatives caught attention on social media platforms, further strengthening our brand’s association with sour and plum flavors while effectively expanding our reach to a younger consumers.

### **Culture-driven Marketing**

Our marketing campaign reinforces our commitment to promoting the plum culture. Recognizing the growing interest among younger generations in the “new Chinese style,” which combines traditional Chinese aesthetics with modern fashion, we have seamlessly integrated these elements into our product packaging and marketing materials that feature motifs and patterns that reflect the elegance and heritage of Chinese plum culture while adding a contemporary, youthful twist.

### **Festival Marketing**

In addition to our culture-driven marketing, we implement festival-focused marketing strategies tailored to summer and Chinese New Year. Summer campaigns position our products as refreshing and energizing options for active lifestyles, emphasizing cooling attributes and introducing limited-edition flavors aligned with seasonal demand. These initiatives are amplified through digital platforms and lifestyle-oriented content, complemented by summer-themed pop-up events. Chinese New Year represents the peak of our annual marketing activities, with campaigns centered on themes of reunion, celebration and prosperity. During the holiday season, our brand presence is reinforced through initiatives such as festive packaging, gifting-oriented product lines (e.g. the “Family Bucket” and “Eye-Catching Pack” series), and in-store activities including gift wrapping and themed tastings. The following pictures illustrate some of our festival marketing initiatives:

### **KOL and Celebrity Marketing**

We frequently collaborate with celebrities and KOLs to facilitate the launch of new products. Recognizing the rising popularity of live-commerce, we introduce engaging topics that associate our new products with our celebrity ambassadors or organize live-commerce sales featuring our ambassadors. The costs associated with the use of KOLs are recognized as marketing expenses during the Track Record Period. Our total GMV attributable to the top ten KOLs was RMB12.8 million, RMB13.9 million and RMB16.2 million in 2023, 2024 and 2025, respectively. As the sales by KOLs in all platforms during the Track Record Period represented a relatively insignificant amount of the total sales amount, we believe that there is no concentration risk relating to one or more KOLs.

We carefully select our brand ambassadors who align with our youthful, vibrant and elegant brand image that resonates strongly with younger generations. We have implemented the following internal control measures for engaging celebrities and KOLs: (i) we require in the contracts that celebrities and KOLs comply with all PRC laws and regulations during our collaborations; (ii) we regularly coordinate with our legal department, which periodically updates us on relevant laws and regulations to ensure continued compliance; (iii) for livestream events with KOLs, we provide them with product briefs and pre-approved copywriting to minimize the risk of livestream content violating applicable laws and regulations; (iv) our collaboration agreements with KOLs expressly require KOLs to adhere to applicable laws and regulations during the livestream events or other

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marketing activities featuring our products; and (v) our public relations department promptly responds to any adverse publicity affecting our engaged celebrities and KOLs. During the Track Record Period and up to the Latest Practicable Date, we did not receive any penalties or notices from government authorities or from e-commerce and live commerce platforms that would materially effect our business, operations or financial condition. Our Directors believe that (i) our use of KOLs during the Track Record Period complied with all applicable laws and regulations, taking into account our strict adherence to relevant laws and regulations when selecting KOLs, and our robust internal control measures; and (ii) no misleading advertising was used during the Track Record Period. In view of our compliance record and internal controls, our Directors believe that we can continue adhering to relevant laws and regulations. Accordingly, our Directors believe that the risk of our brand image being harmed by negative publicity or inappropriate behavior of our engaged celebrities and KOLs, as well as the risk of incurring regulatory penalties for such engagements, is low. Based on the due diligence work conducted by the Joint Sponsors, nothing material has come to the Joint Sponsors’ attention that would reasonably cause them to cast doubt on the views of the Directors set out above.

During the Track Record Period, the salient terms of our agreements with celebrities and KOLs typically include:

- *Terms.* We typically enter into an agreement with a term of three months to one year, subject to the renewal upon mutual agreement.
- *Fees.* In addition to the basic service fees at a fixed rate, we will pay incentive fees based on the sales targets and commission fees calculated as a proportion of an agreed sales indicator, such as Gross Sales Value, through the livestream platform.
- *Negative Publicity.* In the event that, during the promotion period, we, our senior executives, or our designated brand ambassadors are involved in adverse publicity or negative news coverage, the other party shall have the right to terminate this agreement.
- *Anti-corruption and Anti-bribery.* Both parties are required to comply with all anti-bribery, anti-corruption and anti-kickbacks laws and regulations in China.

### OUR CUSTOMERS

Our major customers primarily comprise both 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. The increase in revenue generated from our five largest customers in each year during the Track Record Period was primarily attributable to our strengthened cooperation with fast-expanding national snack stores, which typically purchase large volumes of our products due to their centralized procurement systems and extensive store networks. 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. Our largest customer in 2022 and 2023 was a leading nationwide chain supermarket, which offered comprehensive range of groceries, food and household items. Our largest customers in 2024 and 2025, Customer B and Customer C, were nationwide chain snack stores.

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The following tables set forth details about our five largest customers in each year during the Track Record Period:

### Year ended December 31, 2023

Customers	Background	Products purchased by the customer	Revenue <i>(RMB in thousand)</i>	% of total revenue	Year of commencement of business relationship
Customer A	A nationwide supermarket chain headquartered in Shanghai, China, primarily engaged in the sale of groceries, food products, and household goods, operating about 500 retail outlets across multiple provinces and major cities in Chinese Mainland	Dried plum snacks and prune-based products	44,427	3.4%	2016
Customer B	A nationwide chain snack store operator headquartered in Changsha, China, operating over 14,000 stores across 28 provinces and all city tiers in China	Dried plum snacks and plum jelly	43,053	3.3%	2022
Customer C	A nationwide chain snack store operator listed on the Shenzhen Stock Exchange, operating about 15,000 stores in all major cities and provinces	Dried plum snacks, prune-based products and plum jelly	39,443	3.0%	2022
Customer D	A nationwide retailer headquartered in Beijing, China, operating about 8,000 stores across all city tiers in China	Dried plum snacks and plum jelly	31,340	2.4%	2022
Customer E	A distributor headquartered in Chengdu, China, selling food, groceries, appliance and furniture in Chengdu and cities nearby Chengdu	Dried plum snacks and prune-based products	27,197	2.1%	2010
<b>Total</b>			<b>185,460</b>	<b>14.2%</b>	

### Year ended December 31, 2024

Customers	Background	Products purchased by the customer	Revenue <i>(RMB in thousand)</i>	% of total revenue	Year of commencement of business relationship
Customer B	A nationwide chain snack store operator headquartered in Changsha, China, operating over 14,000 stores across 28 provinces and all city tiers in China	Dried plum snacks and plum jelly	228,568	14.1%	2022
Customer C	A nationwide chain snack store operator listed on the Shenzhen Stock Exchange, operating about 15,000 stores in all major cities and provinces	Dried plum snacks, prune-based products and plum jelly	193,365	12.0%	2022
Customer F	A nationwide chain snack store operator headquartered in Chengdu, China, operating about 4,000 stores	Dried plum snacks, prune-based products and plum jelly	44,299	2.7%	2022
Customer A	A nationwide supermarket chain headquartered in Shanghai, China, primarily engaged in the sale of groceries, food products, and household goods, operating about 300 retail outlets across multiple provinces and major cities in Chinese Mainland	Dried plum snacks and prune-based products	36,112	2.2%	2016
Customer D	A nationwide retailer headquartered in Beijing, China, selling a variety of products including computer hardware, mechanical equipment, household appliances, snacks and food across all city tiers in China	Dried plum snacks, prune-based products and plum jelly	34,183	2.1%	2022
<b>Total</b>			<b>536,527</b>	<b>33.1%</b>	

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### Year ended December 31, 2025

Customers	Background	Products purchased by the customer	Revenue <i>(RMB in thousand)</i>	% of total revenue	Year of commencement of business relationship
Customer C	A nationwide chain snack store operator listed on the Shenzhen Stock Exchange, operating about 15,000 stores across Chinese Mainland	Dried plum snacks, prune-based products and plum jelly	280,258	16.4%	2022
Customer B	A nationwide chain snack store operator headquartered in Changsha, China, operating over 14,000 stores across Chinese Mainland	Dried plum snacks, prune-based products and plum jelly	233,774	13.6%	2022
Customer G	A nationwide supermarket chain headquartered in Shanghai, China, primarily engaged in the sale of groceries, food products, and household goods, operating about 500 retail outlets and membership stores across Chinese Mainland	Dried plum snacks, prune-based products and plum jelly	163,499	9.6%	2017
Customer F	A nationwide chain snack store operator headquartered in Chengdu, China, operating about 4,000 stores	Dried plum snacks, prune-based products and plum jelly	67,463	3.9%	2022
Customer D	A nationwide retailer headquartered in Beijing, China, selling a variety of products including computer hardware, mechanical equipment, household appliances, snacks and food across Chinese Mainland	Dried plum snacks, prune-based products and plum jelly	38,974	2.3%	2022
<b>Total</b>			<b>783,968</b>	<b>45.8%</b>	

As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest customers.

In 2024, our sales to Customer B and Customer C increased significantly, primarily due to our strategy to strengthen collaboration with national snack chains. Snack chains emerged as they offered snacks in packages tailored to purchase behaviors of frequent snack buyers. Leveraging their specialty in selling snacks and close relationships with our target snack consumer bases, we strategically increased our sales to national snack chains, enhancing our market reach and amplifying our shelf visibility. Our revenue attributable to Customer B and Customer C continued to increase in 2025, primarily due to our continuously expanding sales to snack stores. In particular, Customer C experienced rapid growth in its snack retail business, leading to an increase in the procurement volume of our products during this year.

### Third-Party Payment Arrangements

#### *Background and Implications Relating to Third-Party Payment Arrangements*

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 (the “Third Party Payment Arrangements”). We generally required the Relevant Customers and their designated third-party payors to undertake our review procedures, such as providing us with written confirmation of delegation before entering into 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. No single Relevant Customer made material contribution to our revenue in any year during the Track Record Period. As of October 1, 2024, we had ceased all Third-Party Payment Arrangements except for circumstances where payments were settled through the accounts of the operators in the case of sole proprietorships.

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The Relevant Customers during the Track Record Period were distributors primarily in the form of sole proprietorships, limited liability companies (owned by either individuals or legal entities) and, in limited cases, partnerships. Based on the representations of the Relevant Customers and to the best knowledge of our Directors, the Relevant Customers mainly utilized Third-Party Payment Arrangements either because they preferred using their affiliated persons’ accounts for convenience, or because they would like to avoid the cumbersomeness of corporate accounts and maintain operational flexibility. To the best of our knowledge, the designated third-party payors primarily consisted of persons affiliated with the Relevant Customers, such as controlling shareholders, operators’ family members or employees of the Relevant Customers. According to the Frost & Sullivan, it is a common commercial practice for businesses in the snack food industry in China to settle payments through third-party payors with their suppliers or customers for convenience and flexibility.

During the Track Record Period, we did not initiate any Third-Party Payment Arrangements, and the Third-Party Payment Arrangements were arranged based on the Relevant Customers’ requests. We did not provide any discount, commission, rebate or other benefits to any of the Relevant Customers or the designated third-party payors to facilitate or incentivize the Third-Party Payment Arrangements. During the Track Record Period, the relevant payments were based on *bona fide* underlying transactions and valid contractual relationships. The pricing and payment terms we provided to the Relevant Customers were in line with those provided to customers not involved in the Third-Party Payment Arrangements. During the Track Record Period, to the best knowledge of our Directors, all Relevant Customers and the designated third-party payors who settled payments under the Third-Party Payment Arrangements were Independent Third Parties.

We were not the subject of any investigations, enquiries, penalties or surcharges as a result of our involvement in the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date. In addition, we had not encountered any refund requests, actual or pending disputes or disagreements due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

As advised by our PRC Legal Advisor, (i) the risks of financial losses caused by the Third-Party Payment Arrangements were low for our Group; (ii) the Third-Party Payment Arrangements during the Track Record Period do not contravene the mandatory provisions of the Civil Code of the PRC or other relevant applicable PRC laws and regulations currently in effect; (iii) the likelihood that we would be imposed any administrative penalties for being deemed as violating relevant PRC laws and regulations related to tax evasion in connection with aforementioned Third-Party Payment Arrangements is remote; and (iv) the risk of the Third-Party Payment Arrangements being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of disguising or concealing the source and nature of proceeds or gains is low.

### ***Enhanced Internal Control Measures and Cessation of Third-party Payment Arrangements***

We required the Relevant Customers to communicate with us the relevant information, including, among others, the reasons for the Third-Party Payment Arrangements and the identity of the involved third-party payors. We generally required the Relevant Customers to undertake review procedures, such as providing us with the written delegation, which specifies that the designated third-party payors are authorized by the Relevant Customers to settle payments with us and that the Relevant Customers shall bear the liabilities of any economic dispute caused by the Third Party Payment Arrangements.

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We have implemented enhanced internal control measures, including, among others: (i) we started to implement Third-Party Payment Arrangements rectification measures and informed our employees of the enhanced internal control measures; and (ii) we issued a notice on September 24, 2024, pursuant to which we only allow payments either (a) directly from the accounts of the customers; or (b) through the accounts of the operators in the case of sole proprietorships.

Our Directors consider that the rectification of the Third-Party Payment Arrangements did not have, nor will have, any material adverse effect on the Group, as (i) all of the Relevant Customers who continue to conduct transactions with us since the implementation of enhanced internal control measures cooperated with the rectification process to cease all Third-Party Payment Arrangements; (ii) the rectification of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Customers to us; and (iii) the cessation of the Third-Party Payment Arrangements has not resulted in any loss of our customers.

### RESEARCH AND DEVELOPMENT

As of December 31, 2025, we had 29 R&D professionals, and many of whom have postgraduate degrees. We attend campus recruiting events to hire graduating college students majoring in food engineering, food safety and nutrition, polymer chemistry and other fields, further expanding our R&D team. We also actively collaborate with researchers to explore the potential of plums in other untapped fields by contributing our industry knowhows to facilitate academic research of plum varieties and planting techniques.

#### Product R&D

Our product R&D involves four key steps: (i) product design, (ii) product validation, (iii) raw material procurement, and (iv) product launch. At the product design stage, our branding and marketing team conducts market analysis to assess trends, consumer preferences and the competitive landscape, and evaluates the technical and financial feasibility of product concepts. Upgrades to existing products usually take two to three months, while new product development may take a year or more, with seasonal products planned as part of our annual strategy. At the product validation stage, product prototypes are tested through internal assessments and independent third-party consumer blind testing, and only qualified products proceed to trial production. At the raw material procurement stage, our R&D team sets quality standards for raw materials, manufacturing, packaging and finished products, and coordinates with relevant teams to source key materials and ensure consistent product quality and brand-aligned packaging. At the product launch stage, products undergo internal flavor testing and market trials on a small to medium scale, and mass production begins only after positive market feedback is confirmed.

#### Fundamental R&D

We collaborated with academic and research institutions to conduct fundamental research of plums.

The salient terms of our collaborations with research institutions are set forth as below:

- *Term.* We typically enter into an agreement with a term up to three years.
- *Obligations.* We shall formulate an annual research plan with the research institution, specifying the R&D objectives and timelines. The research institution shall form a team of experts to support the development of new plum varieties. The research institution shall also promote plum planting technologies.
- *Intellectual Property.* Both parties share the intellectual property rights of any research results.

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- *Confidentiality.* Both parties shall be obligated to maintain the confidentiality of each other’s trade secrets, product formulas, intellectual property, product information and other key commercial information.

We established the Liuliumei Research Institute, which has united a team of top-tier experts and formed strategic partnerships with renowned academic institutions. Additionally, the Institute was recognized as a Provincial High Technology Enterprise, underscoring our dedication to driving innovation within the plum industry. Committed to improving plum varieties, enhancing plum planting techniques and exploring the medicinal value of plums, the Institute has spearheaded in drafting various industry standards, such as the “Provincial Standard for Plum Seedlings” and the “Provincial Standard for Plum Cultivation.”

Moreover, we led in establishing the National Plum Innovation Alliance, in collaboration with academic institutions and leading enterprises within the snack food industry. The Alliance has integrated industry resources to meet broader industry needs.

Leveraging advanced food processing technologies, we have developed a precision extraction and concentration technique to preserve key natural constituents of plums, including organic acids, phenolic compounds and volatile aromatic, while amplifying plums’ inherent flavor profiles. Our proprietary formula replaces artificial additives with natural alternatives, such as natural fermentation derivatives, plant-based polyphenol antioxidants, as well as fruit or vegetable-sourced pigments. Third-party GC-MS analysis verifies that our manufacturing process has enhanced natural flavor compound concentration, creating a complex while authentic taste profile.

### OUR PRODUCTION

#### Our Production Facilities

During the Track Record Period, our production plants mainly produced dried plum snacks, plum jelly and prune-based products. We strategically build our production bases in major plum-sourcing regions in China, timely processing our raw materials to preserve their quality. We also engage some third-party contractors, from time to time, primarily to ease the short-term pressure on our production facilities caused by the short shelf life of our raw materials and temporary production shortage during peak seasons. See “— Seasonality.” We typically engage contractors to facilitate only certain phases of the production, such as the pickling phase for our dried plum snacks. To the best of our knowledge, during the Track Record Period, all of our third-party contractors were Independent Third Parties. During the Track Record Period, there was no employment, financing or family relationship between our third-party contractors and us or our subsidiaries, our shareholders, directors or senior management, or any of their respective associates.

The following table sets forth the production capacity, production volume and utilization rate by product category during the Track Record Period:

	Year ended December 31,								
	2023			2024			2025		
	Designed production capacity	Actual production volume	Utilization rate (%)	Designed production capacity	Actual production volume	Utilization rate (%)	Designed production capacity	Actual production volume	Utilization rate (%)
	<i>(tons in thousands, except for percentages)</i>								
Dried plum snacks	27.1	21.8	80.6	33.7	28.7	85.2	33.7	25.0	74.2
Plum jelly	10.3	7.3	70.8	23.6	18.8	79.8	26.6	21.3	80.0
Prune-based products	4.5	4.1	90.8	6.8	5.8	86.0	14.0	9.6	68.6
Others	0.3	0.2	57.3	1.2	0.9	78.3	1.2	0.8	66.7
<b>Total</b>	<b>42.2</b>	<b>33.4</b>	<b>79.1</b>	<b>65.3</b>	<b>54.3</b>	<b>83.2</b>	<b>75.5</b>	<b>56.7</b>	<b>75.1</b>

*Notes:*

- (1) The actual production volume during the year is the total volume of the products manufactured during that year.

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- (2) The utilization rate during the year equals to the actual production volume divided by the designed capacity during the same year.

The utilization rate of the production capacity for dried plum snacks decreased from 85.2% as of December 31, 2024 to 74.2% as of December 31, 2025, primarily due to our optimization of production planning and strategic adjustment of production schedule to prioritize and accommodate increased production of plum jelly and prune-based products, which we focused on to capture growth opportunities in these categories. The utilization rate for prune-based products decreased from 86.0% as of December 31, 2024 to 68.6% as of December 31, 2025, mainly because of the ramp-up of our designed production capacity for prune-based products in 2025, in response to the growing market demand for prune-based products and the accelerated sales growth.

The following table sets forth the production capacity, production volume and utilization rate of our four production plants for finished products during the Track Record Period:

	Year ended December 31,								
	2023			2024			2025		
	Designed capacity	Actual production	Utilization rate (%)	Designed capacity	Actual production	Utilization rate (%)	Designed capacity	Actual production	Utilization rate (%)
	<i>(tons in thousands, except for percentages)</i>								
Anhui Plant	25.9	22.5	86.9	32.2	30.2	93.9	34.9	27.1	77.7
Plum Jelly Plant	10.3	7.3	70.8	23.6	18.8	79.8	26.6	21.3	80.0
Wuhu Plant	6.0	3.6	59.9	6.0	3.5	58.1	6.0	3.6	60.0
“Fiber Life” Natural Food Production Plant	—	—	—	3.5	1.8	51.8	8.0	4.7	58.8
<b>Total</b>	<b>42.2</b>	<b>33.4</b>	<b>79.1</b>	<b>65.3</b>	<b>54.3</b>	<b>83.2</b>	<b>75.5</b>	<b>56.7</b>	<b>75.1</b>

*Notes:*

- (1) The designed production capacity of the year is calculated based on the following assumptions: (i) All product lines are functioning in its full capacity; (ii) our production facilities operate 16 hours per day for most of our products; and (iii) we operate at every working day per year.
- (2) The utilization rate of our production plant during the year equals the actual production volume divided by the designed production capacity during the same year.
- (3) During the Track Record Period, Anhui Plant primarily produced dried plum products and prune-based products. The utilization rate of Anhui Plant decreased from 93.9% in 2024 to 77.7% in 2025, mainly because we increased our sales focus on plum jelly and prune-based products in response to market demand and consumer preferences, and adjusted our production schedule accordingly to prioritize these two product categories. As our Anhui Plant is principally configured for the production of dried plum snacks, this adjustment correspondingly resulted in a decrease in its production utilization rate. Looking ahead, we expect to launch new dried plum products to attract consumers, which is expected to increase the utilization rate at the Anhui Plant over time.
- (4) During the Track Record Period, our Plum Jelly Plant mainly produced plum jelly products.
- (5) During the Track Record Period, our Wuhu Plant primarily produced dried plum products and other products.
- (6) During the Track Record Period, our “Fiber Life” Natural Food Production Plant primarily produced pitted prune-based products.

### Our Production Process

We conduct different production steps at specialized production facilities located near the major plum-sourcing regions, thereby facilitating operational efficiency and reducing the time from harvest to final production. Upon harvesting, plums are promptly shipped to the plum sorting facilities, where plums undergo quality inspections and grading. The sorted plums are then delivered to preliminary processing facilities, where they are salted and sugared in vats in preparation for the subsequent drying process. These pickled plums are then transferred to the sun-drying facilities, allowing them to naturally dry in sunlight and complete this critical phase. After sun-drying, the plums either at our production plant or facilities specializing in these procedures undergo washing,

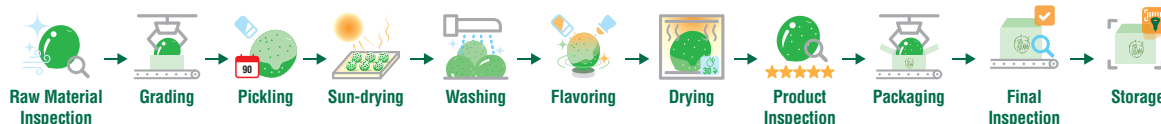
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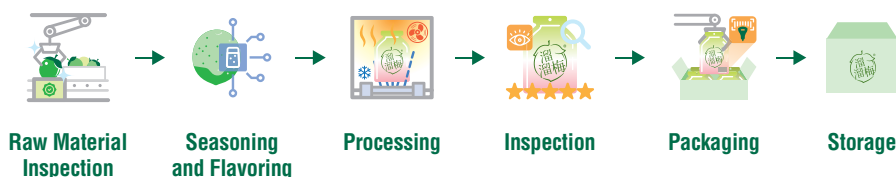
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flavoring and further drying. The resulting semi-finished products are sent for final product inspection and packaging. Upon meeting our quality standards, the finished products are distributed to the market.

The details of the key steps in the production processes of our dried plum snacks are as follows:



The production of plum jelly begins with rigorous inspection of raw plums sourced from selected suppliers, during which unqualified materials are sorted out before processing. The raw materials then undergo standardized seasoning and flavoring, where ingredients are precisely measured and blended using digital systems to ensure formulation consistency and minimize human error. The blended jelly mixture is processed under controlled pressure and strict hygiene conditions to achieve the desired texture, followed by high-temperature steam pasteurization to eliminate potential contaminants and cooling through low-temperature spray and hot-air drying to extend shelf life without preservatives. Finished products undergo visual imaging and manual inspections to detect metal or other foreign contaminants before being packaged using automated machinery, assigned unique barcodes, and verified for weight accuracy. Finally, qualified and sealed products are transferred to warehouses and stored under appropriate conditions prior to distribution. Our advanced processing technologies in plum jelly production, such as low-temperature processing and high-pressure filtering, retain the nutrients in fruits while preserving their natural flavors. The following chart illustrates the production process of our plum jelly:



We also adopt Orihiro’s advanced food processing technology to extend the shelf life of plum jelly without adding preservatives. The salient terms of our collaboration with Orihiro are set forth as below:

- *Term.* We enter into an agreement with Orihiro with a term of ten years.
- *Obligations.* During the term of this agreement, we are obligated to purchase a certain number of T-shape konjac jelly production lines from Orihiro each year at a fixed price as agreed in the contract as its exclusive business partner in Chinese Mainland. We are not required to pay royalties or license fees beyond the procurement price for the production lines, or to share revenue or profit with Orihiro.
- *Collaborative R&D.* Both parties shall be committed to the R&D of new natural, preservative-free functional products and advanced production technologies.
- *Termination.* Each party is entitled to terminate with written notice in the event of the other party commits breach of contract and fails to fulfill its contractual obligation.
- *Confidentiality and Trade Secrets.* Both parties shall be obligated to maintain the confidentiality of each other’s trade secrets, product formulas, intellectual property, product information and other key commercial information.

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### **Our Production Expansion Plan**

We plan to expand the production capacity for prune-based products as our newly launched prune-based products have received widespread market acceptance, resulting in an increased demand. Meanwhile, the utilization rate of our Plum Jelly Plant reached 80.0% as of December 31, 2025, as we promoted and sold more plum jelly products in response to rising market demand. Looking forward, the market demand for our dried plum snacks, plum jelly and prune-based products is expected to grow further due to increasing market acceptance and popularity of our brands. We therefore plan to expand the production capacity of our plum jelly line plant to meet this persistently strong demand. In addition, we plan to increase the production capacity of our dried plum snacks and prune-based products to accommodate diverse consumer preferences. As we expand our product offerings into new categories like plum gummy and plum based condiments, we anticipate that our current capacity will not be sufficient to keep up with the growing market demand. This production expansion plan is therefore crucial to support our continued business growth.

### **Our OEM Suppliers**

We collaborate with reliable OEM suppliers for the production of some of our plum jelly and other plum-based products to relieve the production capacity shortage caused by overwhelming market demand. In our collaborations, we provide raw materials directly to our OEM suppliers and require them to comply with our quality standards and operational guidelines. These suppliers must meet our specified requirements for production facilities and organize production based on agreed conditions, equipment, process, standards, quantities and timelines.

We have established and implemented internal control measures over our OEM suppliers to ensure that products manufactured under our OEM arrangements are produced in accordance with our quality standards and applicable regulatory requirements. In particular, such measures cover (i) OEM supplier selection and approval, where we conduct qualification procedures prior to engagement, including reviews of the OEM supplier’s legal and regulatory compliance status; (ii) contractual and specification controls, where we typically enter into OEM agreements and/or quality-related arrangements that set out our product specifications and acceptance criteria; (iii) pre-production and in-process supervision, where we provide technical guidance and production instructions as necessary and assign personnel to conduct periodic and/or on-site monitoring of the OEM supplier’s production process; (iv) inspection, testing and release controls, where we conduct, and/or require the OEM supplier to conduct under our supervision, appropriate quality inspections at different stages; (v) traceability and documentation, where we require the OEM supplier to maintain proper batch/lot identification and production records to facilitate traceability and, where appropriate, we retain samples and maintain records to support post-sale review and handling of customer feedback; and (vi) ongoing evaluation and non-conformance management, and, in the event of any failure to meet our internal guidelines and policies, we require timely investigation and rectification and may suspend further orders, reject the relevant products, require remedial actions and enhanced supervision, and, where the circumstances warrant, cease to work with the relevant OEM supplier. We maintain long-term relationships with our OEM suppliers. During the Track Record Period, we did not experience any failure by our OEM supplier to meet our internal guidelines and policies that might cause to cease our business relationship.

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The following table sets forth the breakdown of the production volume attributed to our internal production and OEM production during the Track Record Period:

	Year ended December 31,					
	2023		2024		2025	
	<i>kilotons</i>	%	<i>kilotons</i>	%	<i>kilotons</i>	%
Internal production	33.4	83.6	54.3	90.1	56.7	91.5
OEM production	6.6	16.4	6.0	9.9	5.3	8.5
<b>Total</b>	<b>39.9</b>	<b>100.0</b>	<b>60.3</b>	<b>100.0</b>	<b>62.0</b>	<b>100.0</b>

The salient terms of the agreements with our representative OEM supplier are set forth as below:

- *Term.* We enter into an agreement with a term of three to four years.
- *Rights and Obligations of Parties Involved.* We shall specify the production volume, product type, delivery schedule and logistics arrangement.
- *Minimum Production Volume.* The agreement generally sets forth a specified minimum production volume for each production order. We shall be liable for any excessive production wastage if the production order falls below the specified minimum, while the OEM supplier shall be responsible for excessive wastage if the production shortfall is caused by equipment failure, power outage or other reasons attributable to the OEM supplier.
- *Pricing.* The price of the production is determined by the production volume.
- *Warehousing and Logistics.* We shall deliver raw materials, auxiliary materials and packaging materials to the location designated by the OEM supplier at our own expense.
- *Termination.* Unless otherwise agreed by the parties, neither we nor the OEM supplier may terminate the order or reduce its amount without providing at least prior notice.

### SUPPLY CHAIN MANAGEMENT

Our procurement team is mainly responsible for purchasing raw materials, seasoning and other auxiliary materials, packaging materials, equipment and accessories, office supplies, labor protection products and other supplies that are necessary for our production. The procurement team coordinates with our production team, preparing a procurement list based on the production team’s plans, annual budgets and market price for raw materials.

#### Raw Materials

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. We set stringent standards to select suppliers and effective mechanisms to monitor their performance, enabling us to reduce production costs and ensure production quality. In addition, to effectively manage the procurement costs, we maintain strong connections with our upstream plum suppliers. During the Track Record Period, our gross profit margins were adversely affected by increases in the prices of certain key raw materials, including plums, prunes and sugar. However, we procure plums in eight major plum sourcing regions — Fujian, Guangdong, Guangxi, Yunnan, Sichuan, Zhejiang, Anhui and Jiangsu — in China, and thus remain resilient against price volatility or disruption in supply. According to Frost & Sullivan, Fujian, has an annual plum output of approximately 200 kt, benefited from a warm, humid climate and fertile soil conducive to premium-quality plums, and supported by a mature industrial foundation for large-scale processing. There are about 43,000 specialized farmers’ cooperatives in Fujian. Guangdong has annual plum output at around 200 kt,

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benefited from abundant rainfall and a robust industrial chain to cultivate large-sized, high-quality plums with strong geographic branding. There are about 60,000 specialized farmers’ cooperatives in Guangdong. Guangxi and Yunnan each produce around 100 kt of plums annually, receiving government policies fostering specialty industries and benefited from high-altitude ecological advantages that enhance plum quality. There are about 60,000 specialized farmers’ cooperatives in Guangxi and about 70,000 cooperatives in Yunan. Sichuan and Zhejiang, each with an annual output of approximately 50 kt, capitalize on traditional fruit-growing expertise and integrated planting-processing systems, resulting in consistently shaped, aromatic plums. There are about 110,000 specialized farmers’ cooperatives in Sichuan and about 42,000 cooperatives in Zhejiang. Anhui and Jiangsu, with annual plum output of around 30 kt and 20 kt, place emphasis on regional brand development, advanced processing technologies and higher-value-added products, thus fueling the plum cultivation in eastern China. There are about 115,000 specialized farmers’ cooperatives in Anhui and about 53,000 cooperatives in Jiangsu. Furthermore, according to Frost & Sullivan, all these major plum-souring provinces have implemented policies facilitating the plum cultivation by local farmers and specialized farmers’ cooperatives.

During the Track Record Period, the total procurement from our top five plum suppliers amounted to RMB26.0 million, RMB30.8 million and RMB43.6 million in 2023, 2024 and 2025, respectively. We had a total of 260, 328 and 361 specialized farmers’ cooperatives and plum farmers during the same years. Our plum suppliers mainly comprised individual farmers and specialized farmers’ cooperatives in major plum sourcing regions, which represented the collective interests of groups of farmers.

The salient terms of our procurement agreement with upstream plum suppliers are set forth as below:

- *Term.* We typically enter into a procurement agreement with plum suppliers with a term of about one year.
- *Product Quality.* Under our procurement agreement, plum suppliers are required to deliver plums that meet the specified size and quality requirements on the same day they are harvested.
- *Delivery.* Plum suppliers are responsible for the logistics and shall deliver plums to the place designated by us.
- *Payment.* We make the payment after accepting the delivery.
- *Exclusivity.* During our contractual term, plum suppliers are prohibited from providing plums to other purchasers.
- *Anti-corruption and Anti-bribery.* We attach the Fair Trade Commitment Letter to every procurement contract, requiring our suppliers to refrain from any forms of bribery or corrupt conduct that may be deemed unfair business practices.

We also maintain strong control over the prune supply chain, by sourcing premium-quality prunes at competitive prices directly from the world’s leading prune farms in regions such as Chile and France. This direct procurement model enables us to maintain consistent supply for our production needs cost-efficiently. When selecting prune suppliers, we deploy specialized personnel to these farms to conduct on-site inspections and select only the highest-quality prunes that meet our stringent standards for production. Additionally, our large and stable procurement volume, combined with our strong brand recognition in the industry, positions us as a preferred partner for prune suppliers. These suppliers are thus willing to offer us superior quality prunes at more competitive prices due to the reliability of our purchasing agreements and the prestige associated with our brand.

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We procure sugar and salt from major domestic suppliers based on the market price, effectively mitigating supply shortage risks. Our procurement team adopts a dynamic approach, formulating and adjusting annual procurement plans based on thorough assessments of our production schedules and supply lists. This allows us to align our raw material needs with production demands. Additionally, our strong partnerships with reputable suppliers enable us to secure favorable terms, including pre-negotiated price ranges, which shield us from short-term price fluctuations in the raw materials market. We typically enter into a short-term purchase agreements with our auxiliary material suppliers, which generally have a term of two or three months. Under our procurement agreements, our suppliers are typically responsible for delivering the materials to the location designated by us, using the delivery methods meeting the specified requirements in the agreement. We also specify the product quality for any auxiliary materials and hold suppliers liable for any product liability claims attributable to auxiliary materials’ quality issues.

To uphold the quality of these auxiliary inputs, we implement rigorous supplier selection and evaluation protocols, ensuring that only those meeting our stringent standards for quality and reliability are approved. Comprehensive and regular quality inspections are conducted to verify that the sugar and salt sourced meet our precise production requirements, safeguarding the integrity of our finished products. We establish long-term agreements with key suppliers, further enhancing our ability to maintain stable procurement costs and high-quality standards.

### **Packaging Materials**

Our packaging materials primarily include packaging bags and thin packaging films. We procure these materials primarily from reliable third-party suppliers in China. We enter into the procurement agreements with them, typically for a term of one year, and our packaging material suppliers provide packaging materials based on our specified packaging designs. These agreements outline price terms and purchase volumes, and we place orders based on our production needs. Our procurement team has implemented a stringent selection mechanism sorting out qualified suppliers, ensuring that our packaging materials comply with relevant laws and regulations relating to the food safety and product quality, as well as our own standards set by our production team. In the event of significant price fluctuations in these packaging materials, we would promptly look for alternative suppliers, ensuring a stable supply of qualified raw materials. Our rigorous selection approach and adaptive supply chain underpin our commitment to delivering safe, high-quality products to consumers. During the Track Record Period, we did not experience any significant shortage of raw materials and packaging materials supplies, and the raw materials and packaging materials provided by our suppliers did not have any significant quality issues.

### **Our Major Suppliers**

Our major suppliers primarily comprise raw material suppliers, production equipment suppliers, packaging material suppliers and manufacturing service providers. During the Track Record Period, purchase amount from our five largest suppliers in each year accounted for 16.9%, 14.5% and 14.7% of our total purchase amount for the respective year. During the Track Record Period, purchase amount from our largest supplier in each year accounted for 5.0%, 5.1% and 3.9% of our total purchase amount for the respective year. Our largest supplier in 2023 and 2024 sold sugar to us.

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The following tables set forth details about our five largest suppliers in each year during the Track Record Period:

### Year ended December 31, 2023

Supplier	Background	Products/ services provided	Purchase amount <i>(RMB in thousand)</i>	% of total purchase amount	Year of commencement of business relationship
Supplier A	Sugar supplier in Yunnan, China	Sugar	50,086	5.0%	2019
Supplier B	A company listed on Shanghai Stock Exchange, specializing in sugar manufacturing, sugar import, port sugar refining, sugar sales and trade in the domestic market, sugar warehousing and logistics	Sugar	32,328	3.2%	2020
Supplier C	A prune supplier in Chile	Prunes	29,271	2.9%	2022
Supplier D	A supplier of packaging materials for food industry, located in Huangshan, China	Packaging materials	29,065	2.9%	2013
Supplier E	A manufacturer of snack food and beverages, located in Hefei, China	Manufacturing services	28,638	2.9%	2019
<b>Total</b>			<b>169,388</b>	<b>16.9%</b>	

### Year ended December 31, 2024

Supplier	Background	Products/ services provided	Purchase amount <i>(RMB in thousand)</i>	% of total purchase amount	Year of commencement of business relationship
Supplier A	Sugar supplier in Yunnan, China	Sugar	62,436	5.1%	2019
Supplier D	A supplier of packaging materials for food industry, located in Huangshan, China	Packaging materials	36,644	3.0%	2013
Supplier F	A packaging material and printing service supplier, located in Hangzhou, China	Packaging materials	26,896	2.2%	2013
Supplier B	A company engaged in sugar manufacturing, sugar import, port sugar refining, sugar sales and trade in the domestic market, sugar warehousing and logistics	Sugar	26,100	2.1%	2020
Supplier G	A prune supplier in Chile	Prunes	25,832	2.1%	2022
<b>Total</b>			<b>177,908</b>	<b>14.5%</b>	

### Year ended December 31, 2025

Supplier	Background	Products/ services provided	Purchase amount <i>(RMB in thousand)</i>	% of total purchase amount	Year of commencement of business relationship
Supplier G	A prune supplier in Chile	Prunes	56,924	3.9%	2022
Supplier H	A food ingredient and additive supplier located in Shanghai, China	Auxiliary materials	48,771	3.4%	2023
Supplier D	A supplier of packaging materials for food industry, located in Huangshan, China	Packaging materials	40,687	2.8%	2013
Supplier I	A prune supplier in Chile	Prunes	37,437	2.6%	2018
Supplier C	A prune supplier in Chile	Prunes	28,678	2.0%	2022
<b>Total</b>			<b>212,497</b>	<b>14.7%</b>	

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As of the Latest Practicable Date, none of our Directors, their associates or any of our shareholders (who owned or to the knowledge of Directors had owned more than 5% of our issued share capital) had any interest in any of our five largest suppliers.

### **Warehousing and Logistics**

During the Track Record Period and as of the Latest Practicable Date, we operated our own warehouse to store raw materials, work-in-progress and finished products. In addition, we also leased a third-party warehouse to store finished products in preparation for peak seasons. During the same period, the majority of our product transportation was provided by independent third-party logistics service providers. We typically enter into service agreements with logistics service providers with competent qualification, service ability and competitive price. Under our standard agreements with our logistics service providers, we require them to promptly deliver our products to designated customers. The risks relating to the transportation and delivery of our products are transferred to the logistics service providers once they confirm receipt of the products to be delivered.

### **Inventory Management**

Our inventory turnover days were 181.7 days, 167.7 days and 198.2 days in 2023, 2024 and 2025, respectively. We regularly conduct on-site inspection distributors’ inventory level, enabling us to monitor real-time inventory levels, facilitating our production planning and effectively mitigating risks of overstocking or shortages. In addition, we dispatch designated personnel to conduct random on-site inventory audits at distributor locations. These in-person inspections serve to verify the authenticity of reported inventory levels while providing valuable insights into market sales trends and inventory turnover efficiency.

## **FOOD SAFETY AND QUALITY CONTROL**

Food safety and product quality is our top priority. Building on the requirements of ISO 22000 and HACCP, we identify and evaluate food safety risks in each stage of production. We establish critical control points, develop corresponding control measures and monitoring procedures, and have achieved the globally recognized FSSC 22000 certification in October 2024 to standardize food safety management across our supply chain. We have established a dedicated quality assurance center with specialized teams for quality planning, quality engineering and supplier management. The testing center has received CMA and CNAS certifications and produces authoritative testing reports that facilitate continuous improvement in our quality management practices. During the Track Record Period, we did not experience any material incidents of food safety and product quality problems.

### **Raw Material Quality Control**

We have implemented a rigorous, multi-layered supplier selection and evaluation process to ensure the quality of our raw materials. We also conduct sample testing with a 100% sampling rate each year and perform annual reviews to continuously monitor our suppliers’ performance. Only those suppliers who meet all our requirements are included on our approved supplier list. Each batch of raw materials delivered to our facilities undergoes stringent inspections before being accepted into inventory. Our testing team conducts evaluations on whether the sensory, physicochemical and microbiological indicators of the raw materials meet both national regulatory requirements and our internal procurement standards, covering, among others, food safety metrics, nutritional components and accurate packaging labels.

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### **Production Process Quality Control**

We strictly adhere to GMP and SSOP standards in our production facilities, following standardized production processes and operating procedures. To prevent cross-contamination, we closely regulate temperature, humidity and cleanliness in our workshops. Guided by the HACCP system, we identify critical control points such as sterilization temperature and metal detection, record real-time data, and use automated alarms as necessary. We also employ intelligent production equipment, including intelligent vision sorting machines, combination dynamic scales and fully automated filling lines, to enhance product quality. To ensure compliance with relevant regulations and our internal standards, we establish multiple checkpoints throughout the production process and conduct both regular and random hygiene inspections focused on critical factors such as temperature, pressure and timing. Any non-conforming products are immediately discarded, and each incident is recorded for root-cause analysis and ongoing improvements to our quality control. In addition to these technical procedures, we emphasize the importance of our employees in maintaining a safe and consistent production process. Employees are required to maintain proper personal hygiene, pass health examinations before employment, and follow strict sanitation and dress code protocols. We also provide regular training on topics including quality control and food safety to reinforce professional knowledge and foster increased awareness.

### **Product Returns and Product Recalls**

In accordance with our non-conforming product control procedure and product recall control procedure, we regularly inspect products and manage any non-conforming items through testing and disposal. If unsafe or potentially unsafe products are found to have been delivered to customers, the relevant department will formulate a product recall plan promptly to recall the products and categorize them based on the level of hazard. For emergency incidents, we have established reporting and handling procedures, and we provide at least one food safety-related training annually to relevant employees. During the Track Record Period and up to the Latest Practicable Date, we did not have any product recalls.

### **COMPETITION**

According to Frost & Sullivan, the snack food industry in China is highly competitive. Several segments within the snack food industry present great market opportunities. According to Frost & Sullivan, the market size of the fruit snack industry in China by retail sales value increased from RMB37.8 billion in 2020 to RMB52.0 billion in 2024 at a CAGR of 8.3%, and is expected to further reach RMB78.0 billion in 2029, with a CAGR of 8.6%. On the other hand, sour-flavored products, particularly plum-based products, have been growing rapidly, primarily due to the evolving market demand for products made with natural ingredients. We believe our brand recognition, product development ability, sales channel management ability and production and quality control ability enable us to compete effectively against our competitors. According to Frost & Sullivan, in 2024 we ranked first in China’s fruit snacks industry, with a market share of 4.9%. See “Industry Overview.”

### **SEASONALITY**

The supply and demand for our products is subject to seasonal variations during harvest periods of key raw materials, holidays and major shopping events. Our primary raw materials, including plums, prunes and other fruits, are highly seasonal in nature. During the harvest season for plums, typically from late spring to early summer, we procure a substantial quantity of plums sufficient for our annual production. In addition to the seasonal procurement, we experience pronounced sales peaks during major holiday seasons and shopping events, such as Chinese New Year, the 618 Shopping Festival and Double Eleven. These events lead to a surge in consumer demand for our products, necessitating increased production and the stockpiling of work-in-progress and finished goods in advance. As a result, our inventory levels for finished products, tend to rise leading up to these periods.

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### INTELLECTUAL PROPERTY

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. See “Appendix VI — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights of Our Group” for more details of our material intellectual property rights. We seek to protect our intellectual property rights by registration of patents, trade secret protection and confidentiality agreements executed with core employees and other third parties, among others. As of the Latest Practicable Date, we did not have any outstanding material proceedings in connection with infringement of intellectual property rights sued by any third party. We were not aware of any threatened material proceedings or claims relating to intellectual property rights against us.

### INFORMATION TECHNOLOGY

Our key information technology systems primarily include: (i) enterprise resource planning (“ERP”) system to centralize and streamline our core business operations, encompassing procurement, production, inventory management, sales and financial auditing; (ii) customer relationship management (“CRM”) system that integrates marketing, sales and service processes, establishing an effective marketing management system and coordinating multichannel marketing activities; (iii) office automation (“OA”) system optimize our daily operation processes including document sorting, process verification and human resources management; and (iv) cloud service system to facilitate the communications with our customers and among our staff. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

### DATA PRIVACY AND SECURITY

In the course of our business operations, we may encounter certain personal data pertaining to our end consumers, such as end consumers’ order information such as shipping addresses, contact details, transaction records and payment data. Moreover, through collaborations with retailers and distributors, we may access additional information related to our end consumers. We recognize the importance of safeguarding personal data and are committed to handling all such information responsibly and in accordance with applicable data protection laws. As confirmed by our PRC Legal Advisor, we had complied with all applicable laws and regulations relating to data privacy and security during the Track Record Period and up to the Latest Practicable Date.

We have implemented a series of data protection policies and measures to ensure our compliance with applicable laws and regulations relating to personal data protection, sourcing, storage and usage. Specifically: (i) we have developed and publicly posted our privacy policies across our official website, mobile applications, and online stores. These policies clearly outline the types of personal data we collect, explain how and why such data is gathered, and specify the purposes for which it is utilized; (ii) we process personal information in strict adherence to specific and lawful purposes, ensuring that our activities remain limited to the minimal scope necessary for achieving those purposes. Additionally, we do not independently engage in automated decision-making or algorithm-based recommendations; (iii) we promptly inform our customers whenever their personal data is transmitted to third parties, providing details such as the identities of those parties, their contact information, the types of personal data involved, and the specific purposes behind the data transmission; and (iv) we store certain personal information of our customers only for the limited time necessary to support our business operations, such as providing logistics services and tracking orders. Furthermore, we have informed our customers that, upon their request through customer services, we may desensitize their personal information.

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### EMPLOYEES

As of December 31, 2025, we had 1,917 full-time employees. The following table sets forth a breakdown of our employees by employee function as of the same date:

<u>Employee Function</u>	<u>Number of Employees</u>	<u>Percent (%)</u>
Sales and Marketing	399	20.8
Administration and Management	147	7.7
R&D	29	1.5
Production	<u>1,342</u>	<u>70.0</u>
<b>Total</b>	<b><u>1,917</u></b>	<b><u>100.0</u></b>

We have not experienced any significant labor disputes which have adversely affected or are likely to have adverse effects on our business operations. We believe we have maintained a good relationship with our employees and we did not have any material labor dispute during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period, we did not make adequate contributions and failed to make contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, see “— Licenses, Approvals and Permits — Non-compliance — Inadequate and Third-Party Payment for Social Insurance and Housing Provident Funds.”

### INSURANCE

Our primary insurance policies include property insurances covering accidental loss for some of our fixed assets and employer liability insurance. Our Directors believe that our insurance coverage is in line with industry practice and standard business practices of relevant countries.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

#### ESG Governance

We have established a three-tier environmental, social and governance (ESG) governance structure, comprising of the Board, an ESG working group and an implementation level. The Board holds ultimate responsibility for the ESG strategy and reporting. It monitors and approves our ESG and climate-related management policies, strategies, targets and annual work, and regularly reviews and monitors performance and progress towards our ESG targets. The Board also conducts an annual review of our ESG policies to ensure their effectiveness and to foster a culture aligned with our core ESG values. The Directors regularly attend ESG training to enhance their knowledge of ESG governance. Our ESG working group, consisting of the chairman of the Board and senior management and with a solid understanding of current ESG issues and our business, will report directly to the Board on ESG matters. Key responsibilities of our ESG working group primarily include: (i) regularly assess ESG risks in accordance with applicable laws, regulations and policies, and implement mitigating measures to ensure our ESG responsibilities are fulfilled; (ii) monitor local environmental, social and climate changes in the regions where we operate and take timely measures to mitigate risks during our daily business operations; (iii) collect, understand and respond to stakeholders’ opinions on significant ESG matters through appropriate channels; and (iv) routinely prepare ESG reports, report to the Board on our ESG performance and the effectiveness of our ESG policies, and provide recommendations to the Board on ESG matters.

#### Materiality Assessment

A materiality assessment has been conducted to gain a deeper understanding of our stakeholders’ needs and expectations. We have engaged an independent ESG consultant to assist in conducting a materiality assessment in accordance with Appendix C2 of the Main Board Listing

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Rules of the Stock Exchange. This involves a questionnaire to gather stakeholders’ concerns and expectations, which helped us determine material issues. The materiality assessment process primarily include: (i) identify potential material ESG issues that may impact our business or related parties based on our development; (ii) invite stakeholders (Directors, senior management, employees, suppliers and partners) to participate in the questionnaire to express their concerns on each potential material issue; (iii) analyze the results from the questionnaire and prioritize potential material issues; and (iv) review and confirm the material issues by the management for further actions and disclosures.

Based on the results of our materiality assessment, the following topics have been identified as highly material: product quality and safety, product health and nutrition, anti-corruption, business ethics, waste management, compliance operations, occupational health and safety, employee rights, and intellectual property protection. We remain committed to upholding the highest standards in these areas by strictly complying with all applicable laws and regulations, maintaining robust quality and food safety management systems to deliver safe, reliable and high-quality products, using natural ingredients to offer healthier and functional options, implementing effective anti-corruption and business ethics frameworks, responsibly managing waste to minimize environmental impact, ensuring occupational health and safety, providing competitive remuneration, benefits and training to support talent retention and development, and proactively safeguarding our intellectual property rights.

### **Environmental and Social Issues**

#### ***Energy and Emission Management***

We formulated the energy conservation and resources management guidelines. The energy sources consumed by us primarily include electricity, light diesel and natural gas. We have implemented measures to reduce energy consumption and greenhouse gas (GHG) emissions, including: (i) set and manage the temperature and operating time of air conditioners, and control and maintain their operational status; (ii) manage the lighting schedules in each department to avoid unnecessary long-term lighting; (iii) record and collect data on the consumption of electricity, fuel and gas; (iv) ensure that all energy and resources suppliers have appropriate qualifications in line with our related-party environmental aspects management procedure; and (v) evaluate the energy consumption performance and environmental requirements of new equipment during the procurement process.

#### ***Water Management***

We implement measures to conserve water, enhance water efficiency and manage the treatment and discharge of sewage, including: (i) regularly check the operating status of the water pipelines and promptly repair any leaks; (ii) regularly inspect water supply systems and equipment such as submersible pumps and fans at sewage treatment stations to ensure their normal operation; (iii) reasonably limit the discharge volume of circulating water to control water consumption; (iv) strictly prohibit the disposal of oil products, chemical waste liquids, residual oil, leftover food and phosphorus-containing detergents into the pipe network; and (v) conduct external monitoring of wastewater discharge and implement corrective and preventive measures in the event of any abnormalities.

#### ***Waste Management***

We are committed to minimizing waste generation and enhancing disposal and recycling practices across our offices and factories in accordance with our solid and hazardous waste management guidelines. We strive to reduce pollution and promote responsible and sustainable consumption by strictly complying with applicable laws and regulations, adopting the principles of reduce, detoxify and utilize for solid waste, correctly classifying and storing all waste types in line with the National Hazardous Waste List and our internal classification table, maintaining clear

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signage and secure leak-proof containers with prompt spill response, conducting regular cleaning and scheduled collections, and engaging qualified professional units for the safe transshipment and recycling of hazardous waste.

### *Use of Sustainable Packaging Materials*

We attach great importance to packaging development and management and are committed to promoting sustainable packaging through lightweighting and enhanced recyclability. We optimize packaging structures from the design stage by adopting advanced materials, such as high-stiffness PE to reduce thickness and VMCP to decrease film layers, thereby lowering plastic consumption, while strengthening the compressive resistance of paper barrels to reduce paper and carton usage. Over 80% of our inner soft packaging (by SKU) and all hard plastic packaging and shipping cartons utilize recyclable materials, primarily PP and PE plastics. We have established a target to reduce the intensity of non-recyclable materials by 5% within ten years, with 2024 as the base year.

### *Metrics*

Outlined below are the key environmental performance indicators for our offices, production plants and plum farms. Our GHG inventories are conducted in accordance with the “How to Prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs” published by the Stock Exchange.

	Year ended December 31,		
	2023	2024	2025
<b>GHG emission</b>			
Scope 1 (Direct emission) (tCO <sub>2</sub> e) <sup>(1)</sup>	2,022.48	1,171.17	1,118.41
Scope 2 (Indirect emission) (tCO <sub>2</sub> e) <sup>(2)</sup>	7,490.39	10,395.00	11,819.32
Total GHG emission (Scopes 1, and 2) (tCO <sub>2</sub> e)	9,512.87	11,566.17	12,937.72
Total GHG emission intensity (tCO <sub>2</sub> e/million RMB revenue)	7.20	7.16	7.56
<b>Resources Consumption</b>			
Electricity consumption (kWh)	13,934,108.47	19,324,593.43	21,962,243.00
Electricity intensity (kWh/million RMB revenue)	10,539.84	11,958.15	12,837.93
Water (m <sup>3</sup> )	461,623.00	614,398.36	536,438.00
Water intensity (m <sup>3</sup> /million RMB revenue)	349.17	380.19	313.57
Gasoline (L)	187,417.41	184,903.05	175,179.30
Diesel oil (L)	154,882.29	165,602.26	135,822.17
Natural gas (m <sup>3</sup> )	510,600.00	109,644.00	133,070.00
Liquefied Petroleum Gas (kg)	1,140.00	1,140.00	1,280.00
<b>Waste</b>			
Non-hazardous waste (kg)	27,330.00	27,513.00	27,442.00
Non-hazardous waste intensity (kg/million RMB revenue)	20.67	17.03	16.04

*Notes:*

- (1) Direct GHG emissions from sources controlled or owned by us, including fossil fuel combustion from both stationary and mobile sources, as well as refrigerant gas leaks, are categorized as Scope 1 emissions.
- (2) Scope 2 emissions are indirect and primarily arise from the consumption of purchased electricity.

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In 2024, our GHG emission intensity as well as electricity and water usage intensities were 7.16 tCO<sub>2</sub>e per million RMB of revenue, 11,958.15 kWh and 380.19 m<sup>3</sup> per million RMB of revenue, respectively, which were lower than the peer average of 27.78 tCO<sub>2</sub>e per million RMB, 25,229.68 kWh and 606.76 m<sup>3</sup> per million RMB of revenue, respectively.

**Targets**

We have established environmental goals aimed at reducing our GHG emissions, electricity consumption and water consumption. We aim to reduce total GHG emission intensity, electricity consumption intensity and water consumption intensity by 10% each within ten years, with 2024 as the base year.

**Climate Change**

The Board holds full responsibility for overseeing climate-related management. We prioritize climate change management and are fully aware of the physical risks posed by shifting climate patterns and extreme weather events, as well as the transition risks associated with the move towards a low-carbon economy. To address these challenges, we have identified and evaluated climate risks and opportunities across short-term (within three years), medium-term (three to ten years) and long-term (over ten years) horizons.

The following table sets forth the main physical risks identified and our response measures:

<b>Risk type</b>	<b>Potential risks (timeframe; risk level)</b>	<b>Potential impacts on business, strategy and finance</b>	<b>Response measures</b>
Acute physical risk	Flood/Cyclone (short term; low risk)	<ul style="list-style-type: none"> <li>• Extreme weather poses risks to green plum growth, potentially causing supply shortages and higher costs.</li> <li>• Food supply chain disruptions and damage may drive up costs.</li> <li>• Adverse weather may hinder employee commuting, disrupting operations.</li> <li>• Buildings, equipment, and assets are at risk of weather-related damage.</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain orchard drainage by cleaning ditches regularly to ensure adequate capacity.</li> <li>• Broaden the product range to minimize the impact of green plum yield fluctuations on operations.</li> <li>• Regulate raw material supply processes and establish related policies to ensure food safety.</li> <li>• Develop safety measures and emergency plans to protect employees.</li> <li>• Diversify the sources of supply chain to strengthen resilience.</li> <li>• Build on higher ground and adhere to strict construction standards.</li> </ul>
Chronic physical risk	Extreme temperature (long term; low risk)  Water scarcity (long term; low risk)	<ul style="list-style-type: none"> <li>• Warm winters reduce green plum yields, which may affect the supply of plum.</li> <li>• Infrastructure may face damage or reduced lifespan due to extreme heat.</li> <li>• Winter drought may threaten green plum yields, which may affect the supply of plum.</li> <li>• Climate change worsens water scarcity, which may affect supply and increase cost.</li> </ul>	<ul style="list-style-type: none"> <li>• Use artificial pollination to reduce the effects of extreme temperatures on yields.</li> <li>• Install energy-efficient cooling systems to maintain infrastructure temperatures.</li> <li>• Use manual irrigation to combat the impact of drought on yields.</li> <li>• Implement water-saving measures to reduce usage, manage costs, and address water shortages.</li> </ul>

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The following table sets forth the main transition risks identified and our response measures:

<b>Risk type (timeframe; risk level)</b>	<b>Potential impacts on business, strategy and finance</b>	<b>Response measures</b>
Policy and regulatory risk (medium to long term; low risk)	<ul style="list-style-type: none"> <li>● With stricter global climate regulations, we need to comply with more rigorous climate related guidelines.</li> <li>● Non-compliance with regulations may affect business operations.</li> </ul>	<ul style="list-style-type: none"> <li>● Monitor policy and regulatory changes, ensure compliance, and mitigate risks.</li> <li>● Incorporate environmental factors into the Company’s long-term planning.</li> </ul>
Technological risk (medium to long term; medium risk)	<ul style="list-style-type: none"> <li>● Implementing low-carbon upgrades may increase costs.</li> </ul>	<ul style="list-style-type: none"> <li>● Upgrade to low-carbon technologies, such as green factories to improve energy efficiency and reduce costs.</li> </ul>
Reputational risk (medium to long term; low risk)	<ul style="list-style-type: none"> <li>● Investors and stakeholders demand transparency in climate-related information, and delays or incomplete disclosures may impact financing.</li> </ul>	<ul style="list-style-type: none"> <li>● Increase transparency through enhanced climate information disclosure.</li> </ul>
Market risk (medium to long term; low risk)	<ul style="list-style-type: none"> <li>● Customers prioritize sustainability and favor low-carbon businesses; failure to adjust strategies could lead to a loss of market share.</li> </ul>	<ul style="list-style-type: none"> <li>● Develop sustainable strategies, strengthen environmental governance, and boost eco-investment to meet customer expectations.</li> </ul>

### **Society**

We strictly comply with the Labor Law of the People’s Republic of China (《中華人民共和國勞動法》) and the Law of the People’s Republic of China on Labor Contracts (《中華人民共和國勞動合同法》) and other labor-related laws and regulations. We recruit employees in accordance with the principles of openness, transparency, equal competition and merit-based selection as stipulated in our employee handbook. As of December 31, 2025, we had a total of 1,917 employees, with 57% being male and 43% female.

New employees must pass our verification of educational qualification, professional experience and other relevant information, after which we sign a formal employment contract specifying the rights and obligations of both parties and other necessary information. We prohibit child and forced labor.

### ***Employee Training and Development***

We regard our employees as our most valuable assets and are committed to their long-term development and well-being. We offer comprehensive training through diverse platforms, including new employee programs, job skills enhancement, managerial development, qualification training and on-the-job academic programs, supported by annual training needs assessments and the Liuliumei Business School for internal talent cultivation, consulting services and external training to suppliers and franchisees, alongside a structured monthly, semi-annual and annual performance appraisal system and dual administrative and professional career paths to support promotions and continuous improvement. We implement an incentive-based remuneration system and comprehensive welfare benefits aligned with operating conditions, industry standards and individual performance, while

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upholding stringent occupational health and safety standards through robust policies, mandatory safety training, risk assessments, hazard identification, position-specific operating procedures and regular inspections to prevent accidents and ensure a safe working environment.

### PROPERTIES

Our headquarters office is located in Wuhu, Anhui Province, the PRC. We own and lease properties in China. As of the Latest Practicable Date, all of our production plants were located in Chinese Mainland. As of December 31, 2025, none of the properties held or leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance.

#### Owned Properties

As of the Latest Practicable Date, we owned 21 properties in China with an aggregate floor area of approximately 288,042.0 sq.m. for which we obtained the relevant title certificates, which were primarily used for production and office purposes. As of the Latest Practicable Date, we also obtained the land use right for 29 parcels of land with a site area of 736,256.7 sq.m. for which we obtained the relevant title certificates, which were primarily used for production purpose. As of the same date, we also obtained the contracted management right (承包經營權) for one parcel of collectively-owned land (集體土地) with a site area of 272.00 mu. In addition, on January 15, 2025, we entered into a state-owned construction land use right assignment agreement (國有建設用地使用權出讓合同) with the local government authority, pursuant to which we are entitled to the land use right to a parcel of land located in Wuhu, Anhui, with a site area of 12,003.91 sq.m. upon full payment. As of the Latest Practicable Date, we had made full payment of the land grant fee for the state-owned construction land use right with an area of 12,003.91 sq.m. located in Jinghu District, Wuhu City and were in the progress of obtaining relevant title certificates.

We did not obtain the relevant title certificates for certain of our owned properties in Fujian. In addition, we commenced the production at our plum processing facility 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 completed the acceptance check and had obtained title certificate for the said facilities in Fujian. See “— Licenses, Approvals and Permits — Non-compliance — Title Defects of the Plum Sorting Facility and Sun-drying Facility in Fujian,” “— 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.

#### Leased Properties

As of the Latest Practicable Date, we leased 20 properties in China with an aggregate floor area of 5,608.99 sq.m., which were primarily used as offices and employee dormitories. For details about title defects and inconsistent usage in relation to our leased properties, see “— Licenses, Approvals and Permits — Non-compliance — Title Defects and Inconsistent Usage of Leased Properties.”

### LICENSES, APPROVALS AND PERMITS

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to obtain various licenses and regulatory approvals to operate our business. See “Regulatory Overview.” As of the Latest Practicable Date, save as disclosed below, we obtained

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all necessary licenses that are material to our business operations from the relevant government authorities and such licenses are valid and subsisting. Our Directors do not expect any impediment in the renewal of our licenses.

### Non-compliance

#### *Incomplete Acceptance Check for the Plum Processing Facility in Daxin, Guangxi*

We commenced the production at our plum processing facility in Guangxi without completing the filing of the inspection and acceptance check (竣工驗收備案) and other required procedures with relevant authorities because we are still in the process of constructing other ancillary facilities on the same site. The plum processing facility in Guangxi is involved in the construction of multiple facilities in different phases, and our original plan was to construct ancillary facilities for fire safety and complete the acceptance check once all facilities were constructed. After constructing certain production facilities, we commenced production in response to the rising consumer demand. This production arrangement addressed the immediate market needs and alleviated production shortages. The remaining ancillary facilities were scheduled to be constructed in accordance with our overall construction plan. During the COVID-19 pandemic, recurring outbreaks and heightened investment risks prompted us to revisit our remaining ancillary facilities’ construction plans. As a result, the construction of several ancillary facilities in Guangxi, including the planned fire safety infrastructure at our plum processing facility, was deferred. As of the Latest Practicable Date, we had completed the construction of the fire safety infrastructure and we were in acceptance check process. We have completed the construction of ancillary facilities. This facility was estimated to account for approximately 4% of our total owned properties as of the Latest Practicable Date. According to Regulations on the Administration of Quality of Construction Works (《建設工程質量管理條例》), for construction projects that have not completed acceptance check and are delivered for use without authorization, the relevant competent authorities shall order rectification and impose a fine of not less than 2% and not more than 4% of the contract price of the project. The maximum fine that can be imposed upon us due to our operations without the acceptance check is RMB651,100. We put this facility into operation, which is mainly used for the certain steps of the preliminary processing of our dried plum snacks, including pickling and sun-drying. We then transfer these work-in-progress to our production plants for producing the finished goods. We have conducted interviews with relevant competent authorities, which confirmed that they will not order us to suspend our current operations and production on the facility, and will not impose administrative penalties on us for the failure to complete the acceptance check and other required procedures. The relevant competent authorities further confirmed in the interview that there is no material impediment for us to complete the acceptance check and other required procedures to obtain the title certificate once we finish the construction of the ancillary facilities on the same site, as we had obtained all the other required approvals.

According to the Certificate issued by the relevant competent authority, this plum processing facility is a project formally accepted by our Bureau for filing and supervision. Since the commencement of its construction, there has been no administrative penalty imposed for any violation of housing construction or building engineering management laws, regulations, or normative documents, and no quality or safety accidents have occurred. Furthermore, the Certificate confirms that we do not have any potential or ongoing disputes, controversies, or lawsuits with Bureau concerning housing construction or building engineering of this facility, nor are there any records of complaints or any other forms of claims regarding this facility.

In addition, in October 2025, we engaged Guangxi Jingtai Engineering Co. Ltd., a professional firm specializing in fire safety system design, installation, consulting and the maintenance and inspection of fire safety equipment, to conduct an independent review of our plum processing facility in Guangxi (the “**Fire Safety Consultant**”). This review included comprehensive on-site inspections, testing and evaluation of key fire safety aspects. The Fire Safety Consultant is of the view that (i) all major fire protection systems were fully compliant with all relevant national and local standards and regulations; (ii) no non-conformities were identified in any of the systems inspected; (iii) all tested

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equipment and installations met the required technical and operational standards; (iv) the facility’s fire safety provisions are appropriate for its intended use and occupancy; and (v) the fire safety systems are properly installed, clearly marked and well maintained.

Based on the foregoing, our PRC Legal Advisor believes that the risk of us being ordered to cease the operations and production at the processing facility or being imposed of administrative penalties is low. In addition, due to the abundance of similar facilities in our operating region, we can readily identify and relocate to alternative preliminary processing facilities. As a result, we do not expect that our business, financial position or results of operations will be subject to material adverse impact due to the relocation.

Moreover, according to our PRC Legal Advisor, our plum processing facility in Guangxi is categorized as a general fire safety grade building that only needs to meet basic fire safety requirements. Additionally, since this facility primarily engages in water-based processing and contains no flammable or combustible materials, the risk of fire hazards is significantly minimized. As a result, the overall fire safety risk of the facility remains low and satisfies the applicable regulatory requirements.

### ***Incomplete Acceptance Check for Environmental Protection Facilities for the Plum Processing Facility in Guangxi***

As of the Latest Practicable Date, we are preparing the application for the acceptance check of the Completed Environmental Protection Facilities for the same plum processing facility in Guangxi. Prior to passing the environmental protection acceptance, we ensure that production emissions comply with all applicable laws and regulations. According to Article 23 of the Regulations on Environmental Protection of Construction Projects (“建設項目環境保護管理條例”), where a construction project is put into production or use without constructing required environmental protection facilities, completing the environmental protection acceptance check, or failing the acceptance check, the environmental protection administrative department at the county level or above shall order the entity who owns the project to rectify within a specified time period and impose fines ranging from RMB200,000 to RMB1,000,000. If the entity fails to rectify within the given time frame, fines ranging from RMB1,000,000 to RMB2,000,000 shall be imposed, and fines ranging RMB50,000 to RMB200,000 shall be levied on the person in charge and other responsible individuals. The maximum fine that can be imposed on us is RMB1,000,000. In cases of severe environmental pollution, the entity may be ordered to cease protection or use of the project, or, upon approval from the relevant government authority, be ordered to shut down the project.

Based on the Environmental Impact Assessment (“EIA”) approval issued by the Daxin County Ecology and Environmental Bureau, our Guangxi production facility must process wastewater at our on-site facility before discharging it to the Taocheng Town Industrial Park’s (“**Industrial Park**”) sewer network and wastewater processing plant. Since the Industrial Park’s wastewater processing facilities are not yet operational, and our current production processes do not involve massive wastewater discharge, the Bureau approved our phased environmental protection measures in December 2024. Under our phased environmental protection measures, our facility is allowed to temporarily store wastewater on-site, and we implemented certain environmental protection measures such as optimizing production methods and reducing wastewater generation until the Industrial Park’s plant becomes operational, thereby ensuring our compliance with the relevant requirements by the governmental authority. Once the Industrial Park’s plant begins operations, we will complete our wastewater processing facilities and obtain the environmental protection acceptance check. Additionally, we agree to upgrade our wastewater processing facilities to meet the heightened wastewater discharge requirements if we expand the production at our plum processing facility in Guangxi.

According to our PRC Legal Advisor, since we implemented the agreed phased environmental protection measures and complied with the wastewater disposal requirements by the governmental authority, we are allowed to continue our operational activities at the production facility in

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Guangxi, and the risk of us being subject to any material administrative penalties by relevant governmental authorities before completing the acceptance check is low. In addition, we are in the process of constructing the required wastewater processing facilities. We ensure that our current production processes and wastewater discharge fully comply with all environmental protection requirements of the relevant governmental authorities. As our production expands, we plan to promptly construct any necessary environmental protection facilities, obtain the required environmental approvals and comply with the regulatory requirements in all respects. According to our PRC Legal Advisor, upon the construction completion of our required environmental protection facilities and the construction completion of the Industrial Park’s wastewater processing plant, there is no material legal impediment for us to complete the required acceptance check, as we had obtained all the other required approvals. Additionally, we may readily find alternative sites for the preliminary processing, we do not expect that our business, financial position or results of operations will be subject to material adverse impact due to the relocation.

### *Incomplete Acceptance Check for Employee Dormitory in Fujian*

In Fujian, we began utilizing a building for employee dormitory and cafeteria purposes prior to completing the filing of the inspection and acceptance check with relevant authorities. This building is being used in a limited capacity before we complete construction of other ancillary facilities for fire safety on the same site. According to the Regulations on the Administration of Quality of Construction Work, the relevant competent authorities may order us to rectify and impose fines on us. The maximum fine that can be imposed on us is RMB204,000. According to our PRC Legal Advisor, we were not imposed any penalties by the authorities.

The building has undergone routine fire safety inspections and shows no hidden fire safety hazards. According to our fire safety consultant, it meets the relevant fire safety standards, and its ancillary fire safety facility serves merely as a contingency measure in case of disruptions to the municipal water supply that feeds the on-site fire hydrants. Consequently, the building’s overall fire safety risk is low, and its existing infrastructure is deemed sufficient to ensure firefighting capabilities in the event of an emergency. As of the Latest Practicable Date, we had completed the construction of these ancillary facilities on the same site and had received the acceptance check for these facilities. As of the same date, we had obtained the title certificate of the said facilities. As advised by our PRC Legal Advisor, the said facilities are in compliance with the relevant laws and regulations.

### *Title Defects of the Plum Sorting Facility and Sun-drying Facility in Fujian*

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. The land was on the urban-rural transition zone. We acquired the land use rights for these two parcels of land in 2009 and 2017, and the properties on them were constructed prior to our acquisition of the land use rights. These properties were primarily used as a sun-drying facility. The floor area of these properties accounted for approximately 3% of our total owned properties as of the Latest Practicable Date. The sun-drying facility accounts for 6.9% of our total sun-drying space as of the Latest Practicable Date. We acquired the land with such buildings that lacked the title certificates at the time, and these properties constructed prior to the enactment of the Urban and Rural Planning Law (城鄉規劃法), when the regulatory procedures for self-build properties were not yet fully established. As such, these properties were built without proper planning approval documents, and we inherited these title defects in our capacity as a subsequent purchaser. We are unable to obtain the relevant title certificates for these properties as the regulatory environment had substantially changed, and we are unable to retrospectively complete the required procedures and secure valid 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. During the Track Record Period and up to the Latest Practicable Date, the relevant competent authorities neither required us to demolish our properties, nor ordered

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us to suspend our operations, nor imposed any fines on us. According to our PRC Legal Advisor, government authorities inspected our daily operations from time to time, including fire safety and environmental protection measures, and, based on the Certificate for No Illegal and Irregular Conduct (無違法違規證明) issued by the relevant competent authority, we did not receive any penalties and meet the relevant fire safety standards during the Track Record Period. Considering that (i) the area of these properties represented an insignificant portion of the total area of our properties as of the Latest Practicable Date; and (ii) we may readily find alternative properties for sun-drying if necessary, and we estimate that fully outsourcing the sun-drying process would cost approximately RMB350,000 annually, based on our current lease with a third-party sun-drying facility, the Directors are of the view that even if demolition were ordered, it would not have a material adverse impact on our business, financial conditions and results of operations.

### *Title Defects and Inconsistent Usage of Leased Properties*

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. We currently use these leased properties as the office premises while their permitted usage under the relevant title certificates is residential purposes. 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. Nevertheless, considering these properties' uses, we believe there is a sufficient supply of similar properties and do not expect any material adverse effect on our business due to these potential terminations and the potential costs of relocation would not have a material adverse effect on our daily operation.

### *Inadequate and Third-party Payment for Social Insurance and Housing Provident Funds*

During the Track Record Period, we did not make adequate contributions and failed to make any contributions to the social insurance and housing provident funds with respect to certain of our employees as required by the relevant PRC laws and regulations, primarily because (i) certain employees whose social security accounts had not been suspended or closed by their previous employer; (ii) certain employees prefer to participate in the rural social security contribution plans in their resident places or their hometowns; (iii) certain employees have already participated in the social security programs in other cities and (iv) certain employees were unwilling to pay the social insurance and housing provident funds in full as it requires additional contributions from our employees. The shortfall of 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. In addition, during the Track Record Period, we engaged third-party agencies to pay social insurance and housing provident funds for certain employees because (i) these employees voluntarily requested us to pay their social insurance and housing provident funds at different locations and (ii) we have not established subsidiaries or branches at certain cities where we have employees. The social insurance and housing provident contributions made by the third-party

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human resource agency amounted to RMB1.4 million, RMB1.5 million and RMB1.2 million in 2023, 2024 and 2025, respectively, and the shortfall of such contributions in the respective year amounting to RMB83.6 thousand, RMB81.8 thousand and RMB127 thousand.

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05%, and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, pursuant to applicable PRC laws and regulations, if the employer fails to register and establish an account for housing provident fund contributions, the authority could order the employer to correct it within a prescribed time limit, where failure to do so at the expiration of the time limit shall result in a fine of not less than RMB10,000 nor more than RMB50,000 being imposed. Where an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the authority could order it to make the payment and deposit within a prescribed time limit, and where the payment and deposit has not been made after the expiration of the time limit, an application may be made to a court in China for compulsory enforcement. In addition, pursuant to the Supreme People’s Court’s Interpretation (II) on Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)), we may face the risk of employees seeking termination of the labor contract and claiming economic compensation. See “Regulatory Overview — Regulation Relating to Labor and Social Security.”

Our Directors believe that the incident described above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) based on the interview with relevant government authorities, in practice they typically do not proactively pursue the collection from or impose administrative penalties on companies, and they generally will initiate investigations if they receive complaints from employees; (ii) based on the Certificate for No Illegal and Irregular Conduct (無違法違規證明) and the confirmation issued by the relevant competent authorities, and as advised by our PRC Legal Advisor, we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls with respect to social insurance and housing provident funds, nor did we receive any administrative penalties from relevant competent authorities; (iii) we have confirmed that no material administrative penalty was imposed on us with respect to the payment of social insurance and housing provident funds as of the Latest Practicable Date. We undertake that if we receive a notice from relevant authorities requiring us to rectify, pay or make up social insurance and housing provident funds within a specified period, we will promptly comply with the requirements of such notice.

In addition, our Directors are of the view, and our PRC Legal Advisor concurs, that the New Judicial Interpretation will not have a material adverse effect on our business, financial condition or results of operations, taking into account that: (i) the implementation of the New Judicial Interpretation will not affect our compliance status; (ii) the New Judicial Interpretation does not create any new basis for reassessing contribution shortfalls or exposing us to increased penalties; (iii) no employee has brought a lawsuit or arbitration in respect of payment of social insurance; and (iv) any shortfall in social insurance or housing provident fund contributions has been accounted for in our shortfall calculations.

Furthermore, those employees, for whom we engaged third-party agencies to pay social insurance and housing provident fund contributions, have provided written confirmations stating that they had authorized us to engage a third-party agency to pay their salaries and individual income tax, and that we had fulfilled the obligation to make social insurance and housing provident fund contributions on their behalf.

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Based on the foregoing, our PRC Legal Advisor is of the view that the likelihood that we would be required by relevant authorities to pay the shortfall for social insurance and housing provident fund contributions or being subject to administrative penalties due to our failure to make any payment, make full payment or engage a third-party agency to pay social insurance and housing provident fund contributions within the stipulated period for our employees is relatively remote. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, save as disclosed in this Document, we had not been and were not involved in any material non-compliance incident in relation to social insurance and housing provident funds that have led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations.

### *Rectification and Internal Control Measure Enhancements*

We intend to make social insurance and housing provident fund contributions in accordance with the applicable laws and regulations progressively going forward. Further, we expect to fully rectify and make full payment of any outstanding amount within five years after the [REDACTED], or if requested by the relevant authorities. To further ensure compliance of our social insurance and housing provident contributions, we have implemented robust internal control measures, which primarily include: (i) maintaining open communication with employees to ensure that social insurance and housing provident fund contributions are made in accordance with the legal requirements; (ii) establishing a dedicated internal control team responsible for continuously monitoring compliance with social insurance and housing provident fund requirements and for implementing any necessary corrective or improvement measures; (iii) regularly monitoring updates to PRC laws and regulations relating to social insurance and housing provident funds and promptly adjusting our policies to ensure ongoing compliance; and (iv) establishing online and offline systems to allow employees to review their individual contribution records and an offline channel to report any discrepancies. All inquiries are reviewed, verified, and addressed within three business days.

In addition, we have engaged an independent internal control consultant (the “**IC Consultant**”) to review the overall adequacy of our risk management and internal control systems across major business operations of our Group and the other relevant procedures, systems and controls, including accounting and management systems, that we have established. Based on (i) the agreed review scope and work procedures, (ii) rectification of all identified deficiencies, and (iii) the IC Consultant’s follow-up review of our enhanced risk management and internal control systems, no material deficiencies were identified in the follow-up review.

Our Directors are of the view that our internal controls are adequate to ensure that all future owned properties will secure the requisite acceptance checks and complete the construction of necessary fire safety and environmental protection facilities. In particular, we promptly initiated the construction of ancillary facilities for fire safety required for acceptance checks of No. 17 plant building at Guangxi Liuliu and such acceptance checks were in process. We had not received any administrative penalties for failing to complete such processes during the Track Record Period and up to the Latest Practicable Date. Additionally, we actively monitors regulatory requirements for existing properties and any properties that it plans to construct in the future, ensuring that all necessary approvals and acceptance checks are obtained before such properties are put into use. On the basis that (i) we had established a well-defined system to track and update relevant regulations on a continuous basis; (ii) we promptly rectified any issues identified in the acceptance check process; and (iii) we maintain an internal approval procedure under which construction plans are reviewed by relevant departments to ensure full compliance, our Directors believe that these measures are sufficient to prevent similar non-compliances in the future. The Joint Sponsors concur the Directors’ view that such internal controls are adequate to ensure the our future compliance with applicable laws and regulations.

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Furthermore, our Directors consider that the Company’s internal controls are adequate to address any potential shortfall in social insurance and housing provident fund contributions.

According to our PRC Legal Advisor, as confirmed by the relevant authorities, it is unlikely that we would be required to make a collective payment for any historical shortfall, and we have not received any notice or demand to do so. On the basis that (i) we closely review applicable PRC regulations on a regular basis; and (ii) we communicate with our employees to ensure their awareness of relevant laws and regulations, our Directors believe that the Company adheres to all relevant laws and regulations in a material respect. The Joint Sponsors concur with our Directors’ view that the measures currently in place are adequate in this regard.

### LEGAL PROCEEDINGS AND COMPLIANCE

Our Directors, as advised by our PRC Legal Advisor, confirm that during the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral, administrative proceedings or noncompliance incidents that led to fines, enforcement actions or other penalties, which could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. Our Directors are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the PRC during the Track Record Period and up to the Latest Practicable Date.

### RISK MANAGEMENT AND INTERNAL CONTROL

We have adopted and implemented comprehensive risk management policies in various aspects of our business operations and financial reporting. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiary and functional department.

#### Legal and Compliance Risk Management

We provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees to enhance their knowledge and compliance with applicable laws and regulations and include relevant policies against noncompliance in employee handbooks. We require our suppliers and distributors to commit in written agreement to abstain from noncompliance, suspicious transactions, fraud, corruption, or bribery, which expressly forbids our suppliers, distributors, and employees from making unauthorized payments, including bribes, kickbacks, or any other illicit benefits, to one another. In addition, we adopt various policies to ensure compliance with the Listing Rules, including but not limited to aspects related to risk management, connected transactions and information disclosure.

#### Anti-Bribery and Anti-Corruption

We strictly adhere to relevant anti-bribery and anti-corruption laws and regulations and have established the Anti-corruption, anti-money laundering and economic sanctions regime (反腐敗、反洗錢及經濟制裁制度). It outlines measures for identifying and reporting suspicious activities, managing customer risks, and maintaining a transparent and compliant business environment. We have established a comprehensive framework that encompasses several key areas. Annual training programs are designed to enhance awareness and operational skills, ensuring that all employees are well-informed and capable of identifying and preventing illicit activities.

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### Financial Reporting Risk Management

We have established an Audit Committee to review and monitor our financial reporting procedures, including, among others: (i) making recommendations to the Board on the appointment, reappointment and removal of the external auditor; (ii) monitoring and evaluating our internal audit, and coordinating the communication between the internal auditor and the external auditor; (iii) reviewing financial information of the Company and its disclosure; (iv) monitoring and considering the adequacy of our internal control, financial reporting and risk management systems; and (v) other responsibilities authorized by the Board or required under the relevant laws and regulations.

### Internal Control

To ensure strict compliance of our business operations with applicable rules and regulations, we have designed and adopted a set of comprehensive internal control policies. The implementation of such policies is overseen by our internal control team, which is also responsible for (i) performing group-level risk assessments, (ii) providing advice on risk management practice and (iii) establishing authorization and approval protocols.

### AWARDS AND RECOGNITIONS

Some of the significant awards and recognition we have received are set forth below:

<u>Award/Recognition</u>	<u>Award Year</u>	<u>Awarding Institution/Authority</u>
China Famous Consumer Products	2025	Ministry of Industry and Information Technology
Annual Jelly Good Food List	2024	Jiemian News
Superior Taste Award 1-Star Medal	2023	International Taste Institute
“Zhen Bu Chuo” Power Brand Award	2023; 2024	Weibo
Brand of the Year for Marketing Influence	2023	Baidu
Gold Award for Influencer KOL Marketing	2022	Top Digital
FA Authentic Quality Certification	2022	National Center for Food Quality Supervision, Inspection and Testing
Chair Enterprise of National Plum Innovation Alliance	2022	National Forestry and Grassland Administration
“溜溜LIUM” (“Liuliu LIUM”) China Well-Known Trademark	2015	State Administration for Market Regulation