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Application Proof of

凯 诒 电 商

SHANGHAI KEYING E-COMMERCE CO., LTD.

上海凯诒电子商务股份有限公司

(the “**Company**”)

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

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SHANGHAI KEYING E-COMMERCE CO., LTD.

上海凱詒電子商務股份有限公司

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

[REDACTED]

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

Sole Sponsor



中信建投國際
CHINA SECURITIES INTERNATIONAL

[REDACTED], [REDACTED],
[REDACTED] and [REDACTED]

[REDACTED]

[REDACTED]

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The [REDACTED] (for themselves and on behalf of the [REDACTED]) with the consent of our Company, may reduce the number of [REDACTED] and/or the indicative [REDACTED] below that stated in this document (which is HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]) at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, notices of the reduction in the number of [REDACTED] and/or the indicative [REDACTED] will be published not later than the morning of the last day for lodging applications under the [REDACTED] at the website of the Stock Exchange at www.hkex.com.hk and our website at <http://www.kaijie.com/>. Further details are set out in “[REDACTED]” and “How to Apply for [REDACTED]” in this document. If, for any reason, the [REDACTED] (for themselves and on behalf of the [REDACTED]) and we are unable to reach an agreement on the [REDACTED] by 12:00 noon on [REDACTED], the [REDACTED] will not become unconditional and will lapse immediately.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this document, including the risk factors set out in “Risk Factors” in this document. The obligations of the [REDACTED] under the [REDACTED] to subscribe for, and to procure subscribers for, the Hong Kong [REDACTED], are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain events shall occur prior to 8:00 a.m. on the day that trading in the Shares commence on the Stock Exchange. Such grounds are set out in “[REDACTED]” in this document. It is important that you refer to that section for further details.

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[REDACTED]

[REDACTED]

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IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

CONTENTS

IMPORTANT NOTICE TO INVESTORS

This document is issued by us solely in connection with the [REDACTED] and does not constitute an [REDACTED] to sell or a solicitation of an [REDACTED] to buy any security other than the [REDACTED] [REDACTED] by this document pursuant to the [REDACTED]. This document may not be used for the purpose of, and does not constitute, an [REDACTED] or a solicitation of an offer to subscribe for or buy, any security in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] or the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document and the [REDACTED] and sale of the [REDACTED] in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

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	<i>Page</i>
Expected Timetable	iii
Contents	vi
Summary	1
Definitions	16
Glossary of Technical Terms	28
Forward-looking Statements	31
Risk Factors	32
Waivers and Exemptions from Strict Compliance with the Listing Rules	59
Information about this Document and the [REDACTED]	62
Directors, Supervisors and Parties Involved in the [REDACTED]	66
Corporate Information	68
Industry Overview	69
Regulation Overview	77
History, Development and Corporate Structure	86
Business	110
Financial Information	196
Relationship with Our Controlling Shareholders	229
Substantial Shareholders	235
Share Capital	237
Directors, Supervisors and Senior Management	240
Future Plans and Use of [REDACTED]	255
[REDACTED]	259

CONTENTS

Structure of the [REDACTED]	268
How to Apply for [REDACTED]	275
Appendix I — Accountants’ Report	I-1
Appendix II — Unaudited [REDACTED] Financial Information	II-1
Appendix III — Taxation and Foreign Exchange	III-1
Appendix IV — Summary of Principal Legal and Regulatory Provisions	IV-1
Appendix V — Summary of the Articles of Association of the Company	V-1
Appendix VI — Statutory and General Information	VI-1
Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display	VII-1

SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in “Risk Factors” in this document. You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

We are a digital retail solutions provider in China, dedicated to offering end-to-end and multi-channel digital retail solutions for established brands. As a digital retail solutions provider, we provide comprehensive and tailored digital retail solutions to our brand owners to enable them to efficiently build their e-commerce infrastructure and drive online sales, enhancing operational efficiency and accelerating business growth. Our solutions cover the entire value chain of the e-commerce ecosystem, including brand positioning, consultation of product development, retail operations, channel management, marketing and promotion, order fulfilment, as well as data and IT services. Generally, we purchase products from brand owners, which seek to leverage our strengths to achieve improved sales performance, and we sell these products to end consumers, e-commerce platforms or distribution partners. We also provide one or more of the following services to our brand owners, including (i) traffic acquisition and branding services, (ii) e-commerce store operation services, (iii) brand value enhancement services, and/or (iv) data and IT services. See “Business — Our Business Model” for details. According to CIC, in terms of GMV in 2025, we were the fifth largest digital retail solutions provider with a market share of 1% and the largest O2O digital retail solutions provider in China. China’s digital retail solution market is vast and highly fragmented, with competition intensifying as the sector continues to expand. According to CIC, the top five players collectively accounted for approximately 10% of the total market share of China’s digital retail solution market in 2025, amongst which our market share is approximately 1% in the same year.

Since our inception, we have served more than 200 brands, including over 100 international brands. Our brand owners cover food & beverage, beauty & personal care, baby & kids, pop toys, pets, health and outdoor sports industries as well as chain enterprises. Our brand owners include nearly 50% of the Fortune 500 FMCG companies in 2024. We maintain an average relationship of more than nine years with our major brand owners, and over 90% of the collaborative relationships with them were still active as of the Latest Practicable Date.

According to CIC, China’s overall digital retail penetration rate has been steadily increasing over the years, rising from 22.9% in 2021 to 29.5% in 2025. Meanwhile, the market size for digital retail solutions in China continued to grow, increasing from RMB1.4 trillion in 2021 to RMB2.2 trillion in 2025 in terms of GMV at a CAGR of 12.3%, and is expected to further increase to RMB3.8 trillion in 2030 at a CAGR of 12.1% from 2026 to 2030.

Currently, we have established an multi-channel network that covers over ten core digital retail platforms including Tmall, JD.com, Douyin and Pinduoduo. We currently offer brand e-commerce services through the following main channels: online authorised flagship stores and other brand stores on major platforms like Tmall, JD.com, and Pinduoduo; O2O platforms such as Meituan and Taobao Flash Sale; and social media/content driven channels including Douyin, WeChat Mini Programmes and RED (Xiaohongshu). See “Business — Multi-channels in Digital Retail” for details. Leveraging our advanced technological capabilities, we seamlessly integrate our brand owners’ operations across these diverse digital retail channels. This integration includes unified product details and consumer profiles, strategic cross-channel marketing and pricing strategies, as well as synchronised inventory management. As a result, our brand owners gain a comprehensive view of their business across different channels and platforms, and are able to translate these insights into action, including establishing new channels, integrating distributor networks as well as building a stable supply chain, building on our multi-channel capabilities. Since 2018, we have been awarded “Tmall Six-Star Service Provider” (天貓六星服務商) for eight consecutive years, and we also hold awards, certifications and qualifications from multiple major e-commerce platforms such as JD.com, Douyin, Meituan, and Taobao Flash Sale. These recognitions are a testament to our industry standing and service standards.

SUMMARY

Our GMV was RMB10,002.0 million, RMB13,459.0 million and RMB15,061.6 million in 2023, 2024 and 2025, respectively. Our revenue amounted to RMB1,722.9 million, RMB1,698.6 million and RMB1,757.2 million in 2023, 2024 and 2025, respectively. During the same period, we recorded net profit of RMB67.6 million, RMB60.4 million and RMB60.9 million, respectively. For details, see “Financial Information — Results of Operation”.

As part of our provision of end-to-end digital retail solutions, generally, we purchase products from brand owners and we sell these products to end consumers, e-commerce platforms or distribution partners, and generate revenue from the sales of goods. Our ability to provide comprehensive digital retail solutions across multiple platforms help brand owners reach consumers more efficiently, and they seek to leverage our strengths to achieve improved sales performance. Through conducting onward sale of our brand owners’ products with our comprehensive digital retail solutions capability, we believe we are better positioned to maintain stability and stickiness of our relationship with brand owners and expand our offering of solutions to them, in particular those in the FMCG industry. We also record revenue from the provision of services by providing the following services to our brand owners, including (i) traffic acquisition and branding services, (ii) e-commerce store operation services, (iii) brand value enhancement services, and/or (iv) data and IT services.

Our pricing for sales of goods is generally based the purchase price from brand owners, prevailing market prices, and other relevant sales-related costs. Our pricing for provision of services are structured through a mixed pricing model combining fixed monthly or quarterly retainers with performance-based incentives linked to KPIs. See “Business — Our Business Model — Our Solutions — Sales of goods - Pricing for Sales of Goods” and “Business — Our Business Model — Our Solutions - Provision of Services” for details. To date, we have established an multi-channel network covering over ten core platforms including Tmall, JD.com, Douyin and Pinduoduo to provide multi-channel digital retail solutions to our brand owners. See “Business — Multi-channels in Digital Retail” for details.

Our Solutions — Sales of Goods

When we sell goods, we select and purchase goods from our brand owners and/or their authorised distributors, then leverage various e-commerce marketing tools to create brand-aligned marketing campaigns. By integrating off-platform resources (i.e., leveraging external platform channels such as social media and search engines (e.g., KOL marketing to generate interest) to drive traffic, thereby expanding brand exposure and customer acquisition), and adopting various models such as shelf-based e-commerce (i.e., e-commerce using standardised product displays and proactive search as the core to deliver an efficient purchase path for end consumers), content-driven e-commerce (i.e., e-commerce using content such as live streaming and short videos to attract end consumers’ interest and affecting their purchasing behaviour), social e-commerce (i.e., e-commerce using user sharing and social interactions to build brand image and achieve precise marketing through social media through influencing purchase intent) and O2O e-commerce (i.e., e-commerce integrating online platform models with offline physical store experiences), we promote and sell these purchased goods (i) directly to end consumers through authorised flagship stores (旗舰店) and other brand stores operated by us (the “**to-C model**”), or (ii) to e-commerce platforms or distribution partners (the “**to-B model**”).

Our comprehensive digital retail solutions go beyond selling goods for our brand owners. The comprehensiveness of our solutions lies in our ability to help brand owners attract high-quality traffic through targeted multi-channel campaigns, effectively convert such engagement into actual orders using precisely executed strategies, and ensure efficient fulfilment through integrated logistics and operational support; as well as our complete suite of value-added digital retail solutions, which our brand owner can select all or opt for specific ones that align with their immediate needs. Leveraging our deep understanding of customer behaviour and brand development strategies, we provide our brand owners with practicable and expertise-supported advice and solutions, including specific channels on which our brand owners should operate, key promotional cycles relevant to their offerings, personalised and targeted marketing strategies, and analysis of target customer demographics and customer behaviour. We combine our expertise in online channel operations and our brand owners’ product offerings to enhance revenue generation from sales of goods and foster collaborative relationships. See “Business — Our Business Model — Our Solution - Sales of Goods” for details of examples of such.

SUMMARY

Our Solutions — Provision of Services

We provide one or more of the following services to our brand owners in exchange for service fees. These include (i) traffic acquisition and branding services, such as search and recommendation traffic optimisation, platform promotional campaigns, and commercial advertisement placement to enhance visibility; (ii) e-commerce store operation services, including product management, interactive experience management (i.e., the optimisation of product details design, functional descriptions services to enhance end consumers’ convenience and satisfaction when browsing and using the relevant platform, thereby enhancing customer retention and repurchase rates), daily promotional campaign management (i.e., planning, execution, and performance monitoring of regular promotions to stimulate sales growth and improve marketing efficiency), customer relationship management (including customer support services), and order fulfilment management; (iii) brand value enhancement services, such as large-scale promotional campaigns, KOL and content marketing, and O2O activations to increase brand awareness and loyalty; and/or (iv) data and IT services encompassing IT solutions, data analytics, and automation tools that support and enhance the capabilities and efficiency of all other service layers.

We tailor our solutions to meet the specific needs of each brand owner. Our brand owners can choose to leverage our complete suite of digital retail solutions or opt for specific solutions that align with their immediate requirements, including front-end traffic acquisition, mid-end e-commerce store operations and/or back-end brand value enhancement. Regardless of the solutions selected, our technology and data infrastructure seamlessly integrate to support and enhance the efficiency of the chosen solutions.

See “Business — Our Business Model” for further details.

OUR STRENGTHS AND STRATEGIES

We believe the following strengths have contributed to our success: (i) we are a China’s digital retail solutions provider; (ii) we have rich experience in providing end-to-end solutions to established brands across industries; (iii) we are deeply embedded in platform ecosystems to drive multi-channel brand growth; (iv) our digital intelligence underpins a refined operation system; and (v) we have seasoned management and professional team with strategic insight and extensive industry experience.

We plan to pursue the following strategies to deliver sustainable commercial value to our brand owners: (i) continuously expand into emerging industries and broaden brand coverage; (ii) improve online digitalisation and AI penetration to enhance digital intelligence capabilities comprehensively; (iii) strengthen technology R&D investment and enhance talent system; and (iv) continue to build capabilities to serve overseas market to empower the globalisation of Chinese brands.

KEY RISK FACTORS

We believe the following are some of the major risks that may have an impact on our business and financial performances: (i) our success is tied to the business needs and performance of existing and future brand owners that we serve. If the complexities and challenges faced by brand owners seeking to sell online diminish, or if they choose to enhance their in-house e-commerce capabilities of their own accord instead of utilising our solutions, demand for our solutions could be adversely affected; (ii) if we are unable to retain our existing brand owners, our results of operations could be materially and adversely affected; (iii) if the ramp-up of operations for newly-added brand owners does not meet our expectations, our results of operations and financial condition may be materially and adversely impacted; (iv) if we fail to effectively operate on e-commerce platforms and channels or adapt ourselves to emerging e-commerce platforms and channels, or if e-commerce platforms and channels otherwise curtail or inhibit our ability to integrate our solutions with their channels, our solutions would be less appealing to existing and potential brand owners; (v) we face challenges in adapting to e-commerce channel changes and driving technological innovation; and (vi) if the digital retail market in China does not grow, or grows more slowly than we expect, demand for our solutions could be adversely affected.

SUMMARY

COMPETITIVE LANDSCAPE

China’s digital retail solution market is vast and highly fragmented, with competition intensifying as the sector continues to expand. According to CIC, the top five players collectively accounted for approximately 10% of the total market share of China’s digital retail solution market in 2025, amongst which our market share is approximately 1% in the same year. In terms of GMV in 2025, we were the fifth largest digital retail solutions provider with a market share of 1% and the largest provider of O2O digital retail solutions in China. With our end-to-end capabilities and extensive service compatibility, we have established ourselves as an end-to-end digital retail solutions provider in China. See “Industry Overview” for further details of the competitive landscape of China’s digital retail solution market.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers primarily consisted of large-scale e-commerce platforms which purchased products from us under the to-B model, end consumers who purchased products from us under the to-C model, and brand owners which receive services from us. Revenue from our five largest customers in each year during the Track Record Period was RMB434.0 million, RMB452.3 million and RMB387.0 million, respectively, representing 25.1%, 26.6% and 22.0% of our total revenue in the respective years, respectively. Revenue from our largest customer in each year during the Track Record Period was RMB321.1 million, RMB368.2 million and RMB296.9 million, respectively, representing 18.6%, 21.7% and 16.9% of our total revenue in the respective years, respectively.

During the Track Record Period, our suppliers primarily consisted of our brand owners from which we purchased goods, and e-commerce platforms from which we procured advertisement placement for our brand owners. Purchases from our respective five largest suppliers in each year during the Track Record Period were RMB1,068.7 million, RMB1,191.6 million and RMB1,079.9 million, respectively, representing 48.8%, 52.6% and 48.4% of our total purchases for that respective year, respectively. Purchases from our respective largest supplier were RMB449.0 million, RMB538.2 million and RMB418.7 million in each year during the Track Record Period, respectively, representing 20.5%, 23.8% and 18.8% of our total purchases for that respective year.

APPLICATION OF AI TECHNOLOGY

We have built an intelligent AI framework that covers multiple business scenarios and spans our commercial process, creating a complete smart closed loop from market insights to after-sales services, through the integration of our industry expertise and AI technology. Distinguished from generic AI solutions, we have developed a differentiated AI application system based on our extensive insights into vertical industries and accumulation of historical data. Our intelligent AI framework is designed to enhance the capabilities of our employees, through the deep integration of AI technologies with product offerings (“Goods”) and business scenarios (“Place”), seamlessly connecting consumer needs and improving customer services (“People”), ensuring a holistic approach for our AI deployment that enhances customers’ shopping experiences and the core aspect of our business operation.

Our AI business assistant combines AI-powered business system local knowledge bases with business data. Our AI customer service assistant utilises pre-training and fine-tuning technologies to fully address training needs for customer services staff. Our AI HR assistant consolidates more than 600 HR policy documents into an interactive knowledge base that supports natural language queries. Additionally, we adopt generative AI technology to create differentiated marketing visual solutions for brand owners empowering brand owners in content creativity, production, and distribution to improve efficiency. See “Business — Digital Solutions & Innovative Applications — Application of AI Technology” for details.

RESEARCH AND DEVELOPMENT

We devote substantial resources to our research and development initiatives, concentrating on establishing a fully integrated intelligent e-commerce platform, to expand our technological footprint and assist our brand owners in achieving digital transformation. Our R&D expenses amounted to RMB14.4 million, RMB11.3 million and RMB11.4 million in 2023, 2024 and 2025, respectively. For further details of our IT department and our R&D efforts, see “Business — Research and Development”.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set out selected financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants’ Report set out in Appendix I to this document as well as “Financial Information”.

Results of Operations

The following table sets out a summary of our consolidated profit or loss for the years indicated, extracted from the Accountants’ Report set out in Appendix I to this document.

	Year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	1,722,898	100	1,698,554	100	1,757,210	100
Cost of sales	(1,328,139)	(77.1)	(1,328,401)	(78.2)	(1,370,274)	(78.0)
Gross profit	394,759	22.9	370,153	21.8	386,936	22.0
Other income	21,475	1.2	15,153	0.9	13,559	0.8
Impairment losses under expected credit loss (“ECL”) model, net of reversal	(967)	(0.1)	(169)	(0.0)	927	0.1
Other gains and losses	2,970	0.2	2,088	0.1	2,401	0.1
Selling and marketing expenses	(227,977)	(13.2)	(219,042)	(12.9)	(228,138)	(13.0)
Administrative expenses	(75,413)	(4.4)	(70,557)	(4.2)	(64,725)	(3.7)
Research and development expenses	(14,360)	(0.8)	(11,250)	(0.7)	(11,413)	(0.6)
Share of results of associates	504	0.0	(432)	(0.0)	(290)	(0.0)
[REDACTED]	—	—	—	—	[REDACTED]	[REDACTED]
Finance costs	(9,774)	(0.6)	(7,534)	(0.4)	(6,839)	(0.4)
Profit before tax	91,217	5.3	78,410	4.6	79,011	4.5
Income tax expense	(23,627)	(1.4)	(17,976)	(1.1)	(18,151)	(1.0)
Profit for the year	<u>67,590</u>	<u>3.9</u>	<u>60,434</u>	<u>3.6</u>	<u>60,860</u>	<u>3.5</u>

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted profit for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our consolidated financial statements or financial condition as reported under IFRS. We define adjusted profit for the year (a non-IFRS measure) as profit for the year adjusted for [REDACTED]. We define adjusted net margin (a non-IFRS measure) as adjusted profit for the year (a non-IFRS measure) as a percentage of our total revenue, which is set out in “— Key Financial Ratios” in this section.

SUMMARY

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of net profit to adjusted profit (non-IFRS measure)			
Profit for the year	67,590	60,434	60,860
Add:			
[REDACTED]	—	—	[REDACTED]
Adjusted profit (non-IFRS measure)	<u>67,590</u>	<u>60,434</u>	<u>[REDACTED]</u>

Our adjusted profit for the period (a non-IFRS measure) increased from RMB60.4 million in 2024 to RMB74.3 million in 2025, primarily due to improved profitability.

See “Financial Information — Non-IFRS Measure.”

Our revenue increased by 3.5% from RMB1,698.6 million in 2024 to RMB1,757.2 million in 2025. Our revenue decreased by 1.4% from RMB1,722.9 million in 2023 to RMB1,698.6 million in 2024.

Our gross profit increased by 4.5% from RMB370.2 million in 2024 to RMB386.9 million in 2025. Gross profit from to-C business increased by 7.0% from RMB250.9 million in 2024 to RMB268.6 million in 2025, and that for to-B business decreased by 6.7% from RMB65.4 million in 2024 to RMB61.0 million in 2025. Gross profit from services increased by 6.5% from RMB53.8 million in 2024 to RMB57.3 million in 2025. Our gross profit margin remained relatively stable at 21.8% in 2024 and 22.0% in 2025, with gross profit margin for to-C business remained relatively stable at 25.8% in 2024 and 25.3% in 2025, and that for to-B business also remained relatively stable at 11.2% in 2024 and 11.3% in 2025. Gross profit margin for provision of services decreased from 37.9% in 2024 to 36.8% in 2025, primarily attributable to the strategic pricing adopted for certain newly acquired brand owners, for which we offered more competitive rates to establish business relationships.

Our gross profit decreased by 6.2% from RMB394.8 million in 2023 to RMB370.2 million in 2024. Gross profit margin decreased from 22.9% in 2023 to 21.8% in 2024. Gross profit margin for to-C business decreased from 27.0% in 2023 to 25.8% in 2024, and gross profit margin for to-B business decreased from 11.7% in 2023 to 11.2% in 2024. Gross profit margin for service remained relatively stable at 38.1% in 2023 and 37.9% in 2024. The decrease in gross profit margin from 2023 to 2024 was primarily contributed by the decline in our to-C and to-B business gross profit margin, as we strategically decided to boost market penetration for food products which had a relatively lower profit margin, because such strategy allows us to quickly sell food products at larger volumes, achieving faster inventory turnover and reducing inventory risks. The increased sales volume and faster inventory turnover also helps to maintain our gross profit level from sales of such products. In 2023, a pet brand owner proposed unfavourable renewed terms which would result in substantial decrease in our net profit, should we continue our cooperation with it. To avoid a decline in our profit margin, we terminated our cooperation with such brand owner, which led to an increase in profit margin in the pets category in 2024. The overall profit margin still recorded a decline in 2024, impacted by the relatively low margin in the food products which accounted for a relatively high portion of revenue in the same year. See “Financial Information — Year to Year Comparison of Results of Operations — Year Ended 31 December 2024 Compared to Year Ended 31 December 2023 — Gross Profit and Gross Profit Margin” for details.

See “Financial Information — Year to Year Comparison of Results of Operations” for reasons for the changes in revenue and gross profit margin.

SUMMARY

The following table sets out a breakdown of our revenue in absolute amounts and as a percentage of our total revenue for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Sales of goods						
To-C	1,030,981	59.8	973,948	57.3	1,060,438	60.3
To-B	556,655	32.3	582,433	34.3	540,795	30.8
<i>Sub-total</i>	1,587,636	92.1	1,556,381	91.6	1,601,233	91.1
Provision of services						
<i>Sub-total</i>	135,262	7.9	142,173	8.4	155,977	8.9
Total	<u>1,722,898</u>	<u>100.0</u>	<u>1,698,554</u>	<u>100.0</u>	<u>1,757,210</u>	<u>100.0</u>

The following table sets out a breakdown of our revenue by types of goods or services in absolute amounts and as a percentage of revenue for the years indicated.

Revenue	For the year ended 31 December					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Sales of Goods	1,587,636	92.1	1,556,381	91.6	1,601,233	91.1
Consumer goods brands						
<i>Food & beverage</i>	562,927	32.6	650,170	38.4	643,763	36.6
<i>Health</i>	350,356	20.3	394,657	23.2	406,141	23.1
<i>Pets</i>	283,326	16.4	207,977	12.2	196,793	11.2
<i>Beauty & personal care</i>	169,873	9.9	122,018	7.2	165,115	9.4
<i>Baby & kids</i>	152,868	8.9	127,954	7.5	102,409	5.8
<i>Pop toys</i>	65,369	3.8	53,439	3.1	87,012	5.0
<i>Other categories (note)</i>	2,917	0.2	166	0.0	—	0.0
Provision of Services	135,262	7.9	142,173	8.4	155,977	8.9
Retail chain brands	50,986	3.0	57,833	3.4	58,063	3.3
Outdoor sports	1,890	0.1	18,642	1.1	20,598	1.2
Other categories <i>(note)</i>	82,386	4.8	65,698	3.9	77,316	4.4
Total	<u>1,722,898</u>	<u>100.0</u>	<u>1,698,554</u>	<u>100.0</u>	<u>1,757,210</u>	<u>100.0</u>

Note: “Other categories” under sales of goods include various other categories of products we purchased from our brand owners; and “other categories” under provision of services primarily include services covering e-commerce store operations, brand value enhancement and data and IT services under sales of goods, as well as home appliances.

SUMMARY

The following table sets out a breakdown of our gross profit by sale of goods or provision of services in absolute amounts, or gross profit margin, for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)	Gross profit (RMB'000)	Gross profit margin (%)
Sales of goods						
To-C	278,364	27.0	250,910	25.8	268,567	25.3
To-B	64,917	11.7	65,416	11.2	61,038	11.3
<i>Sub-total</i>	343,281	21.6	316,326	20.3	329,605	20.6
Provision of services						
<i>Sub-total</i>	51,478	38.1	53,827	37.9	57,331	36.8
Total	394,759	22.9	370,153	21.8	386,936	22.0

The following table sets out the breakdown of our GMV under sales of goods for the years indicated.

	For the year ended 31 December		
	2023	2024	2025
	(RMB'000)		
To-C	1,424,268	1,462,126	1,460,047
To-B	753,115	783,970	728,267
Total	2,177,383	2,246,096	2,188,314

Our GMV was higher than our revenue during the Track Record Period. For to-C model under sales of goods, our GMV is calculated based on the actual payments made by consumers, inclusive of value-added tax on the product sales, and does not deduct amounts or account for subsequent order modifications by consumers influenced by complex promotional rules, which results in it being higher than the revenue from the to-C model. For to-B model under sales of goods, our GMV is primarily measured based on the total value of goods ultimately sold by the e-commerce platform to end consumers, while our revenue consistent with the amount shown on platforms' settlement statements. In addition, our total GMV was primarily derived from the provision of services during the Track Record Period, and served primarily as an indicator of our performance on provision of services. As our revenue from provision of services is recognised only as a modest percentage of GMV, our aggregate GMV exceeded the total revenue during the Track Record Period. See “Financial Information - Description of Selected Components of Consolidated Statements of Profit or Loss and other Comprehensive Income” for details.

We had net profit of RMB67.6 million, RMB60.4 million and RMB60.9 million in 2023, 2024 and 2025, respectively. The increase in our net profit in 2024 to 2025 was primarily due to improved profitability. The decrease in our net profit in 2023 to the amount in 2024, was primarily driven by the decrease in revenue from sales of goods. See “Financial Information — Year to Year Comparison of Results of Operations” for details.

SUMMARY

Summary of Consolidated Statements of Financial Position

The following table sets out our consolidated statements of financial position as of the dates indicated.

	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS			
Property and equipment	2,277	2,171	2,292
Right-of-use assets	32,755	14,312	14,015
Investment properties	15,130	14,768	14,406
Intangible assets	442	375	308
Interests in associates	8,357	8,596	8,306
Equity instruments at FVTOCI	1,782	1,800	—
Other non-current assets	3,921	3,078	2,892
Deferred tax assets	6,191	7,531	5,078
	<u>70,855</u>	<u>52,631</u>	<u>47,297</u>
CURRENT ASSETS			
Inventories	469,958	450,982	413,877
Trade and other receivables	366,546	443,865	428,440
Tax recoverable	1,568	2,880	3,291
Financial assets at fair value through profit or loss (“FVTPL”)	116,510	152,700	149,052
Time deposits	—	14,377	21,086
Restricted bank deposits	4,157	7,818	8,827
Cash and cash equivalents	286,747	228,756	248,915
	<u>1,245,486</u>	<u>1,301,378</u>	<u>1,273,488</u>
CURRENT LIABILITIES			
Trade, bills and other payables	252,528	315,887	257,820
Tax liabilities	15,553	12,876	11,456
Bank borrowings	189,933	177,977	179,592
Lease liabilities	21,243	9,546	8,631
Contract liabilities	24,715	18,704	22,548
Financial liabilities at FVTPL	—	—	—
	<u>503,972</u>	<u>534,990</u>	<u>480,047</u>
NET CURRENT ASSETS	<u>741,514</u>	<u>766,388</u>	<u>793,441</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>812,369</u>	<u>819,019</u>	<u>840,738</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	195	212	5
Lease liabilities	12,219	5,360	6,787
	<u>12,414</u>	<u>5,572</u>	<u>6,792</u>
NET ASSETS	<u>799,955</u>	<u>813,447</u>	<u>833,946</u>

SUMMARY

Our net current assets increased from RMB766.4 million as of 31 December 2024 to RMB793.4 million as of 31 December 2025, primarily due to (i) an increase in cash and cash equivalents of RMB20.2 million, (ii) a decrease in trade, bills and other payables of RMB58.1 million, and (iii) increase in time deposits of RMB6.7 million.

Our net current assets increased from RMB741.5 million as of 31 December 2023 to RMB766.4 million as of 31 December 2024, primarily due to (i) an increase in trade and other receivables of RMB77.3 million, (ii) an increase in financial assets at fair value through profit or loss of RMB36.2 million, and (iii) a decrease in bank borrowings of RMB12.0 million.

We had net assets of RMB800.0 million, RMB813.4 million and RMB833.9 million as of 31 December 2023, 2024 and 2025, respectively. The increase in our net assets as of 31 December 2024 to the amount as of 31 December 2025 was primarily due to the profit for the year of RMB60.9 million in 2025, offset by the recognition of dividends as distribution of RMB37.7 million. The increase in our net assets as of 31 December 2023 to the amount as of 31 December 2024 was primarily due to the profit of the year of RMB60.4 million in 2024, offset by the recognition of dividends as distribution of RMB28.5 million and the repurchase of shares of RMB17.9 million. See the “Consolidated Statements of Changes in Equity” of the Accountants’ Report in Appendix I to this document for details.

Cash Flows

The following table sets out a summary of our consolidated statements of cash flows for the years indicated.

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Net cash from operating activities	71,781	79,014	77,846
Net cash (used in) from investing activities	(18,597)	(53,624)	367
Net cash used in financing activities	(81,224)	(81,455)	(55,116)
Net (decrease) increase in cash and cash equivalents	(28,040)	(56,065)	23,097
Cash and cash equivalents at beginning of the year	313,427	286,747	228,756
Cash and cash equivalents at end of the year	286,747	228,756	248,915

In 2025, our net cash generated from operating activities was RMB77.8 million, which was primarily attributable to our profit before tax for the year of RMB79.0 million, as adjusted by (i) the add-back of non-cash items, primarily comprising depreciation of right-of-use assets of RMB10.3 million and write-down of inventories, net of reversal, of RMB9.3 million; and (ii) changes in working capital, which primarily comprised an decrease in trade, bills and other payables of RMB56.5 million.

SUMMARY

In 2024, our net cash generated from operating activities was RMB79.0 million, which was primarily attributable to our profit before tax for the year of RMB78.4 million, as adjusted by (i) the add-back of non-cash items, primarily comprising depreciation of right-of-use assets of RMB15.9 million and write-down of inventories, net of reversal, of RMB7.9 million; and (ii) changes in working capital, which primarily comprised an increase in trade and other receivables of RMB77.5 million.

In 2023, our net cash generated from operating activities was RMB71.8 million, which was primarily attributable to our profit before tax for the year of RMB91.2 million, as adjusted by (i) the add-back of non-cash items, primarily comprising depreciation of right-of-use assets of RMB23.6 million, and finance costs, of RMB9.8 million; and (ii) changes in working capital, which primarily comprised a decrease in trade, bills and other payables of RMB17.0 million, and an increase in inventories of RMB9.8 million.

Key Financial Ratios

The following table sets out our key financial ratios as of the balance sheet dates indicated.

	As of 31 December		
	2023	2024	2025
Gross profit margin ⁽¹⁾ (%)	22.9	21.8	22.0
Net profit margin ⁽²⁾ (%)	3.9	3.6	3.5
Adjusted net margin (a non-IFRS measure) ⁽³⁾ (%)	3.9	3.6	4.2
Gearing ratio ⁽⁴⁾	0.3	0.2	0.2
Current ratio ⁽⁵⁾	2.5	2.4	2.7
Quick ratio ⁽⁶⁾	1.5	1.6	1.8

Notes:

- (1) Gross profit margin equals gross (loss)/profit divided by revenue for the year and multiplied by 100%.
- (2) Net profit margin equals net (loss)/profit divided by revenue for the year and multiplied by 100%.
- (3) Adjusted net margin (a non-IFRS measure) is calculated as adjusted profit for the year (a non-IFRS measure) divided by revenue for the corresponding year and multiplied by 100%.
- (4) Gearing ratio equals total interest-bearing debt (including interest-bearing bank borrowings and lease liabilities) divided by total equity at the end of the year.
- (5) Current ratio equals total current assets divided by total current liabilities at the end of the year.
- (6) Quick ratio equals total current assets less inventories divided by total current liabilities at the end of the year.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was held directly as to approximately 22.48% by Mr. Xu, 11.13% by Shanghai Keytier, 8.66% by Mr. You Minyong, 8.03% by Mr. Han, 7.69% by Shanghai Kaipeng, 6.61% by Mr. Xu Zhiwen, 3.18% by Shanghai Kaixian, 2.02% by Shanghai Lanhao and 1.13% by Shanghai Kaiao. Shanghai Keytier, Shanghai Kaipeng, Shanghai Kaixian, Shanghai Lanhao and Shanghai Kaiao (collectively the “**Controlled Entities**”) are limited partnerships controlled by either Mr. Xu or Mr. Han, among which, (i) Shanghai Keytier is a limited partnership whose general partner is Shanghai Chuyuan, which is owned as to 80% by Mr. Xu; (ii) Shanghai Kaipeng is a limited partnership whose general partner is Shanghai Haozhong, which is owned as to 99% by Mr. Xu; and (iii) Shanghai Kaixian, Shanghai Lanhao and Shanghai Kaiao are limited partnerships whose general partner is Mr. Han.

On 29 August 2022, Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen entered into an acting in concert agreement, pursuant to which Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen are deemed to be parties acting in concert. Since Mr. Xu, Mr. Han, Mr. You Minyong, Mr. Xu Zhiwen, Shanghai Chuyuan, Shanghai Haozhong and the Controlled Entities in aggregate were entitled to exercise voting rights attached to the [REDACTED] Shares, representing [REDACTED]% of the total issued share capital of our Company, and representing [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), they will continue to be a group of Controlling Shareholders of our Company immediately after the [REDACTED]. For details, see “Relationship with Our Controlling Shareholders” in this document.

SUMMARY

[REDACTED] INVESTORS

The success of eight rounds of financing of RMB168,783,984 in aggregate from external investors not only demonstrates investors’ confidence in our future development, but also provides strong funding support for our technological research and development and market expansion, enabling us to stand out in fierce market competition. The [REDACTED] from the [REDACTED] Investments had been fully utilised as of the Latest Practicable Date. Pursuant to the applicable PRC law, all existing Shareholders (including the [REDACTED] Investors) shall not dispose of any of the Shares held by them within 12 months following the [REDACTED] Date. For details on the identity and background of these [REDACTED] Investors, as well as the amounts raised and the use of [REDACTED], see “History, Development and Corporate Structure — [REDACTED] Investments — 5. Information on our [REDACTED] Investors”.

DIVIDEND AND OUR DIVIDEND POLICY

During the Track Record Period, we declared and paid two dividends in 2024 of RMB9.7 million and RMB18.8 million respectively, and declared and paid two dividends in 2025 of RMB28.3 million and RMB9.4 million respectively. See Note 13 of the Accountants’ Report in Appendix I to this document for details our dividends. Based on our dividend policy adopted in May 2025, we do not have a fixed dividend distribution ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to shareholders’ approval, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. We will continue to evaluate our dividend policy in light of our financial condition and the prevailing economic environment, and update the same when necessary. The amount of distribution that we have declared and made in the past do not indicate the dividends that we may pay in the future. Any declaration and payment as well as the amount of dividend will be subject to the requirements of our constitutional documents and applicable laws and regulations.

As advised by our PRC Legal Advisers, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

PREVIOUS A SHARE LISTING ATTEMPTS

Our Company submitted an application to Shenzhen Stock Exchange for the proposed A share listing on the ChiNext on 30 June 2021, which was subsequently withdrawn on 23 December 2021 due to changes in our Company’s capital market operation plans. On 15 July 2022, our Company then entered into a tutoring agreement with GF Securities Co., Ltd. (廣發證券股份有限公司) in preparation for a listing application on the Shanghai Stock Exchange and made a preliminary filing with the Shanghai Supervision Bureau of the CSRC, the tutoring service of which was terminated on 28 November 2023. Having taken into account our long-term business development plan and financing needs for our further expansion, and considering that the Stock Exchange, being an internationally recognised and reputable stock exchange, to be a more appropriate [REDACTED] venue, we voluntarily decided not to continue the application for [REDACTED] on A share market and to pursue a [REDACTED] in Hong Kong. For details, see “History, Development and Corporate Structure — Corporate Development of our Company — Previous A Share Listing Attempts”.

SUMMARY

[REDACTED]

The statistics in the following table are based on the assumptions that: (i) the [REDACTED] is completed and [REDACTED] [REDACTED] are issued in the [REDACTED]; (ii) the [REDACTED] is not exercised; and (iii) [REDACTED] Shares are in issue upon completion of the [REDACTED]:

	Based on an [REDACTED] of HK\$[REDACTED]	Based on an [REDACTED] of HK\$[REDACTED]
Market capitalisation of our Shares ⁽¹⁾	HK\$[REDACTED] million	HK\$[REDACTED] million
Unaudited [REDACTED] adjusted net tangible asset per Share ⁽²⁾⁽³⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of market capitalisation is based on [REDACTED] Shares expected to be in issue following completion of the [REDACTED]. This calculation is based on the indicative [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED].
- (2) The unaudited [REDACTED] adjusted net tangible asset per Share is calculated after making the adjustments referred to in “Unaudited [REDACTED] Financial Information” set out in Appendix II to this document and on the basis of a total of [REDACTED] Shares expected to be in issue following the completion of the [REDACTED]. This calculation is based on the indicative [REDACTED] of HK\$[REDACTED] and HK\$[REDACTED].
- (3) No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets attributable to owners of our Group as of 31 December 2025 to reflect any trading result or other transactions entered into subsequent to 31 December 2025. In particular, the unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of 31 December 2025 have not been adjusted to illustrate the effect of the dividend declared of RMB9,425,000 subsequent to 31 December 2025 as disclosed in Note 40 “Subsequent Events” to Appendix I to this Document. Had this dividend was declared and paid on 31 December 2025, the unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company as of 31 December 2025 would be approximately RMB[1,004,271,000] or RMB[954,329,000], based on the [REDACTED] of HK\$[REDACTED] or HK\$[REDACTED] per [REDACTED], respectively, and the unaudited [REDACTED] adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Share as of 31 December 2025 would be RMB[REDACTED] (equivalent to HK\$[REDACTED]) or RMB[REDACTED] (equivalent to HK\$[REDACTED]), based on the [REDACTED] of HK\$[REDACTED] (equivalent to RMB[REDACTED]) or HK\$[REDACTED] (equivalent to RMB[REDACTED]) per [REDACTED], respectively. All exchange rates used in translation herein were the exchange rates prevailing on [20 May 2026] with reference to the rates published by the China Foreign Exchange Trade System.

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] stated in this document), the [REDACTED] expenses which are payable by us are estimated to amount in aggregate to be approximately RMB[REDACTED] million (equivalent to approximately HK\$[REDACTED] million), accounting for approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED].

The total [REDACTED] consist of (i) approximately RMB[REDACTED] million [REDACTED] fees (including [REDACTED] commission, incentive fee, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy); and (ii) approximately RMB[REDACTED] million non-[REDACTED] fees mainly comprising (a) fees paid to legal adviser(s) and accountant(s) of approximately RMB[REDACTED] million, and (b) other fees and expenses and fees paid to other professional parties of approximately RMB[REDACTED] million. Among the total [REDACTED], RMB[REDACTED] million had been recognised in profit or loss during the Track Record Period, RMB[REDACTED] million is expected to be charged to profit or loss, and approximately RMB[REDACTED] million directly attributable to the issue of the Shares is expected to be deducted from equity upon the completion of the [REDACTED]. Our total [REDACTED] are estimated to account for [REDACTED]% of the gross [REDACTED] of the [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

SUMMARY

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the [REDACTED] of the indicative [REDACTED] of HK\$[REDACTED] per Share to HK\$[REDACTED] per Share. We intend to use the [REDACTED] we will receive from the [REDACTED] for the following purposes:

- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the strategic expansion and innovation of our business operations;
- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for comprehensive upgrades to our digital intelligence capabilities and strengthening our technical team and infrastructure;
- approximately [REDACTED]%, or HK\$[REDACTED] million will be used for our overseas business expansion, particularly for empowering the globalisation of Chinese brands to establish global localised operation in overseas markets, primarily in Southeast Asia and the Europe; and
- approximately [REDACTED]%, or HK\$[REDACTED] million, for our general corporate and working capital purposes.

To the extent that our actual [REDACTED] from the [REDACTED] differ from our estimate above, we intend to apply the actual [REDACTED] in the same proportion set out above. See “Future Plans and [REDACTED]” for further details of our use of [REDACTED] from the [REDACTED].

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that there has been no material adverse change in our financial or trading position or prospects since 31 December 2025, being the end date of our latest consolidated financial statements as set out in the Accountants’ Report included in Appendix I to this document, and up to the date of this document.

U.S. TARIFF POLICIES

In 2025, the U.S. announced a series of tariff increases on imports from China. In response, China also raised tariffs on U.S. goods. The trade tensions temporarily eased in May 2025, that the 10.0% reciprocal tariff on goods imported from China remained but the additional 24.0% tariff had been temporarily suspended on 14 May 2025 for 90 days. This suspension of increased tariff rates has been extended for additional 90 days, effective from 12 August 2025 to 10 November 2025, with current tariffs maintained at 30% for U.S. tariffs on Chinese goods and 10% for Chinese tariffs on U.S. goods. Article 54 of the Customs Law of the People’s Republic of China (2021 Amendment) (中華人民共和國海關法 (2021修正)) stipulates that the consignee of imported goods, the consignor of exported goods, and the owner of inbound and outbound articles are the persons obligated to pay customs duties. Based on the afore-mentioned laws and regulations, our PRC Legal Advisers are of the view that for products imported by us from the U.S., we, as the consignee of the imported goods, are the subject applicable to customs duties.

Despite the above, in late October 2025, following the China-U.S. economic and trade consultations in Kuala Lumpur, the U.S. has agreed to remove the so-called “fentanyl-related” 10% additional tariffs on Chinese products. The 24% retaliatory tariffs imposed on Chinese products would continue to be suspended for one year. In response, China has adjusted its corresponding countermeasures against the aforementioned U.S. tariffs announcing the continued suspension of the 24% retaliatory tariffs on U.S. goods for one year, while the 10% retaliatory tariffs will remain in effect. This adjustment took effect on 10 November 2025. Both sides have also agreed to extend certain tariff exclusion measures.

SUMMARY

Our Directors are of the view that the risk of rising tariffs has had relatively limited impact on our operations. The primary effect has been on our imports of selected U.S.-originated beauty and personal care products. The sales amount of U.S.-originated products accounted for 4.4%, 4.2% and 4.1% of our total sales in 2023, 2024 and 2025, respectively, out of which 1.1%, 0.8% and 0.9% were directly purchased from brand owners located in the U.S., respectively, and others were purchased from brand owners’ authorised sales agents or PRC branches. The purchase amount of U.S.-originated products which we purchased directly from brand owners located in the U.S. accounted for 0.6%, 0.6% and 0.3% of our total purchase in 2023, 2024 and 2025, respectively. This impact has been partially offset by these products’ strong and loyal customer base. Notably, we face no export tariff exposure, as we currently do not ship products to the U.S. market, we did not generate any revenue from sales to the U.S. during the Track Record Period and up to the Latest Practicable Date, and we are not aware of any onward sales to the U.S. by any of our customers. To further mitigate the import tariff impact, we have implemented several measures, including (i) collaborating closely with brand owners to optimise our cost structures, (ii) diversifying our supply chain through increased overseas direct purchases by actively procuring products from brand owners which plan to source products from locations outside of the U.S. Such initiative is also beneficial for our brand owners to diversify their own production to alternative locations in response to the global trade environment. In 2023, 2024 and 2025, we experienced a decreasing trend with regards to our direct purchases from brand owners located in the U.S.; and (iii) expanding cross-border e-commerce channels by increasing our presence across multiple major e-commerce platforms on the one hand, and adopting various cross-border e-commerce supply chain models, such as direct shipping, to enhance supply chain flexibility and effectively reduce reliance on single import channels on the other hand.

Based on the foregoing, our PRC Legal Advisers and our Sponsor concur with our Directors’ assessment that the U.S. tariff policies did not and will not have a direct material impact on the Group’s business operations or financial performance.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain other terms are explained in “Glossary”.

“Accountants’ Report”	the accountants’ report set out in Appendix I to this document
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the articles of association of our Company, as amended, which shall become effective on the [REDACTED], a summary of which is set out in “Summary of the Principal Legal and Regulatory Provisions” set out in Appendix IV to this document
“associates”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Audit Committee”	the audit committee of our Board
“Beijing Kaijing”	Beijing Kaijing Ecommerce Co., Ltd. (北京凱京電子商務有限公司), a limited liability company established under the laws of the PRC on 9 April 2021 and an indirect wholly-owned subsidiary of our Company
“Beijing Voyage”	Beijing Voyage Investment Management Co., Ltd. (北京沃捷投資管理有限責任公司), a limited liability company established under the laws of the PRC, which is wholly and directly owned by Beijing Voyage Media Co., Ltd. (北京沃捷文化傳媒股份有限公司) (formerly known as Beijing Voyage Advertisement Company Limited (北京沃捷廣告有限公司)). As of the Latest Practicable Date, Beijing Voyage had divested as a [REDACTED] Investor
“BlueFocus”	BlueFocus Intelligent Communications Group Co., Ltd. (北京藍色光標數據科技集團股份有限公司) (formerly known as Beijing BlueFocus Digital Technology Co., Ltd. (北京藍色光標數碼科技有限公司)), a joint stock limited company established under the laws of the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: SZ.300058). As of the Latest Practicable Date, BlueFocus had divested as a [REDACTED] Investor
“Board” or “Board of Directors”	the board of Directors of our Company
“Business Day” or “business day”	a day on which banks in Hong Kong are generally open to the public for normal banking business and which is not a Saturday, Sunday or public holiday in Hong Kong
“CAC”	the Cyberspace Administration of China
“CAGR”	compound annual growth rate

[REDACTED]

DEFINITIONS

“Changzhou Jinshen”	Changzhou Jinshen Health Co., Ltd. (常州金參健康有限公司), a limited liability company established under the laws of the PRC on 19 April 2021 and an indirect non wholly-owned subsidiary of our Company
“Changzhou Xingkai”	Xingkai (Changzhou) Network Technology Co., Ltd. (幸凱(常州)網絡科技有限公司), a limited liability company established under the laws of the PRC on 2 August 2019 and an indirect wholly-owned subsidiary of our Company
“Chengdu Kaicheng”	Chengdu Kaicheng Network Technology Co., Ltd. (成都開誠網絡科技有限公司), a limited liability company established under the laws of the PRC on 30 July 2021 and an indirect wholly-owned subsidiary of our Company
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this document and for geographical reference only and except where the context requires, references in this document to “China” and the “PRC” do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“ChiNext”	The ChiNext market of Shenzhen Stock Exchange
“CII”	Critical Information Infrastructure
“close associate(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Shanghai Keying E-Commerce Co., Ltd. (上海凱詒電子商務股份有限公司), a limited liability company established in the PRC on 19 July 2010 which was converted into a joint stock company with limited liability on 10 September 2015
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and unless the context requires otherwise refers to Mr. Xu, Mr. Han, Mr. Xu Zhiwen (徐智文), Mr. You Minyong (游敏勇), Shanghai Chuyuan, Shanghai Haozhong, Shanghai Kaixian, Shanghai Lanhao, Shanghai Kaiao, Shanghai Keytier and Shanghai Kaipeng
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“Director(s)”	director(s) of our Company

DEFINITIONS

“Domestic Shares”	domestic shares in the ordinary share capital of our Company, with a par value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“EIT Law”	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
“Everbright Securities”	Everbright Securities Co., Ltd. (光大證券股份有限公司), a joint stock limited company established under the laws of the PRC on 23 April 1996 and a company listed on the Shanghai Stock Exchange (stock code: SH.601788) and the Hong Kong Exchange (stock code: 06178). As of the Latest Practicable Date, Everbright Securities had divested as our [REDACTED] Investor.
“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
“FIEs”	foreign-invested enterprises

[REDACTED]

“Giant Ventures”	Shanghai Giant Ventures Group Co., Ltd. (上海巨人投資集團有限公司) (previously named as (Giant Ventures Co., Ltd. (巨人投資有限公司)), a limited liability company established under the laws of the PRC on 23 April 2001, which is owned as to approximately 97.86% by Mr. Shi Yuzhu (史玉柱) and 2.14% by Ms. Niu Jinhua (牛金華), one of our [REDACTED] Investors and an Independent Third Party

[REDACTED]

“Group”, “our Group”, “our”, “we”, or “us”	the Company and all of its subsidiaries, or any one of them as the context may require
“H Share(s)”	Shares which an application has been made for listing and permission to trade on the Hong Kong Stock Exchange with nominal value of RMB1.00 each

[REDACTED]

“Hangzhou Hanli”	Hangzhou Hanli Qianxiu Venture Capital Partnership (Limited Partnership) (杭州漢理前秀創業投資合夥企業(有限合夥)), with Shanghai Hanli Equity Investment Management Co., Ltd. (上海漢理股權投資管理股份有限公司) (previously named as Shanghai Hantao Equity Investment Management Company Limited (上海漢韜股權投資管理有限公司)) being its general partner, one of our [REDACTED] Investors and an Independent Third Party

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly owned subsidiary of Hong Kong Exchanges and Clearing Limited

[REDACTED]

“ICP Licence”	Internet Content Provider Licence
“IFRS”	International Financial Reporting Standards, amendments and interpretations issued by the IASB
“Independent Third Party(ies)”	any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules

DEFINITIONS

[REDACTED]

“Jiangsu Kaijie”	Jiangsu Kaijie Ecommerce Co., Ltd. (江蘇凱詒網絡科技有限公司), a limited liability company established under the laws of the PRC on 18 July 2019 and a direct wholly-owned subsidiary of our Company
“Jiaxing Kaijie”	Zhejiang Jiaxing Kaijie Warehousing Service Co., Ltd. (浙江嘉興凱詒倉儲服務有限公司), a limited liability company established under the laws of the PRC on 11 February 2020 and a direct wholly-owned subsidiary of our Company

[REDACTED]

“JOJO (HK)”	JOJO (HK) E-Commerce Limited (久久(香港)電子商務有限公司), a limited company incorporated under the laws of Hong Kong on 20 March 2023 an indirect non wholly-owned subsidiary of our Company
“Keying (HK)”	Keying (HK) E-Commerce Co., Limited (凱詒(香港)電子商務有限公司), a limited company incorporated under the laws of Hong Kong on 4 April 2014 and a direct wholly-owned subsidiary of our Company
“Keying Japan”	Keying (JP) Co., Ltd. (凱詒株式會社), a company incorporated under the laws of Japan on 27 May 2020 and an indirect wholly-owned subsidiary of our Company

DEFINITIONS

“Keysing Singapore”	Keysing Pte. Ltd., a company incorporated under the laws of Singapore on 26 September 2024 and an indirect wholly-owned subsidiary of our Company
“Keyvida”	Keyvida Europe SL, a company incorporated under the laws of Spain on 24 April 2025 and an indirect wholly-owned subsidiary of our Company
“KNC E-Commerce”	KNC E-Commerce LLC, a company incorporated under the laws of Nevada on 5 May 2014 and an indirect non-wholly owned subsidiary of our Company
“Latest Practicable Date”	20 May 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the GEM of the Hong Kong Stock Exchange
“MIIT”	Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Han”	Mr. Han Songyu (韓松育), our executive Director, general manager and one of our Controlling Shareholders
“Mr. Xu”	Mr. Xu Hao (許浩), our executive Director, chairman of the Board and one of our Controlling Shareholders
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“NEEQ”	National Equities Exchange and Quotations (全國中小企業股份轉讓系統)
“Ningbo Quanshi”	Ningbo Meishan Bonded Port Area Quanshi Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區泉石股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 2 August 2017 and was deregistered on 21 October 2024, which had divested as our [REDACTED] Investor as of the Latest Practicable Date

DEFINITIONS

“Ningbo Zhixin”	Ningbo Zhixin Hongyuan Venture Capital Partnership (Limited Partnership) (寧波致信弘遠創業投資合夥企業(有限合夥)) (formerly known as Ningbo Zhixin Hongyuan Equity Investment Partnership (Limited Partnership) (寧波致信弘遠股權投資合夥企業(有限合夥))), a limited partnership established under the laws of the PRC on 10 November 2017, with Ningbo Zhixin Investment Management Partnership (Limited Partnership) (寧波致信投資管理合夥企業(有限合夥)) being its general partner, one of our [REDACTED] Investors and an Independent Third Party
“Nomination Committee”	the nomination committee of our Board
“NPC”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
	[REDACTED]
“Orient Investment”	Shanghai Orient Securities Innovation Investment Co., Ltd. (上海東方證券創新投資有限公司), a limited liability company established under the laws of the PRC on 19 November 2012, which is wholly and directly owned by Orient Securities, whose shares are listed on the Shanghai Stock Exchange (stock code: SH. 600958) and the Stock Exchange (stock code: 03958), one of our [REDACTED] Investors and an Independent Third Party
“Orient Securities”	Orient Securities Co., Ltd. (東方證券股份有限公司), a joint stock company established under the laws of the PRC on 10 December 1997, whose shares are listed on the Shanghai Stock Exchange (stock code: SH. 600958) and the Stock Exchange (stock code: 03958), which had divested as our [REDACTED] Investor as of the Latest Practicable Date
	[REDACTED]
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“PRC Government”	the central government of the PRC and all governmental subdivisions (including provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them
“PRC Legal Advisers”	Allbright Law Offices, legal advisers to our Company as to PRC Laws
“[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the [REDACTED] Investors prior to the [REDACTED], the details of which are set out in “History, Development and Corporate Structure” in this document
“[REDACTED] Investor(s)”	the investor(s) in our Company prior to the [REDACTED] as named in “History, Development and Corporate Structure — [REDACTED] Investments — Information on our [REDACTED] Investors” in this document
“Regulation S”	Regulation S under the U.S. Securities Act
[REDACTED]	
“Remuneration Committee”	the remuneration committee of our Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAIC”	the State Administration of Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局), currently known as SAMR
“SAMR”	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), formerly known as SAIC
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Securities Law”	the Securities Law of the PRC (中華人民共和國證券法), as amended, supplemented or otherwise modified from time to time
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Chang’an”	Chang’an (Shanghai) Network Technology Co., Ltd. (常鞍(上海)網絡科技有限公司), a limited liability company established under the laws of the PRC on 29 May 2020 and a direct wholly-owned subsidiary of our Company

DEFINITIONS

“Shanghai Changkang”	Changkang (Shanghai) Network Technology Co., Ltd. (常康(上海)網絡科技有限公司), a limited liability company established under the laws of the PRC on 19 April 2021 and a direct wholly-owned subsidiary of our Company
“Shanghai Chuyuan”	Shanghai Chuyuan Advertisement Co., Ltd. (上海楚元廣告有限公司), a limited company established under the laws of the PRC on 6 February 2005 and owned as to 80% and 20% by Mr. Xu and Mr. Xu Zhiwen (徐智文), respectively. Shanghai Chuyuan is one of our Controlling Shareholders
“Shanghai Hanli”	Shanghai Hanli Qianjun Venture Capital Partnership (Limited Partnership) (上海漢理前駿創業投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on 20 January 2015, with Shanghai New Access Capital Management Co., Ltd. (上海漢理前景投資管理有限公司) being its general partner, one of our [REDACTED] Investors and an Independent Third Party
“Shanghai Haozhong”	Shanghai Haozhong Investment Management Co., Ltd. (上海昊中投資管理有限公司), a limited company established under the laws of the PRC on 26 February 2014 and owned as to 99% and 1% by Mr. Xu and Mr. Xi Caoyuxiang (席曹宇翔) (an employee of our Company), respectively. Shanghai Haozhong is one of our Controlling Shareholders
“Shanghai Jiakai”	Shanghai Jiakai Network Technology Co., Ltd. (上海家凱網絡科技有限公司), a limited liability company established under the laws of the PRC on 27 January 2021 and a direct non wholly-owned subsidiary of our Company
“Shanghai Kaiao”	Kaiao (Shanghai) Business Consulting Centre (Limited Partnership) (凱輿(上海)商務諮詢中心(有限合夥)), a limited partnership established under the laws of the PRC on 14 October 2019 with Mr. Han being its general partner, one of our Controlling Shareholders
“Shanghai Kaichong”	Shanghai Kaichong Ecommerce Co., Ltd. (上海凱寵電子商務有限公司), a limited liability company established under the laws of the PRC on 28 April 2017 and a direct wholly-owned subsidiary of our Company
“Shanghai Kaihan”	Shanghai Kaihan Network Technology Co., Ltd. (上海凱瀚網絡科技有限公司), a limited liability company established under the laws of the PRC on 26 January 2021 and an indirect wholly-owned subsidiary of our Company
“Shanghai Kaihe”	Kaihe (Shanghai) Ecommerce Co., Ltd. (凱合(上海)電子商務有限公司), a limited liability company established under the laws of the PRC on 13 November 2020 and an indirect wholly-owned subsidiary of our Company
“Shanghai Kaimiao”	Kaimiao (Shanghai) Ecommerce Co., Ltd. (凱喵(上海)電子商務有限公司), a limited liability company established under the laws of the PRC on 22 October 2020 and a direct wholly-owned subsidiary of our Company

DEFINITIONS

“Shanghai Kaiming”	Kaiming (Shanghai) Network Technology Co., Ltd. (凱明(上海)網絡科技有限公司), a limited liability company established under the laws of the PRC on 28 February 2024 and an indirect wholly-owned subsidiary of our Company
“Shanghai Kaipeng”	Shanghai Kaipeng Business Consulting Centre (Limited Partnership) (上海凱朋商務諮詢中心(有限合夥)), a limited partnership established under the laws of the PRC on 28 May 2018 with Shanghai Haozhong being its general partner, one of our Controlling Shareholders
“Shanghai Kaituo”	Shanghai Kaituo Ecommerce Co., Ltd. (上海凱拓電子商務有限公司), a limited liability company established under the laws of the PRC on 10 August 2018 and an indirect wholly-owned subsidiary of our Company
“Shanghai Kaixian”	Kaixian (Shanghai) Business Consulting Centre (Limited Partnership) (凱賢(上海)商務諮詢中心(有限合夥)), a limited partnership established under the laws of the PRC on 26 December 2013 with Mr. Han being its general partner, one of our Controlling Shareholders
“Shanghai Keytier”	Shanghai Keytier Venture Capital Investment Centre (Limited Partnership) (上海凱映創業投資中心(有限合夥)), a limited partnership established under the laws of the PRC on 15 June 2015 with Shanghai Chuyuan being its general partner, one of our Controlling Shareholders
“Shanghai Kuanyuan”	Shanghai Kuanyuan Asset Management Co., Ltd. (上海寬遠資產管理有限公司), a limited liability company established under the laws of the PRC and is owned as to 75.0% by Xu Jingde, 20.0% by Zhen Xinzong and 5.0% by Cai Zhen, which had divested as one of our [REDACTED] Investors as of the Latest Practicable Date
“Shanghai Lanhao”	Lanhao (Shanghai) Business Consulting Centre (Limited Partnership) (瀾昊(上海)商務諮詢中心(有限合夥)), a limited partnership established under the laws of the PRC on 20 November 2018 with Mr. Han being its general partner, one of our Controlling Shareholders
“Shanghai Lipu”	Shanghai Lipu Cultural Communication Ltd. (上海麗鋪文化傳播有限公司), a limited liability company established under the laws of the PRC on 16 March 2023 and a direct non wholly-owned subsidiary of our Company
“Shanghai Magkey”	Shanghai Magkey Digital Technology Co., Ltd. (上海麥格凱數字科技有限公司), a limited liability company established under the laws of the PRC on 1 December 2022 and a direct wholly-owned subsidiary of our Company
“Shanghai Monster”	Monster (Shanghai) Network Technology Co., Ltd. (蒙偲特(上海)網絡科技有限公司) (formerly known as “Shanghai Keying Information Technology Co., Ltd. (上海凱詰信息技術有限公司)”), a limited liability company established under the laws of the PRC on 29 May 2018 and a direct wholly-owned subsidiary of our Company

DEFINITIONS

“Shanghai Qiaokai”	Shanghai Qiaokai Network Technology Co., Ltd. (上海殼凱網絡科技有限公司), a limited liability company established under the laws of the PRC on 25 February 2014 and a direct wholly-owned subsidiary of our Company
“Shanghai Xingkai”	Xingkai Business Consulting (Shanghai) Co., Ltd. (幸凱(上海)營銷諮詢有限公司), a limited liability company established under the laws of the PRC on 6 January 2014 and a direct wholly-owned subsidiary of our Company
“Shanghai Xingzhe”	Xingzhe (Shanghai) Network Technology Co., Ltd. (星哲(上海)網絡科技有限公司), a limited liability company established under the laws of the PRC on 2 June 2020 and a direct wholly-owned subsidiary of our Company
“Share(s)”	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including both Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Shengang Securities”	Shengang Securities Co., Ltd. (申港證券股份有限公司), a joint stock company established under the laws of the PRC on 8 April 2016, which had divested as our [REDACTED] Investor as of the Latest Practicable Date
“Sole Sponsor”	China Securities (International) Corporate Finance Company Limited [REDACTED]
“Star Culture”	Star Culture (Shanghai) Venture Capital Centre (Limited Partnership) (星之文華(上海)創業投資中心(有限合夥)), a limited partnership established under the laws of the PRC on 30 September 2013, with Star Culture (Shanghai) Investment Management Company Limited (星之文華(上海)投資管理有限公司) being its general partner, which had divested as one of our [REDACTED] Investors as of the Latest Practicable Date
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Strategy Committee”	the strategy committee of our Board
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Supervisor(s)”	member(s) of our Supervisory Committee
“Supervisory Committee”	the supervisory committee of our Company
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buybacks published by the SFC (as amended, supplemented or otherwise modified from time to time)
“Tmall”	a third-party online and mobile commerce platform for brands and retailers
“Track Record Period”	the financial years ended 31 December 2023, 2024 and 2025 [REDACTED]

DEFINITIONS

[REDACTED]

“United States” or “U.S.”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. dollars”, “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended
“VAT”	Value-added Tax

[REDACTED]

“Zhongzhi Orient Assets”	Shanghai Zhongzhi Orient Asset Management Co., Ltd. (上海中植東方資產管理有限公司), a limited liability company established under the laws of the PRC on 13 July 2015, and is wholly and directly owned by Shanghai Yanyangtian Investment Management Company Limited (上海艷陽天投資管理有限公司) (formerly known as Shanghai Yuguo Investment Management Company Limited (上海禦國投資管理有限公司), which had divested as our [REDACTED] Investor as of the Latest Practicable Date
“%”	per cent

In this document, unless expressly stated or the context requires otherwise:

- *all information and data is at the Latest Practicable Date;*
- *certain amounts and percentage figures, including but not limited to, shareholdings and operating data, may have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them;*
- *all references to any shareholdings in our Company assume no exercise of the [REDACTED] unless otherwise specified;*
- *references to “provinces” of China include provinces, municipalities under direct administration of the central government and provincial-level autonomous region; and*
- *the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.*

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of certain terms used in this document in connection with us and/or our business. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“618 Mid Year campaign”	an online sales promotions event initiated by JD.com to celebrate its founding day on 18 June each year
“AI”	artificial intelligence
“AIGC”	artificial intelligence generated content based on information extracted by generative AI models
“API”	application programming interface
“app(s)”	computer programme(s) designed to run on a mobile device such as a phone/tablet or watch
“BI”	business intelligence
“CAGR”	compound annual growth rate
“CDP”	customer data platform
“CGI”	computer-generated imagery
“cold chain warehouse(s)”	temperature-controlled storage facility designed to maintain the quality and safety of perishable goods
“CRM”	customer relationship management
“DCMM”	data management capability maturity assessment model
“DMS”	database management service
“Double 11 Day”	a large promotional event initiated by Alibaba and held by various online shopping platforms on 11 November each year
“DWD”	data warehouse details
“DWS”	data warehouse system
“ETL”	extract, transform, load, which is a three-phase computing process where data is extracted from an input source, transformed (including cleaning), and loaded into an output data container
“ERP”	enterprise resource planning, a business process management software that allows an organisation to use a system of integrated applications to manage the business and digitalise back-office functions relating to technology, services, and human resources
“FMCG”	fast-moving consumer goods
“GDP”	gross domestic product
“GFA”	gross floor area

GLOSSARY OF TECHNICAL TERMS

“GMV”	gross merchandise volume, and when used in connection with our business, includes (i) the full value of all purchases transacted and settled on the stores operated by us, and (ii) the full value of purchases for which consumers have placed orders and paid deposits on such stores and which have been settled offline. Our calculation of GMV includes value added tax and excludes (i) shipping charges, (ii) surcharges and other taxes, (iii) value of the goods that are returned and (iv) deposits for purchases that have not been settled
“H5”	a type of HTML markup used to structure and organise content on a webpage
“HTML”	Hypertext Markup Language
“HTTP”	hypertext transfer protocol
“IP”	intellectual property
“ISV”	independent software vendor
“IT”	information technology
“KOC”	key opinion consumer
“KOL(s)”	key opinion leader(s)
“KPI(s)”	key performance indicator(s)
“MCN”	multi-channel network
“MWh”	megawatt-hour, a unit of measure of electric energy
“O2O”	online-to-offline commerce, a hybrid retail model that leverages the internet and digital tools to drive online traffic, facilitate reservations and payments, and ultimately complete product consumption or service delivery through offline channels. Typical formats include local lifestyle services (such as food delivery, group buying, and in-store services), community-based e-commerce, and online-to-offline fulfilment models
“OA”	office automation
“ODS”	operational data store
“OMS”	order management system
“PC”	personal computer
“PDA”	personal digital assistant
“R&D”	research and development
“RAG”	retrieval augmented generation
“REST”	representational state transfer
“RPA”	robotic process automation
“RPC”	remote procedure call

GLOSSARY OF TECHNICAL TERMS

“ROE”	return on equity
“ROI”	return on investment
“sales volume”	number of products sold in the sales of goods business line
“SCM”	supply chain management
“SKU”	stock keeping unit
“sq.m.”	square metre
“to-B”	business-to-business, a type of commerce involving the exchange of products, services or information between businesses
“to-C”	business-to-consumer, a business model that involves sales between businesses and consumers
“tCO ₂ e”	tonne(s) of carbon dioxide equivalent
“tonne(s) ”	a unit of weight in the metric system, equal to 1,000 kilogrammes
“URL(s) ”	uniform resource locator(s)
“WMS”	warehouse management system

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements that state our intentions, beliefs, expectations or predictions for the future that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include all statements in this document that are not historical facts, including, without limitation, statements relating to:

- our strategies, plans, and our ability to implement such strategies and achieve our plans, objectives and goals;
- our ability to maintain our position as a digital retail solutions providers in China;
- our business relationship with our brand owners;
- our ability to attract and retain senior management and key personnel;
- future developments, trends and conditions in the digital retail solutions industry and markets in which we operate or into which we intend to expand;
- the evolvement of competitive landscape of digital retail solutions industry in China and the corresponding actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- various business opportunities that we may pursue;
- estimates of our costs, expenses, future revenue, capital expenditures and our needs for and ability to obtain additional financing;
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC and Hong Kong and the industry and markets in which we operate;
- general political and economic conditions, including those related to the PRC; and
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans.

When used in this document, the words “aim”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “going forward”, “intend”, “may”, “ought to”, “plan”, “project”, “seek”, “should”, “will”, “would” and similar expressions, as they relate to us, are intended to identify a number of these forward-looking statements. Such forward-looking statements reflect the current views of our management as of the date of this document with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this document. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove to be incorrect, our results of operations and financial condition may be adversely affected and may vary materially from those described herein as anticipated, believed or expected. Accordingly, such statements are not a guarantee of future performance and you should not place undue reliance on such forward-looking information. Moreover, the inclusion of forward-looking statements should not be regarded as representations by us that our plans and objectives will be achieved or realised. The forward-looking statements in the document are also subject to change in light of future developments. Subject to the requirements of the Listing Rules, we do not intend to update or otherwise revise the forward-looking statements in this document, whether as a result of new information, future events or otherwise.

RISK FACTORS

You should carefully consider all of the information set out in this document before making an investment in the H Shares, including the risks and uncertainties described below in respect of our business, our industry and the [REDACTED]. Our business, financial condition, results of operations and/or the ability to meet our financial obligations could be materially and adversely affected by any of these risks and uncertainties. The trading price of our H Shares could decline due to any of these risks (or such additional risks), and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in “Forward-Looking Statements” in this document.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

Our success is tied to the business needs and performance of existing and future brand owners that we serve. If the complexities and challenges faced by brand owners seeking to sell online diminish, or if they choose to enhance their in-house e-commerce capabilities of their own accord instead of utilising our solutions, demand for our solutions could be adversely affected.

Our success is substantially dependent upon the success of our brand owners. As we continue to expand and optimise our brand owner base, our future success will also be tied to the business needs and performance of our future brand owners. We cannot assure you that our efforts to attract new brand owners and other customers and optimise our existing brand owner base will be successful. One of the key attractions of our solutions to brand owners is our ability to help navigate the complexities and difficulties they face in the e-commerce market in China. Should their complexities lessen due to changes in the market or if our brand owners choose to enhance their in-house support capabilities of their own accord instead of utilising our digital retail solutions, our solutions may become less important or attractive to our brand owners, and demand for our solutions may decline as a result.

In addition, the retail business in China is intensely competitive. If our brand owners were to experience a significant drop in online sales due to quality or other reasons, decreased product popularity, financial difficulties, brand impairment, or any other reasons affecting profitability or demand, it could adversely affect our results of operations and hinder our growth potentials. Our business could also be adversely affected if our brand owners’ product sales, marketing, brands or retail stores are not successful or if our brand owners reduce their marketing efforts.

If brand owners conduct digital retail activities on their own rather than procuring our services, we may be exposed to the risk of disintermediation, which could adversely affect our financial condition and operating result.

Our brand owners may choose to develop their own in-house digital retail capabilities, enabling them to market and sell products directly to end-consumers or distributors without continuing to engage our services. This strategic shift toward self-operation could significantly reduce the volume of products sold through us or via our services. We cannot assure that our brand owners will not transition toward self-operated digital retail activities in the future, and discontinue the use of external service providers like us. Moreover, certain brand owners may gradually decrease their dependence on external digital retail solutions for specific business functions. This could lead to a reduction in the scope of services they require from us, thereby limiting our capacity to offer comprehensive, end-to-end solutions. In such scenarios, our role may be reduced to providing only partial support, which may undermine the integrated value proposition we deliver. The occurrence of such disintermediation, could adversely affect our business, financial condition, and operational results.

RISK FACTORS

If we are unable to retain our existing brand owners, our results of operations could be materially and adversely affected.

Some of our existing brand owners have had years of cooperation with us and we generated a significant portion of our revenue through (i) the sale of products in the authorised flagship stores (旗艦店) and other brand stores operated by us, and (ii) provision of our services to these brand owners, which we collectively refer to as revenue “related to” these brand owners in order to assess our overall business relationship with them. During the Track Record Period, revenue related to our top five brand owners as ranked by revenue in the aggregate comprised approximately 52.1%, 52.8% and 48.9% of our total revenue in 2023, 2024 and 2025, respectively. Similarly, the total GMV related to our top five brand owners as ranked by GMV in the aggregate comprised approximately 73.4%, 80.4% and 74.2% of our total GMV in 2023, 2024 and 2025, respectively. If any of our brand owners terminates or does not renew its business relationship with us, our revenue and GMV may be materially and adversely affected. We cannot assure you that our existing brand owners will renew their business relationships with us in the future.

We provide digital retail solutions to brand owners primarily through contractual arrangements typically with a term of one year. These contracts may not be renewed or, if renewed, may not be renewed on the same or more favourable terms for us. We may not be able to accurately predict future trends in brand owners renewals, and/or our brand owners’ renewal rates may decline or fluctuate due to factors such as level of satisfaction with the solutions we offer and our fees and charges, as well as factors beyond our control, such as level of competition faced by our brand owners, their level of success in e-commerce and their spending levels. If some of our existing brand owners, in particular brand owners with years of cooperation with us, opt to terminate or do not renew their business relationships with us, or if they do so on less favourable terms or for fewer services and solutions, and we become incompetent to acquire new brand owners or otherwise grow our brand owner base, our results of operations may be materially and adversely affected.

Non-compete provisions in contracts with brand owners pose risks to our business development and expansion, which may adversely affect our results of operations and financial condition in the future.

A small number of our contracts with existing brand owners were based on standard forms proposed by such brand owners that contain non-compete provisions. As of 31 December 2025, we were engaged by 129 brand owners, and 5 of them included non-compete provisions in their agreements with us. In 2025, these brand owners are related to 24.7% of our total revenue in the same year. Such provisions restrict the entities of our Group entering into such contracts from selling products of, or providing similar services to, competitors of such brand owners. Our ability to diversify our offerings portfolio and engage with new brand owners may be consequentially limited, thereby constraining growth opportunities in the future. There remains a risk that our brand owners may impose increasingly stringent non-compete requirements, which may limit our ability to continue managing non-compete obligations in this manner especially when they expand their industry scope, which in turn may limit our ability to develop in other sectors. As our business further expands, we may engage in business with multiple brand owners that may compete with each other, potentially leading to conflicts with these non-compete provisions.

As of the Latest Practicable Date, we had not acted in breach of any non-compete restriction and we were not aware of any notice or claim by any brand owner that we have breached any non-compete restriction in its agreement with us. See “Business — Our Brand Owners — Brand Owners” for details. However, we cannot assure you that we will not be found to be in breach of such non-compete provisions with our existing or future brand owners if any of our brand owners brings claims against us in the future. If we are found in breach, we may be subject to potential liabilities and penalties for breach of contracts, including liquidated damages and forfeiture of sales bonuses, and our brand owners may decide to terminate their contracts with us, which may cause us to lose revenue in the future.

RISK FACTORS

Our business, financial condition and results of operations may be adversely affected if we fail to meet the performance criteria for rebates from our brand owners, or if the rebate schemes are altered or discontinued.

A portion of our gross profit is derived from rebates received from brand owners. These rebates are not automatic but are contingent upon us meeting specific performance criteria, such as achieving certain procurement volumes within a specific period of time. Our inability to consistently meet these criteria for any major brand owner could directly and adversely impact our profitability. Furthermore, these rebate programs are typically governed by agreements that brand owners can alter, reduce, or discontinue upon renewal upon negotiation with us. Any such reduction or elimination of key rebate programs, or any disputes arising from the calculation or verification of rebate amounts, could have a negative effect on our financial performance.

If the ramp-up of operations for newly-added brand owners does not meet our expectations, our results of operations and financial condition may be materially and adversely impacted.

We have been accelerating acquisition of new brand owners since 2024, in an effort to drive sustainable growth momentum. In 2023, 2024 and 2025, we added a net of 21, 12 and 16 new brand owners, respectively. Newly added brand owners typically require a ramp-up period before they can fully utilise our solutions. If such ramp-up takes longer than expected, or the revenue we receive from these new brands do not meet our expectations, our results of operation and financial condition may be materially and adversely impacted.

If we fail to effectively operate on e-commerce platforms and channels or adapt ourselves to emerging e-commerce platforms and channels, or if e-commerce platforms and channels otherwise curtail or inhibit our ability to integrate our solutions with their channels, our solutions would be less appealing to existing and potential brand owners.

We generate a substantial majority of our revenue from the solutions we provide on e-commerce platforms and channels, including online authorised flagship stores and other brand stores on major platforms like Tmall, JD.com and Pinduoduo, social media/ content-driven channels including Douyin, WeChat Mini Programmes and RED (Xiaohongshu), and O2O platforms such as Meituan and Taobao Flash Sale. These e-commerce platforms and channels have no obligation to continue doing business with us or to grant us long-term access. We have entered into standard agreements with third-party e-commerce platforms. We cannot guarantee that we will be able to maintain and renew our agreements on favourable terms, or at all. In addition, if stricter laws and regulations or other regulatory requirements on e-commerce activities are established, imposing additional compliance obligations on us, we may incur significant compliance costs. Additionally, our business on third-party e-commerce platforms and channels is governed by the policies and enforcement of these platforms. These platforms and channels may make significant changes to their respective business policies, systems or plans, which could impair or inhibit our ability or our brand owners’ ability to use our solutions to sell their products on those platforms and channels. Such changes may adversely affect the amount of GMV that our brand owners can sell on those platforms and channels, or otherwise reduce the overall attractiveness of selling on them.

If we become unable to adapt to new e-commerce platforms and channels as they emerge, or if we fail to effectively operate on these channels or renew our agreements with them on favourable terms, or if regulatory requirements or policies by these channels develop in a way that may adversely affect us, our ability to provide solutions to brand owners may be curtailed or inhibited.

RISK FACTORS

Our business success is built upon the extensive and deep collaborations we have cultivated through our long-term operations on major e-commerce platforms. Any disruption to these collaborations could adversely affect our business and financial performance.

Our business success is built upon the extensive and deep collaborations we have cultivated through our long-term operations on major e-commerce platforms, particularly Tmall, which plays a significant role in our operations. A substantial portion of our revenue is derived from the provision of digital retail solutions through these platforms. It is a reflection of broader industry dynamics and evolving consumer preferences that our reliance on any specific platform is ultimately shaped by where consumers choose to make the purchases.

We rely on continued access to the major e-commerce platforms, and their policies are subject to change. Any failure to comply with platform-specific requirements or to maintain satisfactory performance and compliance metrics could jeopardise our standing with these platforms. Major alterations in an e-commerce platform’s channel strategy or commercial terms could limit our operational capacity, increase costs, or reduce the competitiveness of our offerings. Our dependency is therefore dynamic and adjusts with market dynamics. A decline in consumer engagement on one platform, coupled with a rise on another, would lead to a corresponding realignment of our business focus. If any of the major platforms’ appeal to consumers and overall competitiveness erode, brand owners may reduce their demand and budget on the relevant platform, leading to an adverse effect on our business, financial condition, and results of operations.

We face challenges in adapting to e-commerce channel changes and driving technological innovation.

We face the challenges of keeping pace with rapid technological changes and frequent updates to rules, specifications and other requirements for our brand owners while also driving technological innovation. To achieve market acceptance for our solutions, we must effectively anticipate and offer solutions that meet frequently changing channel requirements in a timely manner. If we fail to do so, our ability to renew our contracts with existing brand owners and increase demand for our solutions will be impaired.

Our investments in innovations and new technologies, which may be significant, may not enhance our competitiveness or generate financial returns in the short term, or at all. We may also become unsuccessful in adopting and implementing new technologies, such as AI, big data and data technologies, to tackle competition in the market effectively. The changes and developments taking place in our industry may also require us to re-evaluate our business model and adopt significant changes to our long-term strategies and business plans. Our failure to innovate and adapt to these changes and developments would have a material adverse effect on our business, financial condition and results of operations. For example, we might become unsuccessful in implementing innovative solutions to help our brand owners devise and execute O2O and new retail strategies to integrate their offline and online channels to provide seamless shopping experience for consumers. Even if we timely innovate and adopt changes in our strategies and plans, we may nevertheless fail to realise the anticipated benefits of such changes or generate lower levels of revenue as a result.

If the digital retail market in China does not grow, or grows more slowly than we expect, demand for our solutions could be adversely affected.

The digital retail market in China is subject to uncertainties that may affect demand for our solutions. Continued demand from our existing and potential future brand owners to use our solutions depends on whether digital retail commerce will continue to be widely accepted. Factors affecting the development of the digital retail industry in China include: (i) the growth of internet, broadband, personal computer and mobile penetration and usage in China, and the rate of any such growth; (ii) the trust and confidence level of digital retail consumers in China, as well as changes in consumers’ demographics, tastes and preferences; (iii) whether alternative digital retail channels or business models that better address the needs of consumers emerge in China; and (iv) the development of fulfilment, payment and other ancillary services associated with online and multi-channel retail.

RISK FACTORS

If consumer utilisation of digital retail channels in China does not grow or grows more slowly than we expect, demand for our solutions would be adversely affected, our revenue would be negatively impacted and our ability to pursue our growth strategy would be compromised.

We may become unable to compete successfully against current and future competitors.

We face intense competition in the market for brand digital retail solutions, and we expect competition to continue to intensify in the future. For instance, while our brand owners may grant us exclusive selling rights within specific channels, our contracts with our brand owners are generally non-exclusive on an overall basis and we generally do not have contractual rights to exclusively sell the products of our brand owners on all channels. Increased competition may result in reduced pricing or service scope for our solutions or a decrease in our market share, any of which could negatively affect our ability to retain existing brand owners and attract new brand owners .

A number of competitive factors could cause us to lose potential sales or to sell our solutions at lower prices or at reduced profitability, including:(i)potential brand owners may choose to use or develop applications or build e-commerce teams or infrastructures in-house, rather than pay for our solutions and services;(ii)the e-commerce platforms and channels themselves, which typically offer, often free, software tools that allow brand owners to connect to the e-commerce channels, may decide to compete more vigorously with us;(iii)competitors may adopt more aggressive pricing policies and offer more attractive sales terms, adapt more quickly to new technologies and changes in brand owners’ requirements, and/or devote greater resources to the promotion and sales of their products and services than we can; and(iv)software vendors could bundle channel management solutions with other solutions or offer such products at a lower price as part of a larger product sale.

In addition, competition may intensify as our competitors raise additional capital and as established companies in other market segments or geographic markets expand into our market segments or geographic markets. If we become unable to compete successfully against our competitors, our business and our operating and financial results could be adversely affected.

We have limited control over the practice and manner of sales by our brand owners, and we may not have sufficient measures to minimise the risk of cannibalisation brought by other digital retail solutions partners or our brand owners to us.

Since our inception, we have served more than 200 brands, including over 100 international brands. During the Track Record Period, the number of our brand owners was 101, 113 and 129 in 2023, 2024 and 2025, respectively. Due to the number of our brand owners and size of the market, it is difficult to monitor all aspects of our brand owners’ practices thoroughly and substantively, in particular the risks of cannibalisation brought by other digital retail solutions partners or our brand owners.

Our brand owners may simultaneously engage different service providers to deliver similar services on various channels, and our competitors may offer similar types of services that appeal to specific needs of our brand owners, such as flexible and efficient supply chain systems or niche marketing capabilities. These may erode our profit margin, as brand owners may compare homogeneous services provided by our competitors and demand for lower prices which could have been offered by our competitors. Furthermore, our brand owners may engage different service providers for different services within the same channel. The provision of a single and isolated service may hamper the demonstration of our comprehensive digital retail solution capabilities. Moreover, since there are more competitors who may be able to offer similar single and isolated services, there may be an increased competition in the market and we may have to offer lower prices to attract or retain brand owners. To stay ahead of competitors in this dynamic and saturated market, we must consistently innovate and prove our superior integration and value proposition.

E-commerce platforms may have developed and integrated many efficient and targeted tools, which are suitable for our brand owners at different stages of development to build their brand and promote products. Furthermore, the competition between e-commerce platforms may further erode the profit margin and bargaining power of brand owners. New requirements or activities introduced by e-commerce platforms may necessitate significant resource allocation and financial investment from brand owners. These participations and compliance efforts may substantially increase our brand owners’ operating expenses.

RISK FACTORS

Additionally, our non-exclusive contracts also expose us to cannibalisation risk from brand owners developing their own in-house digital retail capabilities, which can lead to direct competition with our services, especially if brand owners conduct digital retail activities entirely on their own and terminate the collaboration with us.

See “Business — Our Business Model — Our Solutions — Sales of Goods — Sale of Goods: to-B model — (d) Payment and Credit Term” for details of our measures to minimise the risk of cannibalisation. However, based on the foregoing, we may not have sufficient measures in place to minimise the risk of cannibalisation between our brand owners and our Group and/or among our brand owners .

Our expansion into new product categories may expose us to new challenges and more risks.

Our brand owners cover food & beverage, beauty & personal care, baby & kids, pop toys, pets, health and outdoor sports industries as well as chain enterprises. In the future, we may provide services to brand owners in new product categories in which we have limited experience and operating history. Our product mix also affects our revenue mix and profitability. This may make predicting our future results of operations more difficult than it otherwise would be. Therefore, our past results of operations should not be taken as indicative of our future performance. If we cannot successfully manage our product mix, address new challenges or compete effectively, we may not be able to recover costs of our investments and eventually achieve profitability .

We may fail to expand effectively our global business and establish overseas market service capabilities.

We plan to expand our global business, establish overseas market service capabilities, and collaborate with international ecommerce platforms to serve Chinese brands in global retail ecosystem. See “Business — Our Strategies — Continue to Build Capabilities to Serve Overseas Market to Empower the Globalisation of Chinese Brands”. Our subsidiaries are located in the United States, Japan, Hong Kong, Singapore and Spain, most of which were initially set up to support existing cross-border importing business. We will also continue to explore potential opportunity of establishing strategic partnerships with suitable partners to share resources with other companies and brands, expand market channels and enhance our global competitiveness. Our expansion plan may cause our business to be susceptible to international business risks and challenges.

International operations are subject to many special risks and challenges that could adversely affect our business, including but not limited to: (i) compliance with a complex web of local laws and regulations, including those related to corporate establishment, taxation, data privacy, and e-commerce; (ii) operational difficulties related to successfully establishing overseas entities, hiring and integrating local talent, and adapting our digital solutions and core business systems to meet local needs; (iii) risks brought by regional economic volatility, fluctuations in currency exchange rates, and potential political instability. Furthermore, we may become subject to trade restrictions, import tariffs, or other cross-border trade barriers, which could increase supply chain costs, disrupt logistics, and make our service offerings less competitive.

We cannot assure you that our various international expansion efforts will be completed as planned or achieve the intended results. Any negative impact from our international business efforts could also negatively us. In addition, we may face additional competition from local companies in countries other than China. Local companies may have a substantial competitive advantage because of their greater understanding of, and focus on, local customers.

Changes in international trade policies between the PRC and other countries or regions, particularly regarding tariffs and trade barriers, may adversely affect our export-related business operations.

Our future expansion of global reach may involve distributing in the distribution of goods and rendering services in the global retail expert network. See “Business — Our Strategies — Continue to Build Capabilities to Serve Overseas Market to Empower the Globalisation of Chinese Brands”. In that case, we

RISK FACTORS

may be subject to evolving international trade and investment regulations, which may expose our export and relevant businesses to risks arising from changing economic, regulatory, and social conditions. This includes shifts in international laws, tariffs, trade agreements, and taxation policies, as well as challenges in managing or overseeing export operations beyond the PRC.

The United States government has implemented and continues to consider measures restricting trade in certain goods imported from the PRC, including imposing new or higher tariffs on specified products. These tariff policies have heightened tensions in international relations and may directly impact our future cross-border e-commerce logistics services to the United States. As a result, we may face reduced business opportunities and operational challenges due to increased costs and regulatory complexities associated with tariffs. Moreover, the ongoing global economic instability may further exacerbate these export-related risks, negatively influencing our business performance.

Any failure to maintain the proper functioning and satisfactory performance of our information technology systems could adversely affect our business and reputation.

The satisfactory performance, reliability and availability of our technology platform are critical to our success and our ability to attract and retain brand owners and provide quality customer services. See “Business — Information Technology Systems” for details. Any system interruptions caused by telecommunications failures, errors encountered during system upgrades or system expansions, computer viruses, hacking or other attempts to harm our systems that result in the unavailability or slowdown of our technology platform, degraded order fulfilment performance, or additional shipping and handling costs may, individually or collectively, adversely affect our results of operations.

In addition, any system failure or interruption could cause damage to our reputation and brand image if our systems are perceived to be insecure or unreliable. Our servers may also be vulnerable to computer viruses, physical or electronic break-ins and similar disruptions, which could lead to system interruptions, website slowdown or unavailability, delays or errors in transaction processing, loss of data or the inability to accept and fulfil consumers’ orders. Security breaches, computer viruses and hacking attacks have become more prevalent in our industry. We have experienced in the past and may experience in the future such attacks and unexpected interruptions. We can provide no assurance that our current security mechanisms will be sufficient to protect our IT systems from any third-party intrusions, viruses or hacker attacks, information or data theft or other similar activities.

Additionally, we must continue to upgrade and improve our technology platform to support our business growth, and failure to do so could impede our growth. However, we cannot assure you that we will be successful in executing these system upgrades and improvement strategies. In particular, our systems may experience interruptions during upgrades, and the new technologies or infrastructures may not be fully integrated with the existing systems on a timely basis, or at all. If our existing or future technology platform does not function properly, it could cause system disruptions and slow response times, affecting data transmission .

We also rely on technologies that we license from third parties. These licenses may not continue to be available to us on commercially reasonable terms or at all in the future. As a result, we may be required to obtain substitute technologies. There is no assurance that we will be able to obtain such substitute technologies on commercially reasonable terms, or at all .

We may not be able to recoup the capital expenditures we incur to strengthen our technology and innovation capabilities and upgrade our technology platform.

We have invested and will continue to expend financial resources to strengthen our technology and innovation capabilities and upgrade our technology platform, in order to serve a wider variety of brand owners and other customers with a broader array of services. For example, we have invested in the establishment of a multi-layer microservices technical architecture, four self-developed core business systems, as well as developed some other data analysis and risk management systems and tools to support our business operation and help our brand owners optimise their offerings to end consumers. During the Track Record Period, our R&D expenses amounted to RMB14.4 million, RMB11.3 million and RMB11.4

RISK FACTORS

million in 2023, 2024 and 2025, respectively. If we are unable to strengthen our technology and innovation capabilities and upgrade our technology platform successfully in a timely manner, or if we become unable to generate ideal results from our research and development, there may be a waste of capital and human resources, and our business operations might be affected.

Technological changes are rapid, and we may become unable to keep abreast of the latest development; as a result, our technology systems may become obsolete. We may encounter practical difficulties in deploying or commercialising our technology and innovations. As a result, we may not be able to recover the expenditures associated with these investments, and any recovery of such expenses may take longer than expected. There is no guarantee that our investments in technology initiatives will generate sufficient returns or that they will have the expected effects on our business operations.

We experienced decrease in gross profit and gross profit margin during the Track Record Period.

We recorded decrease in gross profit at RMB394.8 million and RMB370.2 million in 2023 and 2024, respectively. We also recorded decrease in gross profit margin at 22.9% and 21.8% in 2023 and 2024, respectively. See “Financial Information — Year to Year Comparison of Results of Operations — Gross Profit and Gross Profit Margin” for details regarding the changes in our gross profit and gross profit margin. There can be no assurance that our gross profit margin will not be lower than the levels recorded during the Track Record Period or our gross profit and/or gross profit margin will not continue to further fluctuate in the future. Our gross profit and/or gross profit margin may decline for reasons beyond our control, such as decreasing needs by brand owners, increasing competition and changes in government policies or general economic conditions. If there is any decline in our gross profit and/or gross profit margin in the future, our profitability and financial condition may be materially and adversely affected.

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

Our inventories during the Track Record Period consisted of finished goods. Our inventories decreased from RMB470.0 million as of 31 December 2023 to RMB451.0 million as of 31 December 2024, and further decreased to RMB413.9 million as of 31 December 2025. Such decrease reflected our optimised strategic inventory management which reduced absolute inventory levels despite an increasing brand assortment. Our inventory turnover days were 142.1 days in 2023, 139.6 days in 2024 and 128.5 days in 2025. Our inventory level is subject to various factors which are beyond our control. Failure to forecast consumer demand or any unexpected event affecting the sales of our products could result in increased inventory obsolescence, a decline in inventory value or inventory write-downs. Demand may be affected by seasonality, new product launches, fashion trends, changes in product cycles and pricing, product defects, changes in consumer spending patterns and habits, changes in consumer tastes with respect to our products and other factors. In addition, when we begin help brand owners to sell a new product, it may be difficult to determine appropriate product selection and accurately forecast demand. Any increase in inventory may adversely affect our costs. If we cannot manage our inventory level efficiently in the future, our liquidity and cash flow may be adversely affected. As our business expands, our inventory level increases, and our inventory obsolescence risk may also increase along with the increased purchases of inventories. Therefore, any unexpected change in the economic condition or degree of economic activities of our customers may render our inventory obsolete. There can be no assurance that we will be able to maintain optimal inventory level, and any such failure may have a material adverse effect on our business, financial condition and results of operations.

We assume inventory ownership under the business line of sales of goods and thus are subject to inventory risk. We deploy different strategies to deal with non-seasonal and seasonal demands and make adjustments to our procurement plan in order to minimise the chance of excess unsold inventory and manage our product costs. Demand for products, however, can change significantly between the time the good is ordered and the date by which we target to sell it.

We cannot assure you that we will be able to effectively manage our inventories and product costs. The amount and turnover days of our inventories may increase in the future, which will make it more challenging for us to manage our working capital effectively. If we fail to manage our inventory effectively,

RISK FACTORS

we may be subject to a heightened risk of inventory obsolescence, a decline in inventory values, and significant inventory write-downs or write-offs. Our inventory may also be damaged due to natural disasters or accidents, such as fire accidents. In addition, we may be required to lower sale prices in order to reduce inventory level, which may lead to lower margins. Any of the above may materially and adversely affect our results of operations and financial condition.

On the other hand, if we underestimate demand for our products, or if our brand owners fail to supply quality products in a timely manner, we may experience inventory shortages. This could result in missed sales, diminished brand loyalty and lost revenue, any of which could harm our business and reputation.

If we fail to continue the digitalisation of our supply chain management systems or adopt automated equipment, our business, financial condition and results of operations may be adversely affected.

We operate in a highly competitive e-commerce landscape where efficient supply chain management is critical to maintaining our competitiveness. Our ability to meet customer expectations for prompt delivery and product availability hinges on the continuous enhancement in the digitalisation of our supply chain management systems and the adoption of further or new automated equipment for our prototyping, logistics and warehousing.

Most of our warehouses in the PRC use our proprietary-developed warehouse management system (“WMS”) for warehouse management. For other larger warehouses in the PRC with more mature management systems, we allow them to keep their own management systems and require such systems to be integrated with our dynamic management system for improved control over inventory and orders. Failure to advance our digitalisation efforts, in particular, the failure to further expand or enhance the digitalisation, including the use and improvement on our WMS system, or failure to adopt further automated equipment, may lead to inefficiencies in tracking inventory levels as well as delays or inaccuracies in order fulfilment due to manual handling processes.

Any suspension or termination of our cooperation with third-party logistics providers, or any disruption to the services they provide, may have an adverse effect on our business and results of operation.

A proportion of our warehousing services are delivered under our warehousing service cooperation agreement with third-party logistics providers. Our collaboration with third-party logistics providers could expose us to potential service disruptions or inefficiencies. If these providers fail to meet their service obligations due to operational issues, financial difficulties or other unforeseen circumstances, our ability to deliver products to customers in a timely and cost-effective manner may be affected. In addition, improper handling of our products by the logistics providers could also result in product damage. Furthermore, fluctuations in the logistics service costs solutions affect our ability to provide cost-effective products to our brand owners. All such events could potentially lead to product liabilities or claims, decline in product sales, and damage to our brand image and reputation.

In addition, we rely on third-party logistics service providers to deliver products to designated places of platforms or end consumers, and any major interruptions to or failures in these third-party logistics services could prevent the timely or successful delivery of products. If products are not delivered on time or are delivered in a damaged state, consumers may refuse to accept products and may claim refund from us or our brand owners, and brand owners and consumers may have less confidence in our solutions. As a result, we may lose brand owners, and our financial condition and reputation could suffer.

Failure to effectively manage our warehouse capacity and utilisation could have a material adverse effect on our business and results of operation.

Our warehouses comprise domestic warehouses, which are either self-operated or outsourced; as well as bonded and overseas warehouses, which are operated by Cainiao Logistics and other third-party logistics providers. As of 31 December 2025, we directly operated two warehouses with an aggregate gross floor

RISK FACTORS

area of approximately 16,216 sq.m. in Jiashan and Jinshan in the PRC. As of 31 December 2025, 17 of our domestic warehouses were outsourced, most of which were located in Shanghai, Tianjin, Guangdong, Hubei and Sichuan. Among all of our 19 domestic warehouses, there were nine cold chain warehouses.

In addition, our operations team had been collaborating with Cainiao Logistics and other third-party logistics providers, with goods being stored in one overseas warehouse situated in the U.S. and 34 bonded warehouses primarily in Guangzhou, Hong Kong, Ningbo and Jinhua as of 31 December 2025. The operations of these outsourced bonded and overseas warehouses rely on the management systems of third-party logistics providers, and we are not directly involved in the daily operations of these warehouses.

Managing our warehouses and collaborating with Cainiao Logistics and other third-party logistics providers might present to be complex and our ability to successfully manage our warehouse capacity and utilisation is important to our profitability. We may not be able to effectively manage or utilise the self-operated or outsourced warehouses. If we under-utilise our warehouse facilities, our costs as a percentage of revenue could increase. On the contrary, if we have insufficient warehouse capacity, our revenue may fall short of our expectations. There can be no assurance that failure to manage our warehouse capacity and utilisation will not have a material adverse effect on our business and results of operation.

In the event that there is any unexpected and prolonged disruption in the supply of utilities, or access to the premises, and we cannot restore the affected warehouse, or relocate to another suitable location promptly with well-equipped facilities, our business operations will be materially and adversely interrupted, which in turn will affect our results of operations. If any of our warehouses experiences a material incident, which might not be handled in a timely manner, or our prevention measures are not adequately implemented in the future, we may lose the goods stored therein, incur significant costs and expenses to restore or to relocate such warehouses, or be determined by the relevant authorities to be in violation of applicable laws and regulations and subject to relevant administrative penalties. If such an incident causes damages to other third parties, we may also be required to compensate if we are determined to be partially or fully responsible for such incident.

If we are unable to provide high-quality customer service, our business and results of operations may be materially and adversely affected.

We depend on our online customer service representatives in our customer service centre to provide live assistance to online shoppers. If our online customer service representatives fail to satisfy the individual needs of consumers, our brand owners’ sales could be negatively affected, and we may lose potential or existing brand owners, which could have a material adverse effect on our business, financial condition and results of operations. In addition, in the normal course of our business, we generate and process a large amount of data, and the improper use or disclosure of such data could harm our reputation as well as have a material adverse effect on our business and prospects.

We rely on our ability to enter into marketing and promotional arrangements with e-commerce platforms to drive visibility for our brand owners through targeted advertisement placement, media procurement, and advertisement creative design. If we cannot establish or effectively manage these arrangements, our ability to generate revenue could be adversely affected.

We have entered into marketing and promotional arrangements with e-commerce platforms to drive visibility traffic for our brand owners through targeted advertisement placement, media procurement, and advertisement creative design. We expect these arrangements to be significant sources of traffic for our brand owners’ e-commerce businesses. If we become unable to maintain these relationships or enter into new arrangements on acceptable terms, our ability to attract new brand owners and new customers could be harmed.

Further, the e-commerce platforms with which we may have online advertising arrangements provide advertising services for other marketers of goods as well. As a result, it is possible that the advertisement placement and other marketing and promotional arrangements we place for our brand owners may not always achieve the best outcome. Failure to achieve sufficient traffic or generate sufficient revenue from

RISK FACTORS

purchases originating from third parties may limit our brand owners’ and our ability to maintain market share and revenue and affect our profitability. Moreover, if we become unable to manage and conduct marketing and promotional activities for brand owners cost-effectively, they may turn to other alternatives, reducing our revenue and potentially materially adversely affecting our business and reputation.

Failure by us or our brand owners to adequately anticipate consumer preferences, develop suitable products, or maintain product quality and reputation may materially and adversely affect our business operations and financial performance.

Our success depends, in part, upon our ability and our brand owners’ ability to anticipate and respond to consumer trends with respect to products sold through authorised flagship stores and other brand stores of our brand owners operated by us. This includes maintaining high standards of product quality and customer service, as negative publicity or reputational damage affecting our brand owners could similarly impact consumers’ perceptions and loyalty towards our solutions. The consumer preferences and market demand may change from time to time subject to factors beyond our control, such as changes in consumption willingness, purchasing power and evolving consumer demographics. Constantly changing consumer preferences have influenced and will continue to affect the online retail industry. We must stay informed about emerging consumer preferences and anticipate product trends that will appeal to existing and potential consumers. In order to be successful, we and our brand owners must accurately predict consumers’ tastes and avoid overstocking or understocking products.

Additionally, any product quality failures, after-sales service issues, or public controversies involving our brand owners may erode trust in us and reduce demand for affected products. We must also monitor our brand owners’ compliance with quality and service standards, as failures in these areas could lead to reputational harm even for unrelated products that we sell. If we become unable to predict and promptly respond to consumer preferences or market demand, or if our brand owners suffer reputational damage due to quality or service issues, we may fail to continuously develop products with wide market acceptance, capture emerging growth opportunities, adopt competitive sales strategies or properly manage our inventory. If we or our brand owners fail to identify and respond to changes in merchandising and consumer preferences, or if brand owners’ products or solutions generate negative publicity, sales on our brand owners’ e-commerce businesses could suffer and we or our brand owners could be required to mark down unsold inventory, which could negatively impact our financial results.

We rely on the continuous and smooth operation of certain e-commerce platforms such as Douyin, Meituan and Tmall.

A substantial portion of our GMV is derived from goods sold or solutions rendered on Douyin, Meituan and Tmall. As such, our business operations are inherently tied to the uninterrupted functionality of these third-party e-commerce platforms. While we maintain our own operational protocols and contingency measures, we ultimately have limited control over the underlying technological infrastructure and operational continuity of these external platforms. The stability of these systems can be affected by various technical and operational factors beyond our control, including but not limited to periodic maintenance requirements, unexpected system outages, telecommunications disruptions, cybersecurity incidents, or other technological failures that may temporarily impair platform accessibility or functionality.

Any such disruptions, even if temporary, could create operational challenges for our business, potentially affecting our ability to maintain normal sales activities, fulfil service obligations to brand owners, or sustain expected transaction volumes. Any material channel downtime or disruption could prevent us from providing solutions to our brand owners and reduce sales in stores operated by us. If one or more of the e-commerce platforms we operate on experience downtime or disruption, the adverse effects of such downtime and disruption could be significant to our operations as a whole.

If inferior products are sold in the stores we operate or the platforms we operated, our reputation and financial results could be adversely affected.

We represent reputable brands, and we source goods from our brand owners directly or through the distributors authorised by our brand owners. However, quality control measures for products sold through e-commerce channels may not always be adequate, which could lead to decrease in sales and reputational harm.

RISK FACTORS

We may face regulatory scrutiny if inferior products are found in our sales, potentially resulting in corrective actions, compensation claims, or administrative penalties depending on the severity of the issue. Inferior products may not meet quality standards or pose potential safety concerns to consumers. If consumers encounter problems with the products sold through the stores we operate or the platform we operated, we may be subject to lawsuits, severe administrative penalties and criminal liability. We believe our reputation is extremely important to our success and our competitive position. The discovery of inferior products sold through the stores we operate or the platform we operate may severely damage our reputation among brand owners, and they may refrain from adopting our solutions in the future, which would materially and adversely affect our business operations and financial results.

If we fail to manage our trade receivables effectively or fail to collect our trade receivables, our results of operations, financial condition and liquidity may be materially and adversely affected.

We generate revenue under two business lines, namely, sales of goods and provision of services. See “Business — Our Business Model” for details. As of 31 December 2023, 2024 and 2025, our trade and other receivables amounted to RMB366.5 million, RMB443.9 million and RMB428.4 million, respectively. The increase in trade and other receivables from 31 December 2023 to 31 December 2024 primarily resulted from collaborations with additional brand owners and sales channels, which created more business scenarios that required advances we paid on behalf of brand owners recorded as trade receivables. Our trade receivables turnover days were 37.5 days, 32.7 days and 27.8 days in 2023, 2024 and 2025, respectively. The amount and turnover days of our trade receivables may increase in the future, which will make it more challenging for us to manage our working capital effectively, and our results of operations, financial conditions and liquidity may be materially and adversely affected.

When we provide e-commerce store operation services to brand owners, a variable portion of the revenue we generate from certain brand owners is based upon the amount of GMV, and any change to such pricing mechanism may adversely affect our financial results.

A negotiated portion of the revenue we generate from certain brand owners when we provide e-commerce store operation services to them is variable based on GMV generated through such brand owners’ authorised flagship stores and other brand stores that we operate. If that GMV were to decline, does not grow as expected, or if our brand owners demand pricing terms that do not provide for variability based on the value of purchases transacted and settled on the stores operated by us, our revenue, profitability and business prospects may be adversely affected. In addition, the ratio of our revenue as a percentage of GMV generated through brand owners’ authorised flagship stores and other brand stores that we operate could vary as their bargaining power increases or our solutions scope reduces, which could adversely affect our financial results. There is no guarantee that we will successfully achieve a higher ratio of our revenue as a percentage of GMV generated through the brand owner’s authorised flagship stores and other brand stores that we operate, and our failure to do so could adversely affect our financial results.

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

The fair value of our financial assets at FVTPL are estimated by using valuation techniques and on the basis of observable and unobservable inputs. As of 31 December 2023, 2024 and 2025, we recorded financial assets at FVTPL of RMB116.5 million, RMB152.7 million and RMB149.1 million, respectively. Our financial assets at FVTPL recorded as current assets primarily represent structured deposits and banking financial products, i.e. the investment products we purchase at major commercial banks.

The valuation of these financial assets can be uncertain, especially when unobservable inputs are used in valuation models. These inputs may not accurately reflect actual market conditions or could be based on assumptions that may not materialize, leading to potential discrepancies between the recorded fair value and the price we might obtain in an actual transaction. We may also record other financial assets of which the fair value is determined with a higher level of judgment and/or is more susceptible to market conditions. Changes in financial assets at FVTPL or equity investments designated at FVOCI may cause volatility in or materially and adversely affect our period-to-period earnings, results of operations and financial performance.

RISK FACTORS

Any failure to comply with the laws and regulations relating to cybersecurity, data security and personal information protection may subject us to legal or administrative proceedings, which may materially and adversely affect our reputation and business operations.

Our business operations are subject to various data security and personal information protection laws and regulations. While we do not directly handle personal information of the customers, in limited circumstances when we need access to certain types of personal information of the customers, such as their telephone numbers when we conduct our after-sale services. All such activities are conducted under strictly controlled conditions with comprehensive oversight measures in place. See “Business — Data Privacy and Protection”. The PRC government has enacted a series of laws, regulations and governmental policies for the protection of cybersecurity, data security and personal information in the past few years. See “Regulation Overview — Regulation on Cyber Security and Personal Information Protection”. Our PRC Legal Advisers conducted a telephonic consultation (the “**Consultation**”) on 8 April 2025 with the China Cybersecurity Review, Certification and Market Regulation Big Data Centre (中國網絡安全審查認證和市場監管大數據中心). See “Business — Data Privacy and Protection” for details of the Consultation.

During the Track Record Period and up to the Latest Practicable Date, we had complied with applicable data security and personal information protection laws and regulations in the jurisdictions where we operate in all material aspects. See “Business — Data Privacy and Protection”. Nevertheless, there might be changes from time to time regarding the interpretation and application of the laws and regulations regarding data privacy and protection. In addition, we may be subject to additional regulatory requirements regarding data privacy and protection, which may necessitate adjustments to our data management framework and incur additional costs. Any concerns about our practices or policies with respect to the collection, use, storage, retention, transfer, disclosure and other processing of data and cybersecurity could subject us to potential liabilities and reputational damage. In addition, the regulatory regime for data protection and privacy is complex and constantly evolving, which could increase our compliance costs and operational complexity. Complying with new data laws and regulations could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business. Any failure to closely monitor the relevant regulatory development could subject us to potential liabilities, further materially and adversely affecting our business, financial condition and results of operations.

In addition, our business involves conducting analysis on certain consumer behavioural data. Accordingly, we face risks inherent in handling and protecting large volumes of data. In particular, we face challenges relating to data derived from transactions and other activities related to our business operation, including protecting data in and hosted on our system, including against attacks on our system by outside parties or fraudulent behaviour or improper use by our employees; addressing data privacy, security and other concerns; and complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and government authorities relating to such data. Significant capital and other resources may be required to protect against information security breaches or to alleviate problems caused by such breaches or to comply with our privacy policies or privacy-related legal obligations. The resources required may increase over time as the methods used by hackers and others engaged in online criminal activities are increasingly sophisticated and constantly evolving. Any failure or perceived failure by us to prevent information security breaches or to comply with privacy policies or privacy-related legal obligations, or any compromise of security that results in the unauthorised release or transfer of personally identifiable information or other consumers’ data, could cause our consumers to lose trust in us and could expose us to legal claims. Any perception by the public that online transactions or the privacy of user information are becoming increasingly unsafe or vulnerable to attacks could inhibit the growth of online retail and other online services generally.

As we expand our operations, we will be subject to additional laws in other jurisdictions where our additional new brand owners and potential overseas end consumers are located. The laws, rules and regulations of other jurisdictions may be at a more mature stage of development, be more comprehensive and nuanced in their scope, and impose more stringent or conflicting requirements and penalties than those in China, compliance with which could require significant resources and costs. Any failure, or perceived failure, by us to comply with our privacy policies or with any regulatory requirements or privacy

RISK FACTORS

protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others. These proceedings or actions could subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs and severely disrupt our business.

If our brand owners cease to provide favourable credit terms or shorten the existing credit terms granted to us, our liquidity condition may be materially and adversely affected.

Under the sales of goods business line, we typically make advance payments to our brand owners for purchase orders. During the preparation periods for major promotional campaigns, we may negotiate with select brand owners or provide bank guarantees to secure a credit term up to three months to benefit our cash flow. This may result in forfeiting early payment discounts ranging from 0.5% to 2% normally offered by brand owners. See “Business — Our Business Model — Our Solutions - Sales of Goods” for details. Our trade and bills payables turnover days amounted to 54.7 days, 60.1 days and 59.9 days in 2023, 2024 and 2025, respectively. We cannot assure you that we will sustain our success of negotiation and obtaining favourable credit terms from our suppliers. In addition, there is no guarantee that we can maintain our amicable business relationship with our suppliers in the future. If our suppliers shorten the existing credit period granted to us, our liquidity condition may be materially and adversely affected.

Any deficiencies in China’s telecommunication infrastructure could impair our ability to provide digital retail solutions to our brand owners and materially and adversely affect our results of operations.

Our business relies, to a greater extent, on the performance and reliability of the telecommunication infrastructure in China. The availability of our technology platform depends on telecommunications carriers and other third-party providers for communications and storage capacity, including bandwidth and server storage. Most internet and mobile network is maintained by state-owned telecommunication carriers under administrative control, and we rely on these carriers and service providers to connect our internet platform to consumers. Service interruptions prevent brand owners from utilising our technology platform. Frequent or extended interruptions could frustrate consumers, discouraging them from placing orders. This could cause us and our brand owners to lose consumers and adversely affect our results of operations.

Any occurrence of a natural disaster, health epidemic or similar development could have a material adverse effect on our business.

Our business could be materially and adversely affected by natural disasters, such as earthquakes, floods, snowstorms, typhoon, or fires, widespread health epidemics, such as avian influenza, swine flu, severe acute respiratory syndrome, or SARS, Ebola, Zika, COVID-19, or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. Such developments in China or elsewhere could disrupt our business and operations, cause a temporary closure of facilities we use for our operations, and have a material adverse effect on our business, financial condition and results of operations.

In recent years, there have been outbreaks of health epidemics in various countries, including China. For instance, during COVID-19 pandemic-related lockdowns, we experienced operational challenges including consumer orders being cancelled or delayed due to warehouse closures, difficulties in fulfilling deliveries which led to increased refund rates, and inventory management issues as certain products approached expiration while in storage. These disruptions also impacted our cash flow cycles, as delayed shipments resulted in slower payment collections from both consumers and brand owners. To the extent that any other epidemic or pandemic may cause harm in the future, to the Chinese or global economy, our results of operations will likely be further adversely affected. Potential impacts of such epidemic or pandemic include decreased demand due to office closures and operational suspensions among our brand owners and customers; disruptions in supply chains and extended payment cycles, which could increase our accounts receivable and inventory levels hindered new client acquisition, logistics delays, and reduced operational efficiency, all of which may lead to short-term fluctuations and long-term challenges in our business performance and financial condition.

RISK FACTORS

Our results of operations are subject to fluctuations due to the seasonality of our business and other events.

We have experienced and expect to continue to experience seasonal fluctuations in our revenue. These seasonal patterns have caused and will continue to cause fluctuations in our operating results. Our results of operations historically are subject to seasonal fluctuations. For example, our revenue are relatively higher during major promotion periods such as the 618 Mid Year campaign and Double 11 Day campaign, when consumers tend to do more shopping.

In anticipation of increased sales activity during peak seasons, both we and our brand owners increase our inventory levels and incur additional expenses. If we and our brand owners fail to increase inventory levels for popular products in sufficient amounts or we become unable to restock popular products in a timely manner, we and our brand owners may fail to meet customer demand which could reduce the attractiveness of brand owners’ authorised flagship stores and other brand stores operated by us. Alternatively, if we overstock products, we may need to implement significant inventory markdowns or write-offs, which could reduce profits. Either of the aforesaid scenario could lead our brand owners to reduce their engagement with us. In the future, our seasonal sales patterns may become more pronounced, potentially straining our personnel, customer service operations, fulfilment operations and shipment activities. This could lead to a shortfall in revenue compared to expenses in a given period. As a result, the trading price of our H Shares may fluctuate from time to time due to seasonality.

In addition, if too many consumers access the brand owners’ authorised flagship stores and other brand stores operated by us within a short period of time due to increased promotions or other demand surges, we may experience system interruptions that make such authorised flagship stores and other brand stores unavailable or prevent us from transmitting orders to our fulfilment operations. Such interruptions may reduce the volume of transactions in the stores that we operate as well as the attractiveness of such authorised flagship stores and other brand stores to consumers.

We rely on the e-commerce sales performance of certain product categories that we focus on, and any significant downward industry trend of such categories may materially and adversely affect our business and results of operations.

We currently serve brand owners in the following categories: food & beverage, beauty & personal care, baby & kids, pop toys, pets, health and outdoor sports industries. Currently, we have a substantial amount of our revenue and GMV derived from brand owners in these categories. If the e-commerce sales performance of certain or various product categories is not successful in general, our business and results of operations may be materially and adversely affected.

RISKS RELATED TO DOING BUSINESS IN THE PRC

We are subject to laws that are applicable to retailers, including advertising and promotion laws and consumer protection laws that could require us to modify our current business practices and incur increased costs.

We are subject to numerous PRC laws and regulations that regulate retailers generally or govern online retailers specifically. For example, we are subject to laws in relation to advertising and online promotion, such as the Advertising Law (中華人民共和國廣告法), Pricing Law (中華人民共和國價格法), Anti-Unfair Competition Law (中華人民共和國反不正當競爭法), Measures for the Administration of Internet Advertising (互聯網廣告管理辦法), and also consumer protection laws that are applicable to retailers. Such allegations may result in administrative penalties and other costs to us, and we may need to adjust some of our advertising and promotional practices as a result.

If these regulations were to change or if we are found to be in violation with them, we may need to spend additional costs to rectify non-compliance, adjust our business practices and could be subject to fines or penalties or suffer reputational harm, which could reduce demand for the products or services offered by us and hurt our business and results of operations.

RISK FACTORS

Similar legal requirements are frequently changed and subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effect on our operations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations or to satisfy compliance requests from the e-commerce platforms we partnered with, which may increase our costs and materially limit our ability to operate our business.

Failure to comply with E-Commerce Law may have a material adverse impact on our business, financial conditions and results of operations.

In August 2018, the Standing Committee of the National People’s Congress promulgated the E-Commerce Law (中華人民共和國電子商務法) (the “**E-Commerce Law**”), which became effective on 1 January 2019. The E-Commerce Law generally provides that e-commerce operators must obtain , including the obligations to disclose information about commodities or services in a comprehensive, faithful, accurate and timely manner; while displaying search results of commodities or services to consumers according to their interests, preferences, consumption habits and other personal characteristics, to provide consumers with options irrelevant to their personal characteristics; when to offer tie-in commodities or services, to warn consumers about the tie-in sale in a prominent position and not to set the tie-in commodities or services as the default option; and when charging consumers guarantee deposits as agreed thereby, to explicitly indicate how and under what procedures consumers may have the guarantee deposits refunded, and not to impose any unjustifiable conditions on the refund of guarantee deposits. We cannot assure you that our current business operations satisfy the obligations provided under the E-Commerce Law in all respects. If the PRC governmental authorities determine that we are not in compliance with all the requirements proposed under the E-Commerce Law, we may be subject to fines and/or other sanctions.

Any lack of requisite approvals, licenses or permits applicable to our business or failure to comply with PRC laws and regulations may have a material and adverse impact on our business, financial condition and results of operations.

Our business is subject to supervision and regulation by relevant PRC government authorities, including without limitation the MOFCOM, the MIIT, the SAMR and National Medical Products Administration. These government authorities promulgate and enforce regulations that cover many aspects of online retailing and distribution of products such as food and medical devices, including scope of permitted business activities, licences and permits for business operation, and restriction on foreign investments. Meanwhile, the brand owners we partner with are also obliged to hold licenses and meet regulatory requirements in order to sell products themselves or through our digital retail solutions. While we currently hold all material licences and permits required for our business operations, we cannot assure you that we will be able to renew these licences and permits upon their expiration, expand the current business scope of these licences and permits when required, obtain any licence or permit that is in application, or obtain new licences or permits in the future as a result of our business expansion, change in our business operations or change in laws and regulations applicable to us.

As e-commerce business via internet and mobile network is still evolving in China, new laws and regulations may be adopted from time to time, and substantial uncertainties exist regarding interpretation and implementation of current and future PRC laws and regulations applicable to our business operations. With the expansion of our business in the future, we may be required to obtain other required licences or expand the current scope of the licences we hold to cover internet information services rendered through mobile networks or to cover other scopes such as online data processing and transaction processing service (in addition to operational e-commerce) that may be required by the government authorities from time to time.

Our PRC Legal Advisers are of the view that during the Track Record Period, we did not require the VAT Licence or the ICP Licence since our business does not involve value-added telecommunications services that utilise public network infrastructure to provide telecommunications and information services as stipulated in the Regulation on Telecommunications of the People’s Republic of China (《中華人民共和國電信條例 (2016修訂) 》) and the new Classified Catalogue of Telecommunications Service.

RISK FACTORS

However, if we fail to adapt to any new regulatory requirement or any competent government authority considers that we operate our business operation without any requisite licence, permit or approval, or otherwise fail to comply with applicable regulatory requirements, we may be subject to administrative actions and penalties, including fines, confiscation of our incomes, revocation of our licences or permits, or, in severe cases, cessation of certain business. In addition, if our brand owners are found by government authorities to have operated their business through us without requisite approvals, licences or permits or otherwise to be in violation of applicable laws and regulations, they may be ordered to take rectification actions.

Our growth and profitability depend on the level of consumer confidence and spending in China.

Our business, financial condition and results of operations may change due to development in overall economic and political conditions that affect consumer spending in China. For example, changes to trade policies, treaties and tariffs in China, or the perception that these changes could occur, could adversely affect the financial and economic conditions in China, as well as our financial condition and results of operations.

Since early 2025, the U.S. government has issued multiple executive orders implementing additional tariff on imports from various jurisdictions including China and Hong Kong. The U.S. tariff and trade policies are subject to constant changes, influenced by evolving geopolitical dynamics, economic priorities and regulatory agenda, and such policies may be amended, expanded, or replaced with little or no advance notice. We cannot predict the timing, scope, or severity of potential changes in tariff and trade policies, which may continue to evolve in the future. The tariff may be imposed on goods imported by our brand owners, which could impact the pricing of their products and affect our business, financial condition, and results of operations. Furthermore, as we have plans to continue building our capabilities to serve overseas market to empower the globalisation of Chinese brands, see “Business — Our Strategies”, we cannot assure you that our business operations will not be subject to tariff rules or trade restrictions in the future. Any future deteriorating changes in the tariff policies of the U.S. and other jurisdictions towards the PRC may incur additional costs, affect our brand owners or us, and in turn affect our profitability level. Any of the above could negatively.

In addition, the retail industry is highly sensitive to general economic changes. Many factors outside of our control, including inflation and deflation, interest rates, volatility of equity and debt securities markets, taxation rates, employment and other government policies can adversely affect consumer confidence and spending. The domestic and international political environments, including trade disputes, political turmoil or social instability, may also adversely affect consumer confidence and spending, which could in turn adversely affect our business, financial condition, and results of operations.

Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies.

A substantial majority of our operations are conducted in the PRC and a substantial majority of our revenue is sourced from the PRC. Accordingly, our financial condition and results of operations are affected to a significant extent by economic, political and legal developments in the PRC. The growth of the PRC economy has been uneven, both geographically and among various sectors of the economy. The PRC government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall PRC economy, but may also have a negative effect on us, for example, government control over capital investments or changes in tax regulations that are applicable to us. The pace of economic growth may also affect the demand for our solutions and consequently have a material adverse effect on our businesses, financial condition and results of operations.

Failure to respond to changes and development with respect to PRC laws, rules and regulations could have an impact on us.

The PRC legal system is a civil law system based on written statutes where decided legal cases may be cited for reference but have limited value as precedent. Since the medical and health industry in the PRC

RISK FACTORS

is experiencing on-going development and reform, the laws and regulations relating to this industry are evolving and developing. Any failure to respond to development in the regulatory environment in the PRC could materially affect our business and impede our ability to continue our operations. Moreover, PRC laws and regulations relating to the medical and health industry could further intensify and add to the requirements on interpretation and compliance for companies operating in the changing environment. Laws and regulations and enforcement requirements thereof applicable in China could impact us in a number of ways, including in maintaining adequate licences and permits to conduct business and contractual enforcement.

Any adverse changes in global macroeconomic situations, such as economic downturn or deterioration in political or economic relations among countries, may negatively and materially affect our business, financial condition and results of operations.

The global macroeconomic environment is facing challenges along with uncertainties over the impact of ongoing trade disputes and tariffs. Macro-economic factors, such as changes in global or national economic and political conditions, changes in the regulatory environment, fluctuations in interest rates, inflation, consumer preferences and employment levels, may affect the overall performance of the global economies, and may cause changes in consumers’ spending patterns or our costs of doing business. Our business and operations are primarily based in China and substantially all of our revenue are derived from our operations in China. Accordingly, our financial results have been, and are expected to continue to be, affected by the economy and e-commerce industry in China.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries. There is also potential risk that the new national security legislation could trigger sanctions or other forms of penalties by foreign governments, which may adversely affect the financial market and economic condition of Hong Kong, and in turn may adversely affect the operations of our subsidiaries in Hong Kong and the trading price of our H Shares on the Hong Kong Stock Exchange.

Our operations are subject to, and may be affected by, the tax laws and regulations in the PRC. Changes in tax laws and regulations in the PRC where we operate such as increase in applicable tax rates may materially and negatively affect our profitability level and business performance.

The Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法) (the “EIT Law”) imposes a tax rate of 25% on business enterprises. Some of our subsidiaries are entitled to preferential tax treatment. To the extent there are any changes in the laws and regulations governing preferential tax treatment or increases in our effective tax rate due to any other reasons, our tax liability would increase correspondingly. In addition, the PRC government may amend or restate regulations on income, withholding, value-added and other taxes. Non-compliance with the PRC tax laws and regulations may also result in penalties or fines imposed by relevant tax authorities. Adjustments or changes to PRC tax laws and regulations and tax penalties or fines could affect our businesses, financial condition and results of operations.

Our offshore subsidiaries may be deemed to be a PRC tax resident enterprise.

Under the EIT Law and the Regulation on the Implementation of the Enterprise Income Tax Law of China (中華人民共和國企業所得稅法實施條例), enterprises established under the laws of jurisdictions outside of China with “de facto management bodies” located in China may be considered PRC tax resident enterprises for tax purposes and may be subject to the PRC enterprise income tax at the rate of 25% on their global income. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知), or Circular 82, specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated under the laws of foreign countries or territories and that have PRC enterprises or

RISK FACTORS

enterprise groups as their primary controlling shareholders, will be classified as resident enterprises if all of the following conditions are met: (i) senior management personnel and departments that are responsible for daily production, operation and management are located mainly within China; (ii) financial and personnel decisions are subject to determination or approval by bodies or persons in China; (iii) key properties, accounting books, company seal and minutes of board meetings and shareholders’ meetings are located or kept within China; and (iv) at least half of the directors with voting rights or senior management reside within China. The State Administration of Taxation of the PRC, or SAT, has subsequently provided further guidance on the implementation of Circular 82.

Although most of our offshore subsidiaries have substantive business operations in the countries or regions where they are located, as our Company is a PRC enterprise, our offshore subsidiaries may be questioned by the competent regulatory authorities, and if our offshore subsidiaries are deemed PRC resident enterprises, they could be subject to the EIT at 25% on their global income, except that the dividends they receive from our PRC subsidiaries, if any, may be exempt from the EIT to the extent such dividend income constitutes “dividends received by a PRC resident enterprise from its directly invested entity that is also a PRC resident enterprise”. Nonetheless, it remains subject to future interpretation as to what type of enterprise would be deemed a “PRC resident enterprise” for such purposes. The EIT on our subsidiaries’ global income could significantly increase our tax burden and affect our cash flows and profitability.

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

Under the PRC Individual Income Tax Law (中華人民共和國個人所得稅法) and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realised by such investors on the transfer of shares are generally subject to a 20% PRC income tax rate, in each case, subject to any reduction or exemption set out in applicable tax treaties and PRC laws. Pursuant to applicable laws, dividends paid to non-PRC resident individual holders of H Shares are generally subject to individual income tax of the PRC at the withholding tax rate of 10%, depending on whether there is any applicable tax treaty between the PRC and the jurisdiction in which the non-PRC resident individual holder of H Shares resides as well as the tax arrangement between the PRC and Hong Kong. Non-PRC resident individual holders who reside in jurisdictions that have not entered into tax treaties with the PRC are subject to a 20% withholding tax on dividends received from us. However, as of the Latest Practicable Date, relevant laws and regulations had not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. To our knowledge, in practice, the PRC tax authorities have not sought to collect individual income tax from non-PRC resident individuals on gains from the transfer of listed shares of PRC resident enterprises on overseas stock exchanges. However, there is no assurance that the PRC tax authorities will not change these practices, which could result in levying income tax on non-PRC resident individuals on gains from the sale of H shares.

If the PRC income tax is imposed on gains realised from the transfer of our H Shares or on dividends paid to our non-PRC resident investors, the value of your investment in our H Shares may be affected. Furthermore, our Shareholders whose jurisdictions of residence have tax treaties or arrangements with the PRC may not qualify for benefits under such tax treaties or arrangements.

Dividends payable to our foreign investors and gains on the sale of our H Shares by our foreign investors may become subject to PRC tax law.

Under the EIT Law and its implementation regulations issued by the State Council, a 10% PRC withholding tax is applicable to dividends payable to investors that are non-resident enterprises, which do not have an establishment or place of business in the PRC or which have such establishment or place of business but the dividends are not effectively connected with such establishment or place of business, to the extent such dividends are derived from sources within the PRC. Similarly, any gain realised on the transfer of our H Shares by such investors is also subject to PRC tax at a current rate of 10%, subject to any reduction or exemption set out in applicable tax treaties or under applicable tax arrangements between jurisdictions, if such gain is regarded as income derived from sources within the PRC. If we are deemed a PRC resident enterprise, dividends paid on our H Share, and any gain realised from the transfer of our

RISK FACTORS

H Share, would be treated as income derived from sources within the PRC and would as a result be subject to PRC taxation. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to individual investors who are non-PRC residents and any gain realised on the transfer of H Shares by such investors may be subject to PRC tax at a current rate of 20%, subject to any reduction or exemption set out in applicable tax treaties or under applicable tax arrangements between jurisdictions. It is unclear whether if we or any of our subsidiaries established outside China are considered a PRC resident enterprise, holders of our H Shares would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas. If dividends payable to our non-PRC investors, or gains from the transfer of our H Shares by such investors are subject to PRC tax, the value of your investment in our H Shares may decline significantly.

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

Conversion and remittance of foreign currencies are subject to certain foreign exchange regulations. It cannot be guaranteed that, under a certain exchange rate, we would have sufficient foreign exchange to meet our foreign exchange needs. For example, under the PRC current foreign exchange regulation system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE; however, we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within the PRC that have the licences to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or their local branch unless otherwise permitted by law. Any insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to Shareholders or satisfy any other foreign exchange obligation. If we fail to obtain approvals from the SAFE to convert RMB into any foreign exchange for any of the above purposes, our potential offshore capital expenditure plans and even our business may be affected. Moreover, non-compliance with any applicable foreign exchange regulations could subject us to administrative penalties and fines, and could affect our business and reputation.

RISKS RELATED TO OUR OPERATIONS

We may not be able to adequately protect our intellectual property rights, and we may be subject to claims by third parties for intellectual property infringement or other allegations for relevant intellectual property infringement risks.

We rely on a combination of trademark, fair trade practice, patent, copyright and trade secret protection laws in China and other jurisdictions, as well as confidentiality procedures and contractual provisions, to protect our intellectual property rights. We also enter into confidentiality agreements with our employees and any third parties who may access our proprietary information, and we rigorously control access to our proprietary technology and information.

Intellectual property protection may not be sufficient in China or other countries in which we operate. Confidentiality agreements may be breached by counterparties, and there may not be adequate remedies available to us for any such breach. Accordingly, we may not be able to effectively protect our intellectual property rights or to enforce our contractual rights in China or elsewhere. In addition, policing any unauthorised use of our intellectual property is difficult, time-consuming and costly and the steps we have taken may be inadequate to prevent the misappropriation of our intellectual property. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. We can provide no assurance that we will prevail in such litigation. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors.

In addition, we cannot assure you that our business practices do not and will not infringe, misappropriate or otherwise violate any IP rights of third parties. Intellectual property litigation is usually complex and the results of intellectual property litigation are unpredictable. As we gain greater visibility and market exposure as a public company in the future, we may also be at greater risk of being the subject of intellectual property litigation. Third parties may claim that the technology or content used in our

RISK FACTORS

operation of brand owners’ authorised flagship stores and other brand stores operated by us or our service offerings infringe upon their intellectual property rights. Such claims, whether or not having merit, may result in our expenditure of significant financial and management resources, injunctions against us or payment of damages. We may need to obtain licences from third parties who allege that we have infringed their rights, but such licences may not be available on terms acceptable to us or at all. These risks have been increased by the growth in the number of third parties whose sole or primary business is to assert such claims. In addition, we have registered or are in the process of registering some trademarks we used for our business but our applications may be rejected by the governmental authority. As some third parties have already registered or may register the trademarks which are similar to the marks we used in our business, infringement claims may be asserted against us, and we cannot assure you that a government authority or a court will hold the view that such similarity will not cause confusion in the market. In this case, we may be required to explore the possibility of acquiring these trademarks from, or entering into exclusive licensing agreements with the third parties, which will cause us to incur additional costs.

If any of the information disseminated through the brand owner’s authorised flagship stores and other brand stores operated by us were deemed by the PRC government to violate any content restrictions, we would not be able to continue to display such content and could become subject to penalties, including confiscation of income, fines, suspension of business and revocation of required licences, which could materially and adversely affect our business, financial condition and results of operations.

The outcome of any claims, investigations and proceedings is inherently uncertain, and in any event defending against these claims could be both costly and time-consuming, and could significantly divert the efforts and resources of our management and other personnel. An adverse determination in any such litigation or proceedings could cause us to pay damages, as well as legal and other costs, limit our ability to conduct business or require us to change the manner in which we operate.

If we fail to maintain adequate internal controls, we may not be able to effectively manage our business and may experience errors or information lapses affecting our business.

Our success depends on our ability to effectively utilise our standardised management systems, information systems, resources and internal controls. As we continue to expand, we will need to modify and improve our financial and managerial controls, reporting systems and procedures and other internal controls and compliance procedures to meet our evolving business needs. If we are unable to improve our internal controls, systems and procedures, they may become ineffective and adversely affect our ability to manage our business and cause errors or information lapses that affect our business. Our efforts in improving our internal control systems may not result in eliminating all risks. If we are not successful in discovering and eliminating weaknesses in our internal controls, our ability to effectively manage our business may be affected.

We may not have sufficient insurance coverage to fully cover our business risks, which could expose us to significant costs and business disruption.

We have obtained insurance to cover certain potential risks, such as property insurance, professional liability insurance, international transportation insurance, and employer’s liability insurance. See “Business — Insurance” for details. We also require our third-party warehousing service providers to maintain valid property insurance. However, our coverage may not be adequate to compensate for all losses that may occur, particularly with respect to loss of business or operations. We do not maintain business interruption insurance or litigation insurance, nor do we maintain key-man life insurance. This could leave us exposed to potential claims and losses. In addition, our third-party service providers may fail to purchase insurance or maintain effective insurance. Even if we are successful in our claims against third-party service providers when certain accidents occurred, such third-party service providers may not be able to fully, or at all, pay the damages resulting from such accidents. We cannot assure you that our insurance coverage or our third-party service providers’ insurance coverage is sufficient to prevent us from any loss or that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we incur any loss that is not covered by our insurance policies, or the compensated amount is significantly less than our actual loss, our business, financial condition and results of operations could be materially and adversely affected.

RISK FACTORS

The discontinuation of any of the preferential income tax treatments or government subsidies currently available to us in the PRC could have a material and adverse effect on our result of operations and financial condition.

During the Track Record Period, several subsidiaries in the PRC qualified as small-scale and low-profit enterprises under the EIT Law enjoyed a lower effectively applicable EIT rate of 5%. See Note 11 to the Accountants’ Report set out in Appendix I to this document for details of applicable tax rates to our PRC subsidiaries. The discontinuation of the above-mentioned preferential income tax treatments or the change of the applicable preferential tax rate currently available to us in the PRC could have a material and adverse effect on our result of operations and financial condition. We cannot assure you that we will be able to maintain our current effective tax rate in the future.

We also received subsidies from local governments in China as incentives for conducting business in certain local districts. We received government grants of RMB18.1 million, RMB11.1 million and RMB10.3 million in 2023, 2024 and 2025, respectively. These government subsidies are non-recurring in nature and we cannot assure you that we will be able to receive any government subsidies in the future.

We may be subject to risks relating to our failure to complete lease registration for our leased properties.

Pursuant to applicable PRC laws and regulations, for property lease agreements, lease registration must be completed with the local housing or urban-rural development authorities in the PRC. As of the Latest Practicable Date, we had not completed the relevant lease registrations for 23 of our leased properties, which was primarily due to the restriction on registering lease agreements for certain registration places and the difficulty of procuring some lessors’ cooperation to register such leases. These leased properties, with a total GFA of 6,926.11 sq.m. accounting for approximately 28.2% of the GFA of our leased properties in the PRC, are for office, warehousing use and registration places. The relevant government authorities may order us to complete the lease registration for such lease agreements within a prescribed period, failing which we may be subject to a fine from RMB1,000 to RMB10,000 for each non-registered lease. We cannot assure you that we will be able to complete the lease registration on a timely basis or at all in such cases, and we may be subject to penalties arising from the failure to complete the lease registration filing of lease agreements and any disputes arising from our leased properties in the future. See “Business — Land and Properties” for details.

Our right to lease the properties may be affected, which could cause disruption to our business.

As of the Latest Practicable Date, the lessors for two of our 32 leased properties in the PRC had not provided valid title certificates or authorisations evidencing their rights to lease the properties. These leased properties, with a total GFA of 1,278 sq.m. accounting for approximately 5.2% of the GFA of our leased properties in the PRC, are office and registration place, respectively. The absence of the property ownership certificate or authorisation documents limits our ability to determine whether the lessors have the right to lease the properties to us, and if any of the lessors are unable to obtain the property ownership certificate, or they are not the legal owners and have not been duly authorised by the legal owners, we may be demanded to vacate the relevant leased properties. As such, our business, financial condition and results of operations may be negatively affected. See “Business — Land and Properties” for details.

We depend on key management as well as experienced and capable personnel generally, and any failure to attract, motivate and retain our staff could severely hinder our ability to maintain and grow our business.

Our future success is significantly dependent upon the continued service of our key executives and other key employees. If we lose the services of any member of management or key personnel, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff, which could severely disrupt our business and growth. Our future success also depends on our ability to recruit, train and retain qualified personnel, particularly technical, marketing and other operational personnel with experience in the e-commerce industry. We can provide no assurance that we will be able to attract or retain such personnel.

RISK FACTORS

Competition for talent in the PRC e-commerce industry is intense, and the availability of suitable and qualified candidates in China is limited. Competition for these individuals could cause us to offer higher compensation and other benefits to attract and retain them. Even if we were to offer higher compensation and other benefits, there is no assurance that these individuals will choose to join or continue to work for us. Any failure to attract or retain key management and other personnel could severely disrupt our business and growth.

In addition, our ability to train and integrate new employees into our operations may also be limited and may not meet the demand for our business growth on a timely fashion, or at all, and rapid expansion may impair our ability to maintain our corporate culture.

Any quality issues related to our products could result in a loss of customers and may subject us to product liability claims and reputational risks.

We sell products manufactured by third parties, some of which may be defective. If any product that we sell were to cause personal injury or injury to property, the injured party or parties could bring claims against us as the retailer of the product. These claims will not be covered by insurance as we do not maintain any product liability insurance. Similarly, we could be subject to claims that consumers of the brand owners’ authorised flagship stores and other brand stores operated by us were harmed due to their reliance on our product information, product selection guides, advice or instructions. Such claims could stem from allegations or proof that our products are unsafe or defective.

There can be no assurance that we will be able to recover all or any amounts from these parties. If any products sold by us are alleged to be unsafe or defective, we may experience reduced sales of the relevant products and may have to recall them from the market. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any material product recall, nor had we experienced any material product liability claim. Nevertheless, we cannot assure that such recalls will not occur, or such claims will not be filed against us in the future. Any future product liability claim or large scale of call back due to defective products discovered, regardless of its merit or success, could result in the expenditure of funds and management time, adverse publicity and reputational harm and could have a negative impact on our business and financial condition.

Restrictions on currency exchange, and fluctuations in exchange rates could limit our ability to utilise our revenue, or materially reduce the value of your investment because of foreign currency exchange losses.

Substantially all of our revenue is denominated in Renminbi. Since a significant amount of our future revenue will be denominated in Renminbi, any existing and future restrictions on currency exchange may limit our ability to utilise revenue generated in Renminbi to fund our business activities outside of the PRC or pay dividends in foreign currencies to our shareholders, including holders of our H Shares. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant PRC governmental authorities. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries and the variable interest entity.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC government. The PRC government may in the future announce further changes to the exchange rate system and there is no guarantee that the RMB will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future. The foreign exchange risk we are facing mainly arises from movements in RMB against United States Dollars, Japanese Yen or Hong Kong dollars. See “Financial Information — Financial Risks — Currency Risk” for details.

RISK FACTORS

To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. Our ability to convert RMB into foreign currency might be limited. As a result, fluctuations in exchange rates may have a material adverse effect on your investment.

Our ability to raise capital in the future may be limited, and our failure to raise capital when needed could prevent us from growing.

We may in the future be required to raise capital through public or private financing or other arrangements. Such financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could harm our business. Additional equity or equity linked financing may dilute the interests of our shareholders, and debt financing, if available, may involve restrictive covenants and could restrict our operational flexibility and reduce our profitability. Our ability to obtain additional financing in the future is subject to many uncertainties, including our future financial condition, results of operations, cash flows, trading price of our H Shares, liquidity of international capital and lending markets and PRC governmental regulations over foreign investment and cross-border financing and the digital retail solutions industry in the PRC.

Holders of our H Shares may have difficulty effecting service of process and enforcing judgments obtained against us, our Directors, Supervisors and our management, and the ability of U.S. or Hong Kong authorities to bring and enforce actions in the PRC may also be limited.

A substantial part of our assets, and majority of our Directors, Supervisors and senior management, are located in China. China has not entered into treaties or arrangements providing for the recognition and enforcement of judgments made by courts of most other jurisdictions. As a result, it may not be possible for investors to effect service of process upon us, or our Directors, Supervisors or senior management who reside in China.

RISKS RELATED TO THE [REDACTED]

The trading volume and market price of our Shares may be volatile, which may result in substantial losses for investors subscribing for or purchasing our Shares pursuant to the [REDACTED].

The trading volume and market price of the Shares may be subject to significant volatility in responses to various factors. Some of these factors are beyond our control, including:

- regulatory developments affecting us or our industry, brand owners, suppliers or third-party sellers;
- announcements of studies and reports relating to the quality of our product and service offerings or those of our competitors, and other announcements made by market players;
- changes in the economic performance or market valuations of us or other e-commerce companies;
- conditions in the digital retail industry;
- investors' perception of us and of the investment environment in Asia, including Hong Kong and China, and changes in financial estimates by securities analysts;
- changes in pricing made by us or our competitors;
- acquisitions by us or our competitors;

RISK FACTORS

- additions to or departures of, our executive officers and other members of our senior management;
- the depth and liquidity of the market for our H shares, and sales or anticipated sales of additional H Shares; and
- the general economy and other factors.

Shares of other companies listed on the Stock Exchange with significant operations and assets in China have experienced price volatility in the past, and it is possible that our H Shares may be subject to changes in price not directly related to our performance.

There has been no prior public market for our H Shares, and the liquidity and market price of our H Shares may be volatile.

There was no public market for our H Shares prior to the [REDACTED]. There can be no guarantee that a public market for our H Shares with adequate liquidity and trading volume will develop and be sustained following the completion of the [REDACTED]. In addition, the [REDACTED] of our Shares is the result of negotiations between our Group and the [REDACTED] (for themselves and on behalf of the [REDACTED]), which may not be indicative of the market price of our H Shares following the completion of the [REDACTED]. The market price of our H Shares may drop below the [REDACTED] at any time after the completion of the [REDACTED].

Future sales or perceived sales or conversion of substantial amounts of our H Shares in the public market could have a material adverse effect on the prevailing market price of our H Shares and our ability to raise additional capital in the future, or may result in dilution of your shareholding.

Prior to the [REDACTED], there has not been a public market for our H Shares. Only a limited number of the H Shares currently outstanding will be available for sale or issuance immediately after the [REDACTED] due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, the market price of our H Shares could decline as a result of future sales or issuances of a substantial number of our H Shares or other securities relating to our H Shares in the public market, or the perception that such sales or issuances may occur. Moreover, such future sales or perceived sales may also adversely affect the prevailing market price of our H Shares and our ability to raise capital in the future at a favourable time and price. The H Shares held by the Controlling Shareholders are subject to certain lock-up undertakings. See “[REDACTED]” for details. We cannot assure you that the Controlling Shareholders will not dispose of such Shares they may own now or in the future.

Furthermore, if additional funds are raised through our issuance of new equity, including primary [REDACTED] of H Shares, convertible securities or equity-linked securities, other than on a pro-rata basis to existing Shareholders, the percentage ownership for such Shareholders may be reduced. Such new securities may also confer rights and privileges that take priority over those conferred by the H Shares.

Purchasers of our H Shares in the [REDACTED] will experience immediate dilution and may experience further dilution in the future.

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

We cannot assure you that the H Shares will remain [REDACTED] on the Stock Exchange.

Although it is currently intended that the H Shares will remain [REDACTED] on the Stock Exchange, there is no guarantee of the continued [REDACTED] of the Shares. Among other factors, our Company may not continue to satisfy the [REDACTED] requirements of the Stock Exchange. Holders of the H Shares would not be able to sell their H Shares through trading on the Stock Exchange if the H Shares were no longer [REDACTED] on the Stock Exchange.

RISK FACTORS

Our Controlling Shareholders have substantial influence over our Group and its interests may not be aligned with the interests of our other Shareholders.

Our Controlling Shareholders have significant influence in determining the outcome of any corporate transaction or other matter submitted to the Shareholders for approval, including but not limited to mergers, privatisations, consolidations and the sale of all, or substantially all, of our assets, election of directors, and other significant corporate actions. Immediately following the completion of the [REDACTED] (assuming that the [REDACTED] are not exercised), the Controlling Shareholders will be together entitled to control the exercise of approximately [REDACTED]% of the voting rights and thus remain as a group of Controlling Shareholders of our Company. The interests of our Controlling Shareholders might differ from the interests of our other Shareholders. In the event that our Controlling Shareholders cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, our other Shareholders could be disadvantaged, and their interests could be damaged. Any conflict of interest between our Controlling Shareholders and our other Shareholders may also materially and adversely affect the aspects such as the decision and implementation of our business plans, which may in turn affect our operations and prospects.

Our historical dividends may not be indicative of our future dividend policy, and there can be no assurance that we will declare and distribute any amount of dividends in the future.

During the Track Record Period, we declared and paid two dividends in 2024 of RMB9.7 million and RMB18.8 million respectively, and declared and paid two dividends in 2025 of RMB28.3 million and RMB9.4 million respectively. See Note 13 of the Accountants’ Report in Appendix I to this document for details our dividends. Dividends paid historically and during the Track Record Period may not be indicative of future dividend payments. We cannot guarantee when, if and in what form dividends will be paid in the future.

Our Directors have significant discretion as to whether to distribute dividends. Even if our Directors decide to declare and pay dividends, the amount of dividends actually distributed to our Shareholders, and the timing, amount and form of future dividends, if any, will depend on, among others, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiaries, our financial condition, contractual restrictions and other factors deemed relevant by our Directors. Any declaration and payment as well as the amount of dividends will also be subject to our constitutional documents and the relevant laws. Therefore, it is possible that the return on your investment in our H Shares will depend entirely upon any future price appreciation of our Shares, and there is no guarantee that our H Shares will appreciate in value after the [REDACTED] or even maintain the price at which you purchased the H Shares. You should not rely on an investment in our H Shares as a source for any future dividend income. You may not realise a return on your investment in our H Shares and you may even lose your entire investment in our H Shares.

If securities or industry analysts do not publish research or publish inaccurate or unfavourable research about our business, the market price for our H Shares and trading volume could decline.

The trading market for our H Shares will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades our H Shares or publishes inaccurate or unfavourable research about our business, the market price for our H Shares would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for our H Shares to decline.

Negative publicity, including negative internet postings, about us, management, brand owners and product offerings may have a material adverse effect on our business, reputation and the trading price of our H Shares.

Negative publicity about us, management, brand owners and product offerings may arise from time to time. Negative comments about the stores operated by us, products offered in such stores, our business operation and management may appear in internet postings and other media sources from time to time and we cannot assure you that other types of negative publicity of a more serious nature will not arise in the

RISK FACTORS

future. For example, if our customer service representatives fail to satisfy the individual needs of the end consumers, the consumers may become disgruntled and disseminate negative comments about our solutions. In addition, our brand owners may also be subject to negative publicity for various reasons, such as consumers’ complaints about the quality of their products and related services or other public relation incidents of such brand owners, which may adversely affect the sales of products of these brand owners in the stores operated by us and indirectly affect our reputation. Moreover, negative publicity about other online retailers or e-commerce service providers in China may arise from time to time and cause consumers to lose confidence in the products and services we offer. Any such negative publicity, regardless of veracity, may have a material adverse effect on our business and financial results, our reputation and the trading price of our H shares.

Certain facts, forecast and statistics contained in this document are derived from publicly available official government sources and they may not be reliable.

This document, particularly the section headed “Industry Overview”, contains information and statistics relating to the digital retail market in China. Such information and statistics have been derived from various official governments and other publications. The information and statistics from official government sources have not been independently verified by us, the Sole Sponsor, or any other person involved in the [REDACTED] and no representation is given as to their accuracy. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire document and only rely on the information included in this document to make your investment decision, and we strongly caution you not to rely on any information contained in press articles or other media coverage relating to us, our H Shares or the [REDACTED].

There has been, prior to the publication of this document, and there may be, subsequent to the date of this document but prior to the completion of the [REDACTED], press and media coverage regarding us and the [REDACTED]. Such press and media coverage may include certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED] that does not appear in this document. We have not authorised the disclosure of any such information and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their decisions on the basis of the information contained in this document only and should not rely on any other information.

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES

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

MANAGEMENT PRESENCE IN HONG KONG

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

Given that (i) our Group’s principal business and operations are located, managed and conducted in the PRC through its operating subsidiaries established in the PRC; (ii) our executive Directors are not Hong Kong permanent residents or are ordinarily based in Hong Kong; and (iii) our executive Directors will continue to be based in the PRC after [REDACTED] to manage our business, our Company does not, and will not, in the foreseeable future, have a sufficient management presence in Hong Kong as required under Rules 8.12 and 19A.15 of the Listing Rules. Further, it would be impractical and commercially unnecessary for our Company to appoint additional executive Directors who are ordinarily resident in Hong Kong or to relocate its existing PRC based executive Directors to Hong Kong.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Listing Rules, subject to the condition that the following measures and arrangements are made for maintaining regular and effective communication with the Stock Exchange:

- (i) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our Company’s principal channel of communication with the Stock Exchange. The two authorised representatives of our Company are Ms. Liu Meng and Ms. Au Wing Han (the “**Authorised Representatives**”). Each of the Authorised Representatives will be available to meet with the Stock Exchange within a reasonable period of time upon the request of the Stock Exchange and will be readily contactable by telephone and/or email. Each of the Authorised Representatives is authorised to communicate on behalf of our Company with the Stock Exchange;
- (ii) each of the Authorised Representatives has means to contact all members of our Board (including our independent non-executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. To enhance the communication between the Stock Exchange, the Authorised Representatives and our Directors, we have provided the Stock Exchange with the respective office phone number, mobile phone number and email address of each Director. In the event that a Director expects to travel or is out of the office, he/she will provide the phone number of the place of his/her accommodation or other means of communication to the Authorised Representatives;
- (iii) our Directors, who are not ordinarily resident in Hong Kong, have confirmed that they possess or can apply for valid travel documents to visit Hong Kong and are able to come to Hong Kong when required, to meet with the Stock Exchange upon reasonable notice;
- (iv) we have, in compliance with Rule 3A.19 of the Listing Rules, appointed Maxa Capital Limited as our compliance adviser (the “**Compliance Adviser**”) who will, among other things, in addition to the Authorised Representatives, act as a channel of communication between the Stock Exchange and our Company for the period commencing on the [REDACTED] and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [REDACTED]. The Compliance Adviser will have full access at all times to the Authorised Representatives, our Directors and other officers, who will act as the additional channel of communication with the Stock Exchange when the Authorised Representative are not available; and
- (v) we have provided the Stock Exchange with the names, mobile phone numbers, office phone numbers and email addresses of at least two officers of the Compliance Adviser who will act as the Compliance Adviser’s contact persons between the Stock Exchange and our Company.

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES

APPOINTMENT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, we must appoint a company secretary who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of our company secretary. Note 1 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

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

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

- (i) length of employment with the issuer and other issuers and the roles he/she played;
- (ii) familiarity with the Listing Rules and other relevant law and regulations including the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and The Codes on Takeovers and Mergers and Share Buy-backs;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirements under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

Pursuant to Chapter 3.10 under the Guide for New Listing Applicants published by the Stock Exchange, the Stock Exchange will consider a waiver application by an issuer in relation to Rules 3.28 and 8.17 of the Listing Rules based on the specific facts and circumstances. Factors that will be considered by the Stock Exchange include:

- (i) whether the issuer has principal business activities primarily outside Hong Kong;
- (ii) whether the issuer was able to demonstrate the need to appoint a person who does not have the Acceptable Qualification nor Relevant Experience (both as defined under paragraph 11 of Chapter 3.10 under the Guide for New Listing Applicants) as a company secretary; and
- (iii) why the directors consider the individual to be suitable to act as the issuer’s company secretary.

Further, pursuant to paragraph 13 of Chapter 3.10 under the Guide for New Listing Applicants, such waiver, if granted, will be for a fixed period of time (the “**Waiver Period**”) and on the following conditions:

- (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the Waiver Period; and
- (ii) the waiver can be revoked if there are material breaches of the Listing Rules by the issuer.

Our Company has appointed Ms. Liu Meng as one of our joint company secretaries. Ms. Liu Meng has extensive experience in board and corporate management matters but presently does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfil the requirements of the Listing Rules. Therefore, we have appointed Ms. Au Wing Han, an associate member of The Hong Kong Chartered Governance Institute, who fully meets the requirements stipulated

WAIVERS AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE LISTING RULES

under Rules 3.28 and 8.17 of the Listing Rules to act as the other joint company secretary and to provide assistance to Ms. Liu Meng for an initial period of three years from the [REDACTED] to enable Ms. Liu Meng to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set out under Rules 3.28 and 8.17 of the Listing Rules.

Given Ms. Au Wing Han’s professional qualification and experience, she will be able to explain to both Ms. Liu Meng and us the relevant requirements under the Listing Rules and other applicable Hong Kong laws and regulations. Ms. Au Wing Han will also assist Ms. Liu Meng in organising Board meetings and Shareholders’ meetings of our Company as well as other matters of our Company which are incidental to the duties of a company secretary. Ms. Au Wing Han is expected to work closely with Ms. Liu Meng and will maintain regular contact with Ms. Liu Meng. In addition, Ms. Liu Meng will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules to enhance her knowledge of the Listing Rules during the three-year period from the [REDACTED]. She will also be assisted by our Compliance Adviser and our legal advisers as to the Hong Kong laws on matters in relation to our ongoing compliance with the Listing Rules and the applicable laws and regulations.

Since Ms. Liu Meng does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has] granted, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules such Ms. Liu Meng may be appointed as a joint company secretary of our Company. The waiver is valid for an initial period of three years from the [REDACTED] on the conditions that (a) Ms. Liu Meng must be assisted by Ms. Au Wing Han who possesses the qualifications and experience required under Rule 3.28 of the Listing Rules; and (b) the waiver will be revoked immediately if and when Ms. Au Wing Han ceases to provide assistance to Ms. Liu Meng as a joint company secretary or if there are material breaches of the Listing Rules by our Company.

Before the end of the three-year period, our Company must demonstrate and seek for the Hong Kong Stock Exchange’s confirmation that Ms. Liu Meng, having had the benefits from Ms. Au Wing Han’s assistance during the three-year period, has attained the relevant experience under Note 2 to Rule 3.28 of the Listing Rules and is capable of discharging the function of a company secretary, so that a waiver will not be necessary.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

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INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address
Executive Directors	
Mr. Xu	Flat 905, No. 3, Lane 1222, Caoyang Road, Putuo District, Shanghai, PRC
Mr. Han	Flat 1201, No. 16, Lane 986, Wanyuan Road, Minhang District, Shanghai, PRC
Ms. Liu Meng (劉孟)	Flat 104, No. 102, Lane 1351, Laohumin Road, Shanghai, PRC
Ms. Cui Min (崔敏)	Flat 810, No. 1, Lane 617, Panyu Road, Changning District, Shanghai, PRC
Non-executive Director	
Mr. You Minyong (游敏勇)	Flat 302, No. 226, Lane 99, Wanding Road, Minhang District, Shanghai, PRC
Independent Non-executive Directors	
Ms. Ye Hui (葉慧)	Flat 701, No. 12, Lane 1999, Langu Road, Pudong New Area, Shanghai, PRC
Mr. Zhuo Jianghua (卓江華)	Flat 1213, Block D Building 12, Kornhill, 17 Hong Shing Street, Quarry Bay, Hong Kong
Mr. Sun Jin (孫金)	22F, 789 Zhaojiabang Road, Shanghai, PRC

SUPERVISORS

Name	Address
Ms. Xiong Kui (熊葵)	Flat 28C, Building No. 3, Lane 80, Dapu Road, Huangpu District, Shanghai PRC
Ms. Shen Binglin (沈冰琳)	Flat 301, No. 15 Jiafuli Garden, Minhang District, Shanghai, PRC
Ms. Mou Lin (牟琳)	Room 403, No. 17, Lane 191, Shuidian Road, Hongkou District, Shanghai, PRC

The nationality of all of our directors and supervisors are Chinese. See “Directors, Supervisors and Senior Management” for further information of our Directors and Supervisors.

PARTIES INVOLVED IN THE [REDACTED]

Name	Address
SOLE SPONSOR	
China Securities (International) Corporate Finance Company Limited	18/F, Two Exchange Square, Central, Hong Kong

DIRECTORS, SUPERVISORS AND PARTIES INVOLVED IN THE [REDACTED]

Name	Address

[REDACTED]

LEGAL ADVISERS TO OUR COMPANY

<i>as to Hong Kong law:</i> Ashurst Hong Kong	43/F, Jardine House, 1 Connaught Place, Central, Hong Kong
<i>as to PRC law:</i> Allbright Law Offices	9/F and 11-12/F, Shanghai Tower, No. 501 Yincheng Middle Road, Pudong New Area, Shanghai, PRC

LEGAL ADVISERS TO SOLE SPONSOR AND THE [REDACTED]

<i>as to Hong Kong law:</i> Jia Yuan Law Office	Suites 3502-3503, 35/F, One Exchange Square, 8 Connaught Place, Central, Hong Kong
<i>as to PRC law:</i> Commerce & Finance Law Offices	12-15/F, China World Office 2, No. 1 Jianguomenwai Avenue, Beijing, PRC

AUDITORS AND REPORTING ACCOUNTANTS

Deloitte Touche Tohmatsu <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i>	35/F, One Pacific Place, 88 Queensway, Hong Kong

INDUSTRY CONSULTANT

China Insights Industry Consultancy Limited	10/F, Block B, Jingan International Centre, No. 88 Puji Road, Jingan District, Shanghai, PRC

RECEIVING BANK(S)	[●]

CORPORATE INFORMATION

Registered Office

Room 409, Building F, No. 7115, Lane 528, Jinlong New Street, Zhujing Town, Jinshan District, Shanghai, PRC

Head Office and Principal Place of Business in China

4F, Block C, Phase II, Caohejing Hi-tech Park, 1582 Gumei Road, Shanghai PRC

Principal Place of Business in Hong Kong

40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wan Chai, Hong Kong

Company’s Website

<https://www.kaijie.com/> *(The information on the website does not form part of this document)*

Joint Company Secretaries

Ms. Liu Meng (劉孟)

Flat 104, No. 102, Lane 1351,
Laohumin Road, Shanghai, PRC

Ms. Au Wing Han (區泳嫻)

(an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)

40/F, Dah Sing Financial Centre, 248 Queen’s Road East,
Wan Chai, Hong Kong

Authorised Representatives (under the Listing Rules)

Ms. Liu Meng (劉孟)

Flat 104, No. 102, Lane 1351,
Laohumin Road, Shanghai, PRC

Ms. Au Wing Han (區泳嫻)

(an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom)

40/F, Dah Sing Financial Centre, 248 Queen’s Road East,
Wan Chai, Hong Kong

Audit Committee

Ms. Ye Hui (葉慧) (*Chairwoman*), Mr. Zhuo Jianghua (卓江華), Mr. Sun Jin (孫金)

Remuneration Committee

Mr. Zhuo Jianghua (卓江華) (*Chairman*), Ms. Ye Hui (葉慧), Mr. Sun Jin (孫金)

Nomination Committee

Mr. Sun Jin (孫金) (*Chairman*), Mr. Zhuo Jianghua (卓江華), Ms. Ye Hui (葉慧)

Strategy Committee

Mr. Xu (*Chairman*), Mr. Han, Ms. Liu Meng (劉孟)

Compliance Adviser: Maxa Capital Limited

Unit 2602, 26/F, Golden Centre, 188 Des Voeux Road Central, Sheung Wan, Hong Kong

[REDACTED]

Principal Bank: Bank of China

Yishan Road Branch, Room 1A0A1, 1800 West Zhongshan Road, Xuhui District, Shanghai, PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and academic research. In addition, we commissioned CIC, an independent industry consultant, to prepare the CIC Report, upon which this section is based. We believe that the source of this information is an appropriate source for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the Sole Sponsor, any of the [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

CHINA’S DIGITAL RETAIL MARKET

Digital Retail Penetration Rates Continues to Rise

China stands as a global leader in the digital retail industry, underpinned by one of the most comprehensive and diversified digital retail ecosystems in the world.

Currently, China’s overall digital retail penetration rate has been steadily increasing, increasing from 22.9% in 2021 to 29.5% in 2025, alongside ongoing market expansion. The size of China’s digital retail market grew from RMB10.1 trillion in 2021 to RMB14.8 trillion in 2025, representing a CAGR of approximately 10.1%. Going forward, the market is expected to maintain its growth trajectory, to RMB22.0 trillion by 2030.



Source: National Bureau of Statistics, Ministry of Commerce, and CIC

Digital retail penetration varies across different product categories, each exhibiting distinct growth trends. Categories such as food & beverage and casual apparel have each exceeded a digital retail market size of RMB1.0 trillion. Categories such as pet care, baby & kids, pop toys and beauty and personal care have achieved relatively high levels of digital penetration with penetration rates exceeding 50%, driven by frequently-consumed and personalised demand and a wide variety of SKUs. Meanwhile, healthcare and outdoor sports products are also experiencing steady growth in digital penetration, supported by increasing consumer preference for online shopping. As the broader retail market continues to expand, these categories are well positioned to benefit from sustained momentum.

INDUSTRY OVERVIEW

Retail Brands Face Distinct Pain Points During Digital Transformation

Amid rapid growth, retail brands in China are encountering a range of challenges in their digital operations. These pain points are prompting brands to seek more specialised technologies and services to enhance operational efficiency, optimise resource allocation and support sustainable development and market expansion. Specifically, the key challenges faced by digital retail brands include:

- **Rising Complexity of Channels and Formats:** With the ongoing integration and innovation of diverse models such as comprehensive e-commerce, social e-commerce, content-driven e-commerce and O2O e-commerce, the retail landscape has become increasingly complex. This evolution requires digital retail brands to strengthen their technological infrastructure and operational capabilities to keep pace with rapidly shifting consumer expectations and an expanding range of sales channels.
- **Limited IT and Organisational Capabilities:** Many small and medium-sized brands face significant pressure in making the necessary investments for digital transformation. Even leading brands encounter challenges in cross-departmental technical coordination and scaling their digital capabilities. The application of advanced technologies, such as artificial intelligence, data analytics and blockchain, is often hindered by a shortage of skilled talent, weakening competitiveness in areas including data-driven insights, product recommendation and supply chain optimisation.
- **Supply-Side Expansion and Intensified Competition:** The rapid expansion of the retail market on the supply side has intensified market competition, leading to better product and brand homogenisation. As a result, retail brands struggle to establish lasting competitive advantages. While consumers now have more choices than ever, brand loyalty is declining, making it increasingly difficult for companies to secure a stable customer base.
- **Increasing Marketing Complexity and Costs:** As the era of easy traffic growth comes to an end, brands are facing increasing pressure to boost their investment in marketing and customer acquisition. Alongside increasing costs, they face challenges in efficiency and conversion rate, meaning the percentage of consumers who visit a website or watch the ads and actually make a purchase after that. To succeed in this digital landscape, brands must embrace more personalised and targeted marketing strategies, which will require continued investment in capital, technology and strategy optimisation to improve overall marketing performance.
- **High Pressure on Supply Chain Responsiveness:** As consumers place greater emphasis on delivery speed, brands and retailers are facing increased challenges in supply chain management. Many still operate with fragmented supply chains and low inter-regional coordination efficiency, making it difficult to respond swiftly to market demands in real time.

CHINA’S DIGITAL RETAIL SOLUTION MARKET

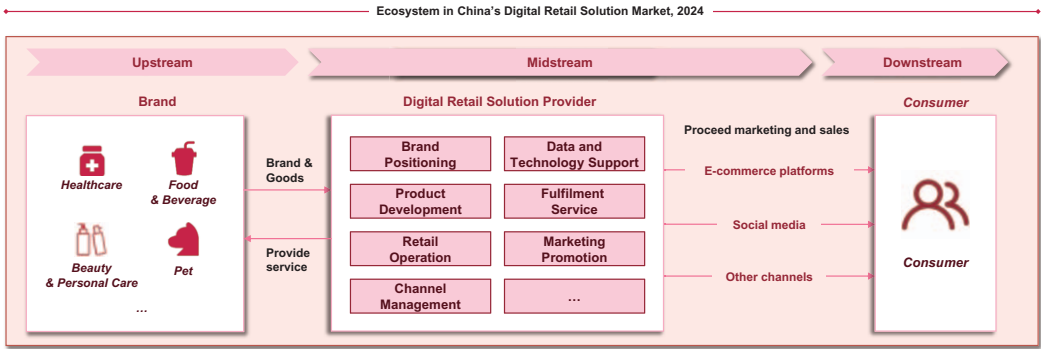
Digital Retail Solution Empowers Retail Brands’ Digital Transformation

Against the backdrop of booming retail market and mounting challenges in digital transformation of retail brands, digital retail solutions have emerged to offer retail brands a systematic pathway toward digital transformation. These solutions extend beyond e-commerce store operations and product sales, providing end-to-end digital support across a wide range of functions, including brand positioning, consultation of product development, retail operations, channel management, marketing and promotion, fulfilment services, as well as data and technology support. By leveraging advanced digital technologies and deep expertise in online channel operations, digital retail solutions providers enable retail brands to efficiently build their e-commerce infrastructure and drive online sales. This, in turn, enhances operational efficiency and accelerates business growth.

China’s digital retail solutions industry features a vibrant and diverse ecosystem with a wide range of participants. As retail brands actively pursue digital transformation and expand their online sales channels, the demand for specialised digital services continues to grow. Digital retail solutions providers

INDUSTRY OVERVIEW

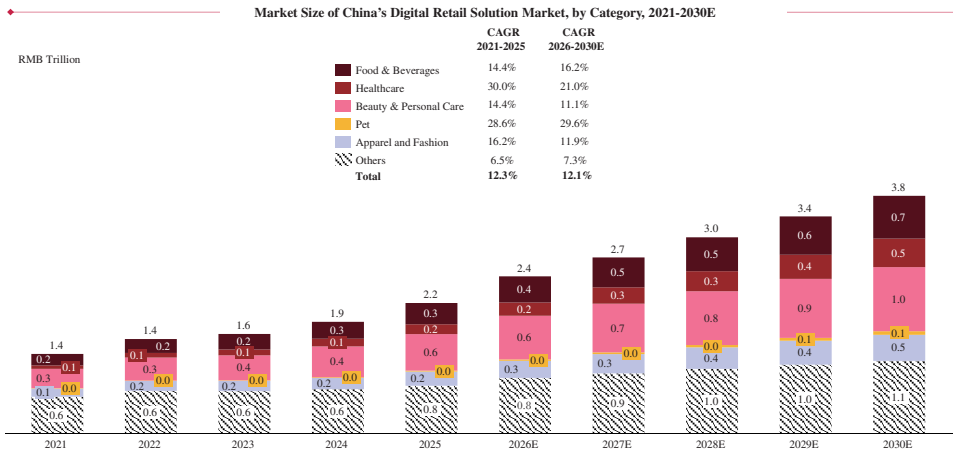
serve as vital enablers in this landscape, connecting retail brands with various e-commerce platforms and offering tailored digital services across one or multiple functional areas. While empowering brands, they also play an active role in enhancing the consumer experience. By leveraging the capabilities of digital solution providers to build and optimise their digital operations, retail brands are better positioned to deliver higher-quality products and services, ultimately improving customer satisfaction and contributing to the continued advancement of the digital retail sector. Digital retail solutions providers have a variety revenue models to monetise their solutions provided to brand owners. In FMCG industry, typically, they either procure products from brand owners at a reduced cost and generate revenue from sales of goods, or record service fees received as revenue from the provision of services. Some digital retail solutions providers adopt the sales of goods model primarily to accommodate the specific operational and compliance needs of brand owners across different product categories. By directly procuring goods from brand owners and managing the retail process, these digital retail solutions providers are able to deliver more tailored, responsive, and execution-oriented digital retail solutions. This model enables greater flexibility in areas such as pricing, inventory, and campaign management, thereby enhancing the brand owners’ performance across retail channels. Alternatively, under the provision of services model, the digital retail solutions providers typically charge fees for services such as digital infrastructure support, data analytics, traffic acquisition, and integrated marketing campaigns. The level of service fees depends on the depth of involvement and the sophistication of technologies and tools provided.



Source: Expert interview, CIC

China’s Digital Retail Solution Market Continues to Expand

The rapid growth of China’s digital retail solutions market is driven by a combination of factors, including sustained increases in digital spending, continuous innovation in digital technologies and strong policy support. According to CIC, the market expanded from RMB1.4 trillion in 2021 to RMB2.2 trillion in 2025 in terms of GMV, representing a CAGR of 12.3%. Looking ahead, the market is expected to continue growing, reaching RMB3.8 trillion by 2030, with a projected CAGR of 12.1%.



Source: National Bureau of Statistics, Ministry of Commerce, and CIC

INDUSTRY OVERVIEW

Within China’s digital retail solutions market, various retail categories exhibit differing demands for digital solutions, influenced by the unique characteristics of each sector. Specifically, differences in operational models, consumer behaviour and supply chain management across categories lead to distinct requirements for digital tools, data analytics, marketing strategies and customer service. These variations underscore the need for tailored, and category-specific digital retail solutions.

According to CIC, among various retail categories, pop toys, healthcare, and pet care products have demonstrated the fastest growth in the digital retail solutions market. From 2021 to 2025, the market size for these categories increased from RMB1.1 billion, RMB66.8 billion, and RMB6.5 billion to RMB3.9 billion, RMB190.6 billion, and RMB17.7 billion, respectively, representing CAGRs of 36.1%, 30.0%, and 28.6%. This momentum is believed to continue, with the market projected to reach RMB15.3 billion, RMB496.3 billion, and RMB68.7 billion by 2030, at CAGRs of 29.6%, 21.0%, and 29.6% from 2026 to 2030. The beauty and personal care segment has maintained a relatively large market scale, growing from RMB333.1 billion in 2021 to RMB571.3 billion in 2025, and is expected to reach nearly RMB954.5 billion by 2030. Meanwhile, the outdoor sports category is emerging as a new growth driver, fuelled by evolving consumer demands and the rising popularity of urban outdoor lifestyles.

Rise of End-to-End Digital Retail Solutions Providers

The pursuit of seamless shopping experiences by consumers, combined with the growing demand among digital retail brands to enhance their operational capabilities, has spurred the growth of end-to-end digital retail solutions providers. Consumers increasingly expect convenient, efficient and integrated services across diverse touchpoints, requiring a comprehensive digital ecosystem that encompasses product recommendations, logistics and after-sales support. Meanwhile, brands across different categories face unique distinct digital retail needs, which leads to a demand for solution providers with broad adaptability and the ability to support tailored digital operations and continuous capability upgrades.

Unlike non-end-to-end digital retail solutions providers that offer services limited to specific processes, channels, or categories, end-to-end digital retail solutions providers deliver integrated digital services across the entire brand operation lifecycle and all major sales channels for retail brands spanning multiple categories. The value creation of end-to-end digital retail solutions providers can be summarised as follows:

- **Seamless End-to-End Operational Capabilities:** End-to-end digital retail solutions providers enable brands to achieve integrated operations across the entire value chain, offering comprehensive support in areas such as brand strategy, product distribution, e-commerce store operations, supply chain management, marketing, customer engagement, warehousing, and fulfilment. The digitalised and holistic nature of these solutions ensures smooth coordination across all functions, minimising communication barriers and system integration challenges that may arise when working with multiple service providers. This approach enhances automation and synergy throughout the operational process, improves overall efficiency, and allows for more agile iterations—ultimately accelerating brand growth.
- **Agile Multi-channel Enablement:** With full support across multiple sales channels, end-to-end digital retail solutions providers are well-positioned to meet the growing demand for multi-channel development. They consolidate data and services across comprehensive e-commerce, social e-commerce, content-driven e-commerce, and O2O e-commerce, addressing key challenges such as data silos and fragmented operations. This empowers brands to efficiently manage cross-channel operations, unify product presentation, sales, and data tracking, and mitigate internal channel conflicts. Supported by robust data integration capabilities, these providers offer valuable cross-channel user insights and help tailor optimal strategies for each platform, thereby enhancing customer experience while maintaining a consistent brand identity.
- **In-depth Full-spectrum Brand Support:** Leveraging deep market understanding and service expertise, end-to-end digital retail solutions providers have become able to support brands across a wide range of categories, sizes, and development stages. They cultivate close,

INDUSTRY OVERVIEW

long-term partnerships with their brand owners, offering tailored solutions to address their evolving needs. Their comprehensive service capabilities are particularly effective in empowering emerging and mid-sized brands to scale rapidly and achieve meaningful business breakthroughs, enabling mutual growth and delivering strong returns.

Drivers in China’s Digital Retail Solution Market

- **A Strengthening Digital Ecosystem:** China’s internet user base expanded from 457 million in 2010 to 1.1 billion in 2025, while online shoppers increased from 160 million to 948 million over the same period, injecting robust momentum into the digital retail market. Leading platforms such as Tmall and JD.com have built comprehensive digital ecosystems encompassing products, services, technologies, and data. As the platform landscape diversifies, more brands are adopting multi-channel strategies. These advancements have significantly enhanced the consumer experience and reinforced the sustained growth of the digital retail market.
- **Shifting Consumer Behaviours:** With the widespread adoption of digital technologies, Chinese consumers are increasingly inclined toward online shopping, mobile payments, and contactless delivery, with mobile payment penetration now exceeding 86%. This behavioural shift has directly fuelled the rapid growth of digital retail, with consumers demanding greater convenience, personalisation, and engagement, prompting brands to accelerate their digital transformation.
- **Rising Demand for Operational Efficiency:** As China’s digital retail market matures and competition intensifies, brands face mounting challenges in customer acquisition and retention. Higher digital operational efficiency has become essential for differentiation. Brand owners are investing more in digital retail solutions, with digital spending rising from RMB2.63 billion in 2020 to approximately RMB5.0 billion in 2024, driving further demand for professional digital retail solutions providers.
- **Ongoing Advancement in Intelligent Technologies:** Emerging digital-intelligent technologies such as artificial intelligence and robotic process automation (RPA), are transforming the digital retail landscape. These tools enhance multilingual interaction, improve service automation and standardise product delivery, thereby boosting the precision, security and reliability of digital retail solutions. This technological advancement progress is continually expanding the boundaries of business development.
- **Continued Growth in Cross-border E-commerce:** China’s cross-border e-commerce sector is flourishing, attracting global brands seeking local market access. This trend enriches consumer choice and creates substantial growth opportunities for international players. To meet localisation needs, overseas brands are placing greater emphasis on understanding Chinese market dynamics and consumer preferences, driving demand for more diversified and customised digital retail solutions.
- **Optimised Supply Chain and Logistics Infrastructure:** The adoption of digital technologies has enabled enterprises to enhance inventory control, streamline logistics and improve channel coordination, resulting in cost reductions while boosting agility and resilience. Innovations such as smart warehousing, unmanned delivery, and instant logistics have strengthened responsiveness and service quality, enhancing brand competitiveness and consumer satisfaction.
- **Policy Support:** Government initiatives continue to provide strong support for digital retail growth by integrating the digital economy with traditional retail. For instance, the 2024 “*Retail Innovation and Enhancement Implementation Plan*” (《零售業創新提升工程實施方案》) issued by the General Offices of the Ministry of Commerce and six other departments outlines strategic efforts to accelerate the digital transformation of brick-and-mortar commerce, aiming at fostering new productive forces and comprehensively upgrading the efficiency and competitiveness of the retail industry. Regional efforts to stimulate consumption and expand domestic demand are setting the stage for a more dynamic retail market. This, in turn, will

INDUSTRY OVERVIEW

accelerate the market’s expansion and digital transformation. For providers of digital retail solutions, this trend will fuel growth in their customer base and service demand, ultimately broadening the entire market’s foundation. Also, there are also policies directly drive the development of digital retail solutions industry by encouraging digital retail solution providers to adopt smart technologies and lowering transformation costs through subsidies and infrastructure support. For example, the “Notice on Applying for Support Policies to Promote High-Quality Development of E-Commerce in 2025” (《北京市商務局關於申報2025年促進電子商務高質量發展支持政策的通知》) issued by the Beijing Municipal Bureau of Commerce specifies that e-commerce service providers facilitating cumulative actual transaction volumes of at least RMB20 million from 10 or more enterprises in 2025 are eligible for a reward of up to 0.5% of the transaction amount. The policy also provides funding for enterprises to develop software service systems that integrate product selection, inventory management, marketing, and after-sales processes, enabling unified management across online and offline channels, public and private domains, and operational workflows.

Key Success Factors of China’s Digital Retail Solutions Providers

- **Comprehensive Category Coverage:** Given the varying stages of development and diverse digital needs across retail categories, leading digital retail solutions providers are typically equipped with the capabilities and experience to serve multiple sectors. This diversified service portfolio helps mitigate cyclical risks inherent to reliance on a single category. It also establishes a strong foundation for building and optimising multi-channel capabilities, allowing brands to sustain steady growth and remain competitive in changing market conditions.
- **End-to-End Integrated Solution Ecosystem:** Successful digital retail solutions providers often creates a holistic ecosystem that encompasses the entire retail value chain from brand positioning and product development to retail operations, channel management, marketing, order fulfilment and data services. These end-to-end offerings streamline enterprise integration efforts, enhance service consistency and improve operational efficiency and consumer experience, thereby accelerating digital transformation.
- **Robust Partnership Network and Multi-Platform Integration Capabilities:** Top-tier providers effectively aggregate resources across logistics, technology, e-commerce platforms and marketing channels to establish a comprehensive service network. Their ability to integrate across platforms and understand platform-specific mechanisms fosters high operational synergy. This empowers retail brands to scale across platforms and channels swiftly and efficiently, enhancing overall market competitiveness.
- **Technological Competence and Innovation-Driven Growth:** By harnessing big data, AI, cloud computing, and IoT technologies, digital retail solutions providers become able to deliver intelligent and data-driven operational services. To stay agile in a dynamic market, these providers increasingly rely on full-ecosystem data assets accumulated through service delivery. They also forge strong partnerships with cloud service providers to develop AI-powered data platforms. These platforms facilitate drive brand enablement and support innovation-led growth across operations.
- **Deep Market Insight and Localisation Expertise:** An in-depth understanding of retail trends, consumer behaviour, and regional market dynamics is essential for tailoring effective digital retail solutions. In China, localisation capabilities are particularly critical, ranging from regulatory comprehension to regional consumer preferences, enabling precise market penetration and operational optimisation. As more Chinese retail brands expand globally, enhanced localisation in overseas markets will be key to sustaining competitive advantage.
- **Efficient Client Support Capabilities:** High-quality after-sales service and ongoing support remain core decision factors for brand owners. Solution providers must offer professional

INDUSTRY OVERVIEW

technical assistance, customised consulting and operational guidance to help brand owners deploy quickly and optimise continuously. In addition, real-time responsiveness and effective issue resolution are crucial in enhancing client satisfaction and stickiness, strengthening long-term brand relationships.

COMPETITIVE LANDSCAPE OF CHINA’S DIGITAL RETAIL SOLUTION MARKET

China’s digital retail solution market is vast and highly fragmented, with over 10,000 digital retail solutions providers competing in an increasingly intense landscape as the sector continues to expand. According to CIC, the market reached RMB2.2 trillion in terms of GMV in 2025, with the top five players collectively accounting for approximately 10% of the total market share. Based on GMV in 2025, the Company is the fifth largest digital retail solutions provider and the largest O2O digital retail solutions provider in China. Within a highly competitive and diversified market landscape, the Company stands out as one of the few market players capable of delivering integrated services across multiple categories and channels. With its end-to-end capabilities and extensive service compatibility, the Company has established itself as a leading provider of end-to-end digital retail solutions in China.

Ranking of China’s Digital Retail Solutions Providers, 2025

Ranking	Company	GMV, RMB Billion, 2025	Market share, %, 2025
1	Company A ⁽¹⁾	~100	~5%
2	Company B ⁽²⁾	~45	~2%
3	Company C ⁽³⁾	~30	~1%
4	Company D ⁽⁴⁾	~20	~1%
5	The Company	~15	~1%

Notes:

- (1) Company A : Established in 2007, headquartered in Shanghai, listed in Hongkong Stock Exchange in 2020. Engages in the provision of end-to-end digital solutions, including store management, digital marketing and IT systems as an e-commerce agency, for international brands.
- (2) Company B : Established in 2009, headquartered in Hangzhou. Engages in the provision of e-commerce services, including multi-channel operations, integrated marketing, consumer insights, data-driven operations and supply chain management, for mid- to high-end international brands.
- (3) Company C : Established in 2010, headquartered in Hangzhou. Engages in the provision of services in relation to e-commerce empowerment and the acceleration of brand incubation, primarily for emerging beauty brands.
- (4) Company D : Established in 2012, headquartered in Hangzhou, listed in Shenzhen Stock Exchange in 2019. Engages in the provision of professional e-commerce retail services as both an e-commerce full-service provider and a new consumer brand accelerator, for diverse retail brands.

SOURCE OF INFORMATION

China Insights Consultancy was commissioned to conduct research, provide an analysis of, and to produce a report on the digital retail solutions industry in China, and other related economic data. The commissioned report has been prepared by China Insights Consultancy independent of the influence of the Company and other interested parties. We have agreed to pay a fee of RMB650,000 to CIC in connection with the preparation of the CIC Report.

During the preparation of this report, CIC conducted both primary and secondary research through a variety of resources to obtain in-depth knowledge, statistical data, and industry insights regarding market trends in the target sector. Primary research involved interviews with key industry experts and leading market participants, while secondary research drew on publicly available sources such as publications issued by the Chinese government, annual reports released by relevant industry players, information from industry associations, and CIC’s proprietary database.

INDUSTRY OVERVIEW

The findings and projections presented in this report are based on the following key assumptions: (i) the overall global social, economic, and political environment is expected to remain stable over the next decade; (ii) major industry drivers will continue to support the growth of China’s digital retail solutions market throughout the forecast period; and (iii) there will be no force majeure events or regulatory shifts that could significantly disrupt or fundamentally alter current market dynamics.

Our Directors confirm that, to the best of their knowledge and after making all reasonable enquiries, there has been no material adverse change in the market information since the date of the CIC Report that would limit, conflict with, or otherwise affect the information presented in this section.

REGULATION OVERVIEW

This section sets out a summary of the most significant rules and regulations that affect our business activities in China or our shareholders’ rights to receive dividends and other distributions from us.

Regulations regarding Foreign Investment

Investment activities in the PRC by foreign investors are principally governed by the Catalogue of Industries for Encouraging Foreign Investment, or the Encouraging Catalogue, and the Special Administrative Measures (Negative List) for Foreign Investment Access, or the Negative List, which were promulgated and are amended from time to time by MOFCOM and the NDRC, and together with the Foreign Investment Law and its respective implementation rules and ancillary regulations. The Encouraging Catalogue and the Negative List lay out the basic framework for foreign investment in China, classifying businesses into three categories with regard to foreign investment: “encouraged”, “restricted” and “prohibited”. Industries not listed in the Encouraging Catalogue or the Negative List are generally deemed as falling into a fourth category “permitted” unless specifically restricted by other PRC laws. On 15 December 2025, MOFCOM and the NDRC promulgated the Catalogue of Industries Encouraged for Foreign Investment (2025 Edition), which took effect on 1 February 2026. On 6 September 2024, MOFCOM and the NDRC promulgated the Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Version) (the “**New Negative List**”), which became effective on 1 November 2024. Our PRC Legal Advisers are of the view that during the Track Record Period, our business scope did not fall within the categories prohibited for foreign investment as specified in the New Negative List.

On 15 March 2019, the National People’s Congress approved the Foreign Investment Law of the People’s Republic of China (“**Foreign Investment Law**”), which took effect on 1 January 2020. The Foreign Investment Law embodies an expected PRC regulatory trend to rationalise its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic invested enterprises in China. The Foreign Investment Law establishes the basic framework for the access to, and the promotion, protection and administration of foreign investments in view of investment protection and fair competition. The Foreign Investment Law provides that foreign invested entities operating in foreign restricted industries will require market entry clearance and other approvals from relevant PRC governmental authorities.

On 26 December 2019, the State Council promulgated the Implementation Rules of Foreign Investment Law of the People’s Republic of China, which took effect on 1 January 2020. The implementation rules further clarified that the state encourages and promotes foreign investment, protects the lawful rights and interests of foreign investors, regulates foreign investment administration, continues to optimise foreign investment environment, and advances a higher-level opening.

On 30 December 2019, MOFCOM and the State Administration for Market Regulation (SAMR) jointly promulgated the Measures for Information Reporting on Foreign Investment, which became effective on 1 January 2020. Pursuant to the Measures for Information Reporting on Foreign Investment, where a foreign investor carries out investment activities in China directly or indirectly, the foreign investor or the foreign-invested enterprise shall submit the investment information to the competent commerce department.

The NDRC and MOFCOM jointly promulgated the Measures for the Security Review of Foreign Investment, or the Security Review Measures on the Foreign Investment on 19 December 2020, which came into effect on 18 January 2021. Pursuant to the Security Review Measures on the Foreign Investment, the NDRC and MOFCOM will establish a working mechanism office in charge of the security review of foreign investment, and any foreign investment which has or would possibly have an impact on the national security shall be subject to security review by such working mechanism office.

Main Laws and Regulations of the Industry and Industrial Policies

In August 2018, the National People’s Congress Standing Committee promulgated the E-Commerce Law of the People’s Republic of China (中華人民共和國電子商務法) (the “**E-Commerce Law**”), which took effect in January 2019. The E-Commerce Law proposes a series of requirements on e-commerce operators, including third-party e-commerce platform operators, registered product or service providers of platforms, and product or services providers operating through a self-built website or any other network.

REGULATION OVERVIEW

For example, the E-Commerce Law requires e-commerce operators to respect and equally protect consumers’ legitimate rights and provide options to consumers without targeting their personal characteristics, and also requires e-commerce operators to clearly point out to consumers their tie-in sales in which additional services or products are added by merchants to a purchase, and not to assume consumers’ consent to such tie-in sales by default. The E-Commerce Law also organised rules on e-commerce contact execution and performance between e-commerce product/service providers and customers.

In February 2020, the Ministry of Commerce drafted the Administrative Measures for E-commerce Information Disclosure (Draft for Comments). The measures require e-commerce operators to legally disclose relevant information or links to such information, encourage e-commerce operators to disclose information about the application of green packaging and third-party credit evaluations, and support e-commerce operators in disclosing information related to corporate responsibility, platform responsibility, public welfare, and other matters.

In March 2021, SAMR approved the Measures for the Supervision and Administration of Online Trading, further amended on 18 March 2025 and effective from 1 May 2025. These regulations apply to business activities that sell goods or provide services within the territory of the PRC through the internet or other information networks (hereinafter referred to as “online”), as well as the supervision and administration of these activities by market supervision authorities. They also apply to business activities encompassing selling goods or providing services on online social networks, online live streaming, and other information network activities. These regulations clarify the responsibilities and obligations of online transaction operators and online platform operators.

In April 2021, the Cyberspace Administration of China (CAC) and six other departments issued the “Measures for the Administration of Live Streaming Marketing (for Trial Implementation)” (《網絡直播營銷管理辦法(試行)》), which took effect in May 2021. These regulations standardise online live streaming marketing, safeguard national security and public interest, and protect the lawful rights and interests of citizens, legal persons and other organisations.

REGULATIONS RELATING TO IMPORT AND EXPORT OF GOODS

Pursuant to the Foreign Trade Law of the People’s Republic of China (《中華人民共和國對外貿易法》) promulgated by the SCNPC on 12 May 1994 and last amended on 27 December 2025 and effective on 1 March 2026, and the Notice on Matters Relating to the Filing of Consignees and Consignors of Imported and Exported Goods (《海關總署企業管理和稽查司關於進出口貨物收發貨人備案有關事宜的通知》) issued by the General Administration of Customs of the People’s Republic of China on 3 January 2023 and effective on the same date, the consignee or consignor of imported or exported goods applying for filing should obtain the qualification of the market entity, but no filing for foreign trade operators is required.

Pursuant to the Customs Law of the People’s Republic of China (《中華人民共和國海關法》) promulgated by the SCNPC on 22 January 1987, and last amended on 29 April 2021, the consignee of imported goods, the consignor of exported goods, and the owner of inbound and outbound goods are the taxpayers of customs duties. For the imported and exported goods, unless otherwise provided for, customs declaration and tax payment procedures may be completed by the consignee or consignor of the imported and exported goods, or the consignee or consignor of import and export goods may entrust a customs declaration enterprise to complete the customs declaration and tax payment procedures. The consignees and consignors for imported or exported goods and the customs brokers engaged in customs declaration shall be filed with the customs in accordance with the law. Customs declaration units refer to the consignee or consignor of the imported and exported goods and the customs declaration enterprises filed with the customs in accordance with the Regulations of the People’s Republic of China on the Administration of the Record of Customs Declaration Units (《中華人民共和國海關報關單位備案管理規定》) promulgated by the General Administration of Customs of the People’s Republic of China on 19 November 2021 and becoming effective as of 1 January 2022. Where the consignee or consignor of imported or exported goods or a customs declaration enterprise applies for filing, it shall obtain the qualification of market entities.

Pursuant to the Regulations of the People’s Republic of China on the Administration of Import and Export of Goods (《中華人民共和國貨物進出口管理條例》), or the Regulations on the Administration of

REGULATION OVERVIEW

Import and Export of Goods promulgated by the State Council on 10 December 2001 and last amended on 10 March 2024, which came into effect on 1 May 2024, enterprises engaged in the trade activities of importing goods into the territory of the People’s Republic of China or exporting goods outside of China must comply with the Regulations on the Administration of Import and Export of Goods. Goods whose import or export is prohibited shall not be imported or exported; goods whose import or export is restricted shall be subject to a licensing or quota system; and goods whose import or export is free shall not be subject to restriction. The consignee of imported goods or the consignor of exported goods shall submit an automatic import and export license, an import and export license or a quota certificate to the customs for customs clearance.

Regulations on Licences and Permits

Food Operation Permit

Pursuant to the Administrative Measures on Food Operation Licensing and Filing (《食品經營許可和備案管理辦法》) promulgated by the SAMR on 15 June 2023, and effective from 1 December 2023, entities engaged in food sales and catering services in China shall obtain a food operation permit. However, selling edible agricultural products or only pre-packaged foods are exempt from this requirement. Operators selling only pre-packaged foods shall file for record-filing with the local market supervision department at the county level or above. The market supervision department at the county level or above is responsible for recording these reports on the food operation licensing and information record-filing platform.

Veterinary drug operation permit

Pursuant to the Regulation on Veterinary Drug Administration, which was issued by the State Council in April 2004 and further amended in July 2014, February 2016 and March 2020. Any entity planning to engage in the business of veterinary drugs must file an application to the veterinary administration under the city or county people’s government. In addition, whoever operates veterinary biological products shall file the application to the veterinary administration under the people’s government of the province, autonomous region, or municipality directly under the Central Government.

Medical device operation permit

Pursuant to the Regulations on the Supervision and Administration of Medical Devices, which was issued by the State Council in 2000 and further amended in March 2014, May 2017, December 2020 and December 2024, medical devices are divided into three types. To engage in the business operation of Class II medical devices, a business operator shall file for record with and submit relevant materials to the work safety administration department of the government of the city divided into districts where it is located. To engage in the business operation of Class III medical devices, a business operator shall apply for an operation licence and submit relevant materials to the work safety administration department of the government of the city divided into districts where it is located.

Except for licences and permits, we are also subject to various legal obligations as we sell certain products. For example, under relevant PRC laws, we, as sellers of cosmetics, are obliged to check whether the cosmetics we sell online have been issued the requisite permits, certificates or filings in relation to the production or import of such products and whether such products have passed the quality inspection before they are sold.

Regulation on Product Quality, Advertising and Consumer Protection

The Product Quality Law of the People’s Republic of China (“**Product Quality Law**”), promulgated in 1993 and subsequently amended in July 2000, August 2009 and December 2018, applies to all production and sale activities in China. Pursuant to the Product Quality Law, products offered for sale must satisfy relevant quality and safety standards. Enterprises may not produce or sell counterfeit products in any way, including forging brand labels or giving false information regarding a product’s manufacturer. Violations of state or industrial standards for health and safety and any other related violations may result in civil liabilities and administrative penalties, such as compensation for damages, fines, suspension or shutdown

REGULATION OVERVIEW

of business, as well as confiscation of products illegally produced and sold and the proceeds from such sales. Severe violations may subject the responsible individual or enterprise to criminal liabilities. Where a defective product causes personal injury or damage to another person’s property, the victim may claim compensation from the manufacturer or from the seller of the product. If the seller pays compensation and it is the manufacturer that should bear the liability, the seller has a right of recourse against the manufacturer. Similarly, if the manufacturer pays compensation and it is the seller that should bear the liability, the manufacturer has a right of recourse against the seller.

The principal regulations governing promotion and advertising activities in China include the Anti-Unfair Competition Law of the People’s Republic of China promulgated in 1993 and last amended on 27 June 2025 and effective on 15 October 2025, the Pricing Law of the People’s Republic of China promulgated in 1997, and the Advertising Law of the People’s Republic of China (“**PRC Advertising Law**”) promulgated in 1994 and subsequently amended in April 2015, October 2018 and April 2021. Under the PRC Advertising Law, advertising operators and advertising distributors will be subject to more stringent requirements and obligations. For example, entities or individuals shall not send advertisements to customers’ telephones, mobile or email accounts without the customers’ consents or requests, and any advertisement containing any kind of misleading, false or inaccurate information with respect to product quality, constituents, functionality, price, sales performance or other features will be deemed as deceptive advertising and will subject the advertising operators and distributors to penalties more severe than those under the original law. In addition, the PRC Anti-Unfair Competition Law further imposes stringent requirements on various promotional activities, such as prize-giving sales and bundling sales. Violation of these requirements may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements, and orders to publish a correction to the misleading information.

The Consumer Protection Law promulgated by the National People’s Congress Standing Committee in October 1993 and subsequently amended in August 2009 and October 2013 sets out the obligations of business operators and the rights and interests of the consumers in China. Pursuant to this law, business operators must guarantee that the commodities they sell satisfy the requirements for personal or property safety, provide consumers with authentic information about the commodities, and guarantee the quality, function, usage and term of validity of the commodities. Failure to comply with the Consumer Protection Law may subject business operators to civil liabilities such as refunding purchase prices, replacement of commodities, repairing, ceasing damages, compensation, and restoring reputation, and even subject the business operators or the responsible individuals to criminal penalties when personal damages are involved or if the circumstances are severe. The Consumer Protection Law was further amended in October 2013 and became effective in March 2014. The amended Consumer Protection Law further strengthens the protection of consumers and imposes more stringent requirements and obligations on business operators, especially on the business operators through the internet. For example, the consumers are entitled to return the goods (except for certain specific goods, such as custom-made goods, fresh and perishable goods) within seven days upon receipt without any reasons when they purchase the goods from business operators on the internet. The consumers whose interests have been damaged due to their purchase of goods or acceptance of services on online marketplace stores may claim damages from sellers or service providers. Moreover, if business operators deceive consumers when selling products or providing services, they should not only compensate consumers for their losses, but also pay additional damages equal to three times the price of the goods or services. If business operators knowingly sell defective products or provide services to the consumers and such products and services cause death of the consumers or other victims or cause severe damage to the health of the consumers or other victims, they should not only compensate victims for their loss, but also pay additional damages up to twice of the victims’ loss.

We are subject to the above laws and regulations as we sales goods online and believe that we are currently in compliance with these regulations in all material aspects.

Regulation on Cyber Security and Personal Information Protection

The National People’s Congress Standing Committee promulgated the Cybersecurity Law of the People’s Republic of China (“**Cybersecurity Law**”) on 7 November 2016, which took effect from 1 June 2017 with the latest amendment being effective on 1 January 2026. Construction, operation, maintenance and use of networks within the territory of the PRC will be subject to the law. Network operators in the

REGULATION OVERVIEW

PRC are required to perform the following obligations to ensure cyber security under a graded system of cyber security protection: (i) formulating internal security management systems and operation manual, to specify the person in charge of cyber security and to define responsibilities in cyber security protection; (ii) taking technical measures to prevent computer virus, network attacks, network intrusions and other activities that endanger cyber security; (iii) taking technical measures to monitor and record network operation and cyber security status, and maintaining relevant logs for no less than six months as required; (iv) taking measures such as data classification, and backup and encryption of important data, etc.; and (v) performing other obligations required by relevant laws and administrative regulations.

In addition, the Cybersecurity Law specifies that network products and services shall satisfy the mandatory requirements set out in applicable national standards. Any provider of network products or services shall not install malwares. In case of identifying any cyber security risk such as security defect or bug, relevant product/service provider is required to take immediate remedial actions, timely inform users of the risk, and report the event to the competent authority.

Furthermore, the Cybersecurity Law systematically specifies requirements on user information protection applicable to network operator and requires that a network operator should establish and improve its user information protection system. Network operators shall collect, store, and use individual information with consent from such individuals by lawful and proper means on a necessary basis. Network operators cannot collect individual user information that is not relevant to the services it provides, or distort or destroy individual information collected by it. Network operators are prohibited from disclosing without permission or selling individual information unless individual specifics are unidentifiable from the information which has been processed and become irretrievable. In addition, a network operator shall strengthen its management of information released by its users. If it finds any information that is prohibited bylaws and administrative regulations from release or transmission, it shall immediately cease transmission of such information, and take measures such as deletion of relevant information to prevent dissemination of the same, and shall keep relevant record, and report the event to competent authorities. Also, a network operator is required to establish network information security complaint and reporting mechanisms, and to release the complaint and reporting channels to promptly accept and settle complaints and reports concerning network information security.

Our PRC Legal Advisers have confirmed, and the Sole Sponsor has concurred, that during the Track Record Period and up to the Latest Practicable Date, we had complied with the Cybersecurity Law in all material respects and were not subject to any administrative penalties imposed by regulatory authorities for violations of laws and regulations.

The Measures for Cyber Security Review was issued on 28 December 2021 and came into effect on 15 February 2022. According to the Measures for Cyber Security Review, a critical information infrastructure operator, before purchasing network products and services, shall prejudge the national security risks that may arise after the products and services are put into use. If such products and services will or may affect national security, the operator shall apply for cyber security review to the cyber security review office.

The Provisions on the Cyber Protection of Children’s Personal Information issued by the Cyberspace Administration of China came into effect on 1 October 2019, which requires, among others, that network operators who collect, store, use, transfer and disclose personal information of children under the age of 14 shall establish special rules and user agreements for the protection of children’s personal information, inform the children’s guardians in a noticeable and clear manner, and shall obtain the consent of the children’s guardians.

On 20 August 2021, the SCNPC issued the PRC Personal Information Protection Law (the “PIPL”), which integrates the scattered rules with respect to personal information rights and privacy protection. The PIPL aims at protecting the personal information rights and interests, regulating the processing of personal information, ensuring the orderly and free flow of personal information in accordance with the law, and promoting the reasonable use of personal information.

REGULATION OVERVIEW

Regulation on the Use of AI Technologies

On 10 July 2023, with the approval of the NDRC, Ministry of Education, Ministry of Science and Technology, Ministry of Industry and Information Technology, Ministry of Public Security, and National Radio and Television Administration, the CAC issued the Interim Measures for the Administration of Generative Artificial Intelligence Services (《生成式人工智能服務管理暫行辦法》), which took effect on 15 August 2023 and set compliance requirements for providing generative AI services. Individuals or organisations offering generative AI services that produce text, images, audio, video, and other content shall assume responsibilities as online information content producers and personal information handlers, fulfilling personal information protection obligations. Providers of generative AI services shall sign service agreements with registered users and take effective measures to prevent minor users from over-reliance on or becoming addicted to these services. If providers discover illegal content or users engaging in illegal activities through generative AI, they shall promptly take actions such as stopping the generation of illegal content, suspending or terminating services, rectifying the situation, preserving relevant records, and reporting to the competent authorities.

On 7 March 2025, the CAC, Ministry of Industry and Information Technology, Ministry of Public Security, and National Radio and Television Administration issued the Measures for the Identification of AI-Generated Synthetic Content (《人工智能生成合成內容標識辦法》), which took effect on 1 September 2025, specifying compliance requirements for online information service providers to label AI-generated synthetic content. Providers shall add explicit and implicit labels to AI-generated texts, images, audio, video, and virtual scenes that may cause public confusion or misrecognition. Providers of online content dissemination services shall verify AI-generated content and ensure appropriate labelling. If some content lacks AI labels in metadata but the provider detects signs of AI generation, the provider shall add labels accordingly.

Regulations relating to Leasing

Pursuant to the Law on Administration of Urban Real Estate of the People’s Republic of China, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both lessor and lessee are also required to register the lease with the real estate administration department. If the lessor and lessee fail to go through the registration procedures, both lessor and lessee may be subject to fines.

According to the Civil Code of the People’s Republic of China Contract Section, the lessee may sublease the leased premises to a third party, subject to the consent of the lessor. Where the lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease contract if the lessee subleases the premises without the consent of the lessor. In addition, the validity of the property sale contract entered into between the lessor and a third party is not affected. If a mortgagor leases the mortgaged property before the mortgaged property has been leased, the previously established leasehold interest will not be affected by the subsequent mortgage; and where a mortgagor leases the mortgaged property after the creation and registration of the mortgage interest, the leasehold interest will be subordinated to the registered mortgage.

Pursuant to the Civil Code of the People’s Republic of China Contract Real Right Section, if a mortgagor leases the mortgaged property before the mortgaged property has been leased, the previously established leasehold interest will not be affected by the subsequent mortgage; and where a mortgagor leases the mortgaged property after the creation and registration of the mortgage interest, the leasehold interest will be subordinated to the registered mortgage.

REGULATION OVERVIEW

Regulations on Intellectual Property Rights

Patent

Patents in the PRC are principally protected under the Patent Law of the People’s Republic of China. The duration of a patent right is either 10 years, 15 years or 20 years from the date of application, depending on the type of patent right.

Copyright

Copyright in the PRC, including copyrighted software, is principally protected under the Copyright Law of the People’s Republic of China and related rules and regulations. Under the Copyright Law, the term of protection for copyrighted software is 50 years. In addition, the Regulations on the Protection of Rights to Information Network Communication promulgated by the State Council on 18 May 2006 (as amended in 2013), provides specific rules on fair use, statutory licence, and a safe harbour for use of copyrights and copyright management technology and specifies the liabilities of various entities for violations, including copyright holders, libraries and internet service providers.

Trademark

Registered trademarks are protected under the Trademark Law of the People’s Republic of China and related rules and regulations. Trademarks are registered with the Trademark Office of National Intellectual Property Administration under SAMR. Where registration is sought for a trademark that is identical or similar to another trademark which has already been registered or given preliminary examination and approval for use in the same or similar category of commodities or services, the application for registration of such trademark may be rejected. Trademark registrations are effective for a renewable ten-year period, unless otherwise revoked.

Domain Names

Domain names are protected under the Administrative Measures on the Internet Domain Names promulgated by MIIT. MIIT is the major regulatory body responsible for the administration of the PRC internet domain names, under supervision of which the China Internet Network Information Centre is responsible for the daily administration of .cn domain names and Chinese domain names. In November 2017, MIIT promulgated the Notice of the Ministry of Industry and Information Technology on Regulating the Use of Domain Names in Providing Internet-based Information Services, which became effective on 1 January 2018. Pursuant to the notice, the domain name used by an internet-based information service provider in providing internet-based information services must be registered and owned by such provider in accordance with the law.

Regulations Relating to Foreign Exchange and Dividend Distribution

Foreign Exchange Regulation

The principal regulations governing foreign currency exchange in China are the Foreign Exchange Administration Regulations. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, may be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. By contrast, approval from or registration with appropriate government authorities or banks is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of foreign currency denominated loans or foreign currency is to be remitted into China under the capital account, such as a capital increase or foreign currency loans to our PRC subsidiaries.

Since SAFE Circular 142 has been in place for more than five years, SAFE decided to further reform the foreign exchange administration system in order to satisfy and facilitate the business and capital operations of FIEs, and issued the Circular on the Relevant Issues Concerning the Launch of Reforming Trial of the Administration Model of the Settlement of Foreign Currency Capital of Foreign-Invested

REGULATION OVERVIEW

Enterprises in Certain Areas, or SAFE Circular 36, on 4 August 2014. This circular suspends the application of SAFE Circular 142 in certain areas and allows a foreign-invested enterprise registered in such areas with a business scope covering “investment” to use the RMB capital converted from foreign currency registered capital for equity investments within the PRC. On 9 April 2015, SAFE released the Notice on the Reform of the Management Method for the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises, or SAFE Circular 19, which came into force and superseded SAFE Circular 142 and SAFE Circular 36 from 1 June 2015. SAFE Circular 19 has made certain adjustments to some regulatory requirements on the settlement of foreign exchange capital of foreign-invested enterprises, and some foreign exchange restrictions under SAFE Circular 142 are lifted. Under SAFE Circular 19, the settlement of foreign exchange by FIEs shall be governed by the policy of foreign exchange settlement at will. In June 2016, SAFE promulgated the Notice on Reforming and Standardising the Administrative Provisions on Capital Account Foreign Exchange Settlement, or SAFE Circular 16, which removed certain restrictions previously provided under several SAFE circulars in respect of conversion by an FIE of foreign currency registered capital into RMB and use of such RMB capital. However, SAFE Circular 19 and SAFE Circular 16 also reiterate that the settlement of foreign exchange shall only be used for purposes within the business scope of the FIEs. In October 2019, SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment, or SAFE Circular 28, pursuant to which foreign-invested enterprises whose approved business scope does not include equity investments are allowed to use their capital funds obtained from foreign exchange settlement to make domestic equity investments in China, provided that such investments do not violate the Negative List and the target investment projects are genuine and in compliance with laws.

In November 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment, or SAFE Circular 59, which was further amended in May 2015. Pursuant to this circular, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of RMB proceeds by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces, which was not possible previously. In addition, SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents in May 2013, which was further revised in 2015, 2018 and 2019, which specify that the administration by SAFE or its local branches over direct investment by foreign investors in the PRC shall be conducted by way of registration and banks shall process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

Regulations on Employment

The Labour Contract Law of the People’s Republic of China and its implementation rules provide requirements concerning employment contracts between an employer and its employees. Pursuant to the Labour Contract Law, a written labour contract is required when an employment relationship is established between an employer and an employee. An employer is obligated to sign a labour contract with an employee with an indefinite term if the employer continues to employ the employee after two consecutive fixed-term labour contracts. The Labour Contract Law and its implementation rules also require compensation to be paid upon certain terminations. Other labour-related regulations and rules of the PRC stipulate the maximum number of working hours per day and per week as well as the minimum wages. An employer is required to set up occupational safety and sanitation systems, implement the national occupational safety and sanitation rules and standards, educate employees on occupational safety and sanitation, prevent accidents at work and reduce occupational hazards.

On 28 December 2012, the Labour Contract Law was amended to impose more stringent requirements on labour dispatch which became effective on 1 July 2013. Pursuant to the amended PRC Labour Contract Law, the dispatched contract workers shall be entitled to equal pay for equal work as a fulltime employee of an employer, and they shall only be engaged to perform temporary, ancillary or substitute works, and an employer shall strictly control the number of dispatched contract workers so that they do not exceed certain percentage of total number of employees.

REGULATION OVERVIEW

Enterprises in China are required by PRC laws and regulations to participate in certain employee benefit plans, including social insurance funds, namely a pension plan, a medical insurance plan, an unemployment insurance plan, a work-related injury insurance plan and a maternity insurance plan, and a housing provident fund, and contribute to the plans or funds in amounts equal to certain percentages of salaries, including bonuses and allowances, of the employees as specified by the local government from time to time at locations where they operate their businesses or where they are located.

According to the Social Insurance Law of the People’s Republic of China, an employer that fails to make social insurance contributions may be ordered to pay the required contributions within a stipulated deadline and be subject to a late fee. If the employer still fails to rectify the failure to make social insurance contributions within the stipulated deadline, it may be subject to a fine ranging from one to three times the amount overdue. Pursuant to the Interpretation II of the Supreme People’s Court 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)》), promulgated on 31 July 2025 and effective since 1 September 2025, any agreement between an employer and an employee or any commitment made by an employee to the employer stating that social insurance premiums need not be paid shall be deemed invalid by the people’s court. If an employer fails to pay social insurance premiums in accordance with the law, and the employee requests to terminate the labor contract and claims economic compensation pursuant to Article 38(3) of the Labor Contract Law of the People’s Republic of China, the people’s court shall support such claims in accordance with the law. In the circumstances described in the preceding paragraph, if the employer subsequently pays the social insurance premiums in accordance with the law and requests the employee to return the compensation already paid for the social insurance premiums, the people’s court shall support such requests in accordance with the law.

According to the Regulations on Management of Housing Fund, an enterprise that fails to make housing fund contributions may be ordered to rectify the noncompliance and pay the required contributions within a stipulated deadline; otherwise, an application may be made to a local court for compulsory enforcement.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

The history of our Company can be traced back to July 2010 when our Company was established as a limited liability company in Shanghai, the PRC by three individuals, who are currently Independent Third Parties of the Company. With approximately 15 years of development, we have become an e-commerce service solutions provider in China, providing comprehensive digital solutions from strategic planning to the implementation of digital business operations for brand owners across various industries. According to CIC, in terms of GMV in 2025, we were the fifth largest digital retail solutions provider and the largest O2O digital retail solutions provider in China.

Since our establishment, our Company went through a series of changes to its capital structure and also brought in new Shareholders and [REDACTED] Investors. See “— Corporate Development of Our Company” in this section for further details.

MILESTONES

The following is a summary of our Group’s key corporate and business development milestones:

Year	Events
2010	Our Company was established in July in Shanghai, the PRC.
2014	Our overseas subsidiaries, Keying (HK) and KNC E-Commerce were incorporated in Hong Kong and the U.S., respectively to commence cross-border e-commerce business.
2015	Our Company was converted into a joint stock liability company in September.
2016	On 3 May 2016, all issued Shares of our Company were quoted for trading on the NEEQ (the then stock code: 837160) and were subsequently voluntarily withdrawn from quotation on the NEEQ on 16 May 2019. Our Company commenced its collaboration with a global leading dining brand by providing O2O digital retail solutions.
2018	We were first awarded the highest level of “Tmall Six-Star Service Provider (天貓六星級服務商)” and have received this award consecutively in subsequent years.
2020	Keying Japan was incorporated to expand cross-border over-the-counter business for drugs and medical devices with required qualifications.
2021	Our Company was awarded as the “Outstanding E-commerce Operation Enterprise in Shanghai (上海市電商運營優秀企業)” by Shanghai E-commerce Association (上海市電子商務協會) in April. We established Beijing Kaijing to accelerate our business growth with JD.com.
2022	We have been recognised as an “Outstanding Unit in the Safe Consumption Creation Activities of Shanghai for the year 2020-2021 (2020-2021年上海市放心消費創建活動優秀單位)”. Our Company was first awarded the “Alimama 2022 Global Six-Star Partnership Certification (阿里媽媽2022全域六星合作夥伴認證)”. We joined the “Taobao Tmall DIGITAL Ecosystem Lab (淘寶天貓DIGITAL生態實驗室)”, becoming a partner in the Tmall Digital Ecosystem Acceleration Programme (天貓數字化生態加速計劃). We have received certification as a “brand service provider for Douyin e-commerce (抖音電商品牌服務商資格認證)”, marking the commencement of our business operations on the Douyin platform.
2023	Our Company has been selected as a “Demonstration Enterprise in E-commerce for the year 2023-2024 in Shanghai (2023-2024年度上海市電子商務示範企業)”.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Events
	Our Company has become the first digital retail solutions provider in the PRC to receive the DCMM certification for data management capability (數據管理能力成熟度DCMM認證), which represents our position in data governance and service capability.
	Our Company has been awarded the highest quality honour in Jinshan District “the 9th Jinshan District Mayor’s Quality Award (第九屆金山區區長質量獎)”.
	Our Company was first recognised as a “Purple Star Service Provider (紫星服務商)” by Tmall Global.
2024	According to CIC, in terms of GMV in 2024, we were the fifth largest digital retail solutions and the largest O2O digital retail solutions provider in China.
2025	Our Company was included in the 2025 Tmall Ecosystem Certification List (2025年天貓生態認證名單), receiving the Super V-Partner certifications in four categories, namely FMCG Industry Super V-Partner (快消行業超級V-Partner), Sports & Outdoor Industry Super V-Partner (運動戶外行業超級V-Partner), Digital Intelligence Capability Super V-Partner (數智能力超級V-Partner) and Service Experience Super V-Partner (服務體驗超級V-Partner).
	Our Company was selected as a cooperative service provider at the inaugural “JINGYING Alliance” (首屆「京YING聯盟」) of JD Health (京東健康) in Beijing in June, becoming a certified JINGYING Alliance Service Provider (京YING聯盟服務商).

OUR MAJOR SUBSIDIARIES

The principal business activities and dates of establishment of our major subsidiaries are set out below:

Name of the subsidiary	Equity interest attributable to our Group	Principal business activities	Date and jurisdiction of establishment/ incorporation
Jiangsu Kaijie	100%	Comprehensive brand e-commerce services and end-to-end digital value-added services	18 July 2019, PRC
Shanghai Kaihan	100%	Comprehensive brand e-commerce services and end-to-end digital value-added services	26 January 2021, PRC
Shanghai Kaichong	100%	Comprehensive brand e-commerce services and end-to-end digital value-added services, mainly in the area of pet product industry	28 April 2017, PRC
Shanghai Monster	100%	Comprehensive brand e-commerce services and end-to-end digital value-added services	29 May 2018, PRC
Shanghai Jiakai	73%	Comprehensive brand e-commerce services and end-to-end digital value-added services	27 January 2021, PRC
Keying (HK)	100%	Comprehensive brand cross-border e-commerce services	4 April 2014, Hong Kong
KNC E-Commerce	95%	Comprehensive brand cross-border e-commerce services for U.S. brands	5 May 2014, the State of Nevada (the U.S.)

In addition to Keying (HK) and KNC E-Commerce as set out in the table above, we also have four other overseas subsidiaries, namely Keying Japan, Keysing Singapore, JOJO (HK) and Keyvida. Keying Japan focuses on cross-border e-commerce services for local Japanese brands, providing operational support to newly onboarded Japanese brands and facilitating the distribution of cross-border products. JOJO (HK) is primarily engaged in cross-border e-commerce services for overseas healthcare brands, currently focusing on a European e-commerce company that specialises in supplements. Keysing Singapore and Keyvida have not yet commenced operations and we intend to offer cross-border e-commerce services for more brands through these two subsidiaries.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Our Company held majority equity interests in the above subsidiaries throughout the Track Record Period. See “Statutory and General Information — A. Further Information about Our Company and Our Subsidiaries” set out in Appendix VI to this document for more details on share capital changes of our subsidiaries.

CORPORATE DEVELOPMENT OF OUR COMPANY

Establishment of Our Company

Our Company was established in Shanghai, the PRC as a limited liability company on 19 July 2010 with an initial registered capital of RMB10.00 million. Upon establishment, our Company was owned as to 56.00% by Ms. Lin Lin (林琳), 30.00% by Ms. Wang Li (王莉) and 14.00% by Mr. Tang Yuanxin (唐元新).

Major Capital Changes and Equity Transfers after Establishment and Prior to Quotation on NEEQ

The major capital changes and equity transfers after establishment and prior to our Company’s quotation on NEEQ are set out below:

Equity transfer in September 2011

On 14 September 2011, the then Shareholders Ms. Lin Lin, Ms. Wang Li and Mr. Tang Yuanxin entered into equity transfer agreements with Mr. Han, Mr. Xu Zhiwen (徐智文) and Mr. Xu Lei (徐磊), pursuant to which, the then Shareholders agreed to transfer the registered capital they subscribed in our Company to Mr. Han, Mr. Xu Zhiwen and Mr. Xu Lei at the consideration of RMB200,000, RMB1,008,000 and RMB540,000 which was determined with reference to the then paid-in capital of our Company. Upon completion of such equity transfer, our Company was owned as to 10.00% by Mr. Han, 50.40% by Mr. Xu Zhiwen, 27.00% by Mr. Xu Lei and 12.60% by Mr. Tang Yuanxin. Our Company completed the registration with the local Administration for Market Regulation (formerly known as the local Administration for Industry and Commerce (工商行政管理總局)) (“Local AMR”) on 29 September 2011.

Equity transfer in July 2013

On 8 July 2013, Mr. Xu Zhiwen entered into an equity transfer agreement with Mr. Xu, pursuant to which, Mr. Xu Zhiwen agreed to transfer 30.40% equity interest in the Company to Mr. Xu at the consideration of RMB3.04 million, which was determined with reference to his paid-in capital to our Company. Upon completion of such equity transfer, our Company was owned as to 30.40% by Mr. Xu, 20.00% by Mr. Xu Zhiwen, 27.00% by Mr. Xu Lei, 10.00% by Mr. Han and 12.60% by Mr. Tang Yuanxin. Our Company completed the registration in respect of the equity transfer with the Local AMR on 15 July 2013.

Equity transfers in January 2014

On 31 December 2013, all the then Shareholders, namely Mr. Xu, Mr. Han, Mr. Xu Zhiwei, Mr. Xu Lei and Mr. Tang Yuanxin as the sellers entered into equity transfer agreements with Ms. Wang Xia (王霞) and Shanghai Kaixian as purchasers in relation to the transfer of 30.65% equity interest in our Company at the consideration equal to respective paid-in capital. Upon completion of the equity transfers, our Company was owned as to 28.88% by Mr. Xu, 25.65% by Mr. Wang Xia, 19% by Mr. Xu Zhiwen, 11.97% by Mr. Tang Yuanxin, 9.5% by Mr. Han and 5% by Shanghai Kaixian. Shanghai Kaixian is a limited partnership established under the laws of the PRC on 26 December 2013 with Mr. Han, our executive Director and general manager, being its general partner. Our Company completed the registration in respect of the equity transfers with the Local AMR on 10 January 2014.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Capital increases and equity transfer in 2014 (Introducing Star Culture and BlueFocus as our [REDACTED] Investors)

1. Capital increase in February 2014

On 28 January 2014, all the then Shareholders of our Company entered into a capital increase agreement with Star Culture, pursuant to which Star Culture agreed to subscribe for the increased registered capital of approximately RMB526,300 at the consideration of RMB5,000,000, the amount of RMB4,473,700 exceeding the increased registered capital was included in our Company’s capital reserve. The consideration in respect of the aforementioned capital increase was determined after arm’s length negotiation among the parties. For details on Star Culture, see “— [REDACTED] Investments” in this section. The fund for the aforesaid capital increase from Star Culture was received by our Company on 13 February 2014. Our Company completed the registration with the Local AMR in respect of the capital increase on 28 February 2014. Upon completion, the registered capital of our Company increased from RMB10,000,000 to RMB10,526,300.

2. Capital increase and equity transfer in November 2014

On 1 September 2014, all of the then Shareholders entered into an equity transfer and capital increase agreement with BlueFocus, pursuant to which, (i) Mr. Xu, Mr. Tang Yuanxin, Ms. Wang Xia and Mr. Xu Zhiwen transferred part of their equity interests in our Company to BlueFocus; and (ii) BlueFocus agreed to subscribe for the increased registered capital of approximately RMB1,103,900 at the consideration of RMB12,000,000, the amount of RMB10,896,100 exceeding the increased registered capital was included in our Company’s capital reserve. The consideration in respect of the aforementioned capital increase was determined after arm’s length negotiation among the parties. For details on BlueFocus, See “— [REDACTED] Investments” this section. The fund for the aforesaid capital increase from BlueFocus was fully received by our Company on 14 November 2014. Our Company completed the registration with the Local AMR in respect of the capital increase on 13 November 2014. Upon completion, the registered capital of our Company increased from RMB10,526,300 to RMB11,630,200.

Capital increase and shareholding changes in 2015

1. Capital increase in April 2015

On 1 April 2015, our Shareholders’ meeting passed a resolution to approve the increase of our registered capital from RMB11,630,200 to RMB11,817,800 where the increased registered capital of RMB187,600 be subscribed by Mr. Xu at the consideration of RMB2,000,000, the amount of RMB1,812,400 exceeding the increased registered capital was included in our Company’s capital reserve. The consideration in respect of the aforementioned capital increase was determined after arm’s length negotiation among the parties with reference to the then registered capital of our Company. The fund for the aforesaid capital increase from Mr. Xu was received by our Company on 21 April 2015. Our Company completed the registration with the Local AMR in respect of the capital increase on 9 April 2015.

2. Equity transfers in July 2015

In July 2015, BlueFocus entered into an equity transfer agreement with Mr. Xu and Shanghai Keytier, pursuant to which, BlueFocus agreed to transfer registered capital of RMB590,890 and RMB1,723,510 to Mr. Xu and Shanghai Keytier, respectively. Upon completion of such equity transfer, BlueFocus ceased to be a Shareholder of our Company. Registration in respect of the equity transfer was completed on 20 July 2015.

Shanghai Keytier was established as a limited partnership under the laws of the PRC on 15 June 2015, with its general partner being Shanghai Chuyuan. As of the Latest Practicable Date, Shanghai Chuyuan is owned as to 80% by Mr. Xu and 20% by Mr. Xu Zhiwen. According to a Shareholders’ resolution dated 20 July 2015, Mr. Xu and Mr. Tangy Yuanxin entered into an equity transfer agreement, pursuant to which Mr. Xu agreed to transfer 1.5% equity interest (representing registered capital of RMB177,267) in our Company to Mr. Tang Yuanxin, which was registered with the Local AMR on 21 July 2015.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The shareholding structure of our Company upon completion of the above capital increase and equity transfers and prior to the conversion into a joint stock limited company is set out below.

Name of Shareholders	Registered capital held in our Company	Approximate equity interests percentage in our Company
	(RMB)	(%) <i>(Note)</i>
Mr. Xu	3,210,223	27.16
Shanghai Keytier	1,723,510	14.58
Ms. Wang Xia	2,142,900	18.13
Mr. Xu Zhiwen	1,587,400	13.43
Mr. Tang Yuanxin	1,177,467	9.96
Mr. Han	950,000	8.04
Star Culture	526,300	4.45
Shanghai Kaixian	500,000	4.23
Total	11,817,800	100.00

Note: The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

Conversion to a joint stock limited company

Pursuant to the Shareholders’ resolution dated 22 August 2015 and the promoters’ agreement dated 7 September 2015, the then existing Shareholders agreed and approved the conversion of our Company into a joint stock limited company. The net assets value of RMB37,524,373.48 of our Company as of 31 July 2015, of which (i) RMB11,817,800 was converted into 11,817,800 Shares with a nominal value of RMB1.00 each which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion; and (ii) the remaining RMB25,706,573.48 was converted in our capital reserve. The conversion was completed on 10 September 2015.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Capital increase in September 2015 (Introducing Orient Investment and Beijing Voyage as our [REDACTED] Investors)

In 2015, our Company, Mr. Xu, Mr. Han, Shanghai Keytier, and Shanghai Kaixian entered into a capital increase agreement with Orient Investment and Beijing Voyage, pursuant to which, Orient Investment and Beijing Voyage agreed to subscribe for 638,800 and 319,400 Shares in our Company at the consideration of RMB10,000,000 and RMB5,000,000, respectively, with a premium of RMB14,041,800 in total included in the capital reserve of our Company. The consideration was determined after arm’s length negotiations with reference to the previous round of valuation of our Company. The funds for capital increase were received by our Company by 25 September 2015. The shareholding structure of our Company upon completion of the above capital increase and equity transfers is set out below.

Name of Shareholders	Number of Shares	Approximate Shareholding Percentage in our Company (%) <i>(Note)</i>
Mr. Xu	3,210,223	25.13
Ms. Wang Xia	2,142,900	16.77
Shanghai Keytier	1,723,510	13.49
Mr. Xu Zhiwen	1,587,400	12.42
Mr. Tang Yuanxin	1,177,467	9.22
Mr. Han	950,000	7.44
Orient Investment	638,800	5.00
Star Culture	526,300	4.12
Shanghai Kaixian	500,000	3.91
Beijing Voyage	319,400	2.50
Total	12,776,000	100.00

Note: The percentage figures have been subject to rounding adjustments.

Quotation on NEEQ in May 2016 and subsequent capital increases

With the approval of the National Equities Exchange and Quotations Corporation Limited (全國中小企業股份轉讓系統有限責任公司), on 3 May 2016, all issued Shares of our Company were quoted for trading on the NEEQ (then stock code: 837160). During the period of NEEQ quotation, the following material changes to our shareholdings occurred.

1. Private placement in November 2016 (introducing Orient Securities, Everbright Securities and Haitong Securities as our [REDACTED] Investors)

On 27 May 2016, our Company and each of Mr. Xu, Orient Securities, Haitong Securities and Everbright Securities entered into share subscription and capital increase agreements, pursuant to which each of Mr. Xu, Orient Securities, Haitong Securities and Everbright Securities agreed to subscribe for our Company agreed to issue 137,500, 532,481, 200,000 and 100,000 Shares to each of Mr. Xu, Orient Securities, Haitong Securities and Everbright Securities by way of private placement for the consideration of RMB2,582,250.00, RMB9,999,993.18, RMB3,756,000.00 and RMB1,878,000.00, respectively. RMB969,981 out of the aggregate consideration was counted into the registered share capital and the remaining RMB17,246,262.18 was credited to the capital reserve of our Company. The final issue price was RMB18.78 per Share, which was determined on arm’s length negotiations between the Company and the [REDACTED] Investors with reference to the public information of the Company as well as industry factors and growth potential. The registered capital of our Company correspondingly increased to RMB13,745,981 and its total number of Shares increased to 13,745,981 Shares. For details on Orient Securities, Haitong Securities and Everbright Securities, see “— [REDACTED] Investments” in this section.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

2. *Capitalisation issue in December 2016*

On 18 October 2016, our Company convened an extraordinary general meeting to approve issuance of 10 new Shares of the Company for every 10 existing Shares to all Shareholders of the Company by way of capitalisation of capital reserve, representing a total increase of 13,745,981 Shares, based on the then total issued Shares of the Company of 13,745,981. Upon completion of the capitalisation issue, the total issued Shares increased from 13,745,981 Shares to 27,491,962 Shares. On 27 December 2016, our Company completed registration with the Local AMR in terms of the increased registered capital of RMB27,491,962.

3. *Private placement in December 2017 (introducing Shengang Securities, Zhongzhi Orient Assets, Shanghai Hanli and Hangzhou Hanli as our [REDACTED] Investors)*

By a Shareholders’ resolution on 25 August 2017, our Company issued an aggregate of 3,149,770 Shares to Shengang Securities, Zhongzhi Orient Assets, Shanghai Hanli and Hangzhou Hanli by way of private placement for a total consideration of RMB34,363,990.70 with RMB3,149,770.00 involved in the registered share capital and the remaining RMB31,214,220.70 credited to the capital reserve of our Company. The final issue price was RMB10.91 per Share, which was determined based on arm’s length negotiations among the Company and such [REDACTED] Investors with reference to the previous private placement issue price, industry factors, the public information and potential growth of the Company. For details on Shengang Securities, Zhongzhi Orient Assets, Shanghai Hanli and Hangzhou Hanli, see “— [REDACTED] Investments” in this section.

The registered capital of our Company correspondingly increased to RMB30,641,732 and our total number of issued Shares increased to 30,641,732 Shares. Our Company completed with registration in respect of the private placement on 17 December 2017.

Withdrawal from the NEEQ in July 2019

In order to optimise the Company’s capital financing strategy and reduce disclosure cost, on 16 May 2019, then Shareholders resolved to voluntarily withdraw from quotation on the NEEQ (“**NEEQ Withdrawal**”) based on the following reasons: (i) at the time of withdrawal of the Company from NEEQ, the NEEQ market was experiencing a downturn, with generally low valuations and poor liquidity, which meant that the Company’s Shares were significantly undervalued, despite strong and stable profitability; (ii) presence of a low secondary market price on the NEEQ created a direct conflict when seeking external investment at higher valuations; and (iii) when the Company was quoted on the NEEQ, due to its unique position as a leading e-commerce company on the NEEQ, the Company was subject to particularly stringent disclosure requirements, along with associated maintenance costs. Therefore, the Company applied for the termination of its listing on the NEEQ which was approved by NEEQ with effect from 3 July 2019.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Immediately following the NEEQ Withdrawal, the then shareholding structure of our Company was as follows:

Name of Shareholders	Number of Shares	Approximate Shareholding Percentage in our Company (%) ⁽⁴⁾
Mr. Xu	6,877,446	22.44
Shanghai Keytier	3,447,020	11.25
Mr. You Minyong ⁽¹⁾	3,066,000	10.01
Shanghai Kaipeng	2,415,600	7.88
Mr. Xu Zhiwen	2,381,800	7.77
Mr. Han	2,289,800	7.47
Mr. Tang Yuanxin	1,963,934	6.41
Shanghai Kaixian	1,000,000	3.26
Shanghai Lanhao ⁽²⁾	414,000	1.35
Mr. Xu Xin (許新) ⁽³⁾	300,000	0.98
[REDACTED] Investors ⁽⁴⁾	5,105,132	16.66
Other Shareholders ⁽⁵⁾	1,381,000	4.51
Total	30,641,732	100.00

Notes:

- (1) Mr. You Minyong purchased Shares of our Company through the NEEQ system.
- (2) Shanghai Lanhao is a limited partnership established under the laws of the PRC on 20 November 2018 with Mr. Han being its general partner.
- (3) Mr. Xu Xin is a cousin of Mr. Xu.
- (4) Immediately prior to the NEEQ Withdrawal, there were a total of six then existing [REDACTED] Investors, including Hangzhou Hanli, Orient Investment, Zhongzhi Orient Assets, Orient Securities, Shanghai Hanli and Haitong Securities, which held approximately 4.49%, 4.17%, 2.99%, 2.79%, 1.50% and 0.73% of the equity interest in our Company, respectively.
- (5) To the best of knowledge of our Directors after making all due enquiries, other Shareholders represent 39 individual Shareholders and two corporate Shareholders who traded the Shares through NEEQ system and they were Independent Third Parties as of the date of NEEQ Withdrawal.
- (6) The percentage of equity interests in our Company are subject to rounding. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

Compliance during the period of listing on the NEEQ

The Directors confirm, to the best of their knowledge and belief, that (a) during the period of listing of the Shares on the NEEQ (i.e. from 3 May 2016 to 3 July 2019): (i) our Company is in compliance in all material respects with all applicable laws and industrial regulations including the “Market Rules of the National Equities Exchange and Quotations of the PRC (Trial) (全國中小企業股份轉讓系統業務規則 (試行))” and (ii) our Company has not been subject to any disciplinary action by any relevant law enforcement agency or regulatory body; and (b) there are no other matters that need to be brought to the attention of the Hong Kong Stock Exchange or the Shareholders in relation to the previous listing of our Company’s Shares on the NEEQ (the “Confirmation”).

The Sole Sponsor, having considered (a) the Confirmation from our Company and each of our Directors who were Directors of our Company during its listing on the NEEQ and (b) the view of our PRC Legal Advisers that during the listing on the NEEQ, our Company and our then Directors had not been subject to disciplinary action or administrative penalty by the NEEQ, the CSRC or its local agency for any violation of laws and regulations, concurs with the Confirmation.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity transfer and capital increase in July, September and October 2019 (introducing Ningbo Quanshi, Shanghai Kuanyuan and Ningbo Zhixin as our [REDACTED] Investors)

Upon completion of a share transfer among the existing Shareholders in July 2019, Haitong Securities ceased to be a Shareholder of our Company. Subsequently in September 2019, apart from several equity transfers, on 12 September 2019, our Company, Mr. Xu, Mr. Han, Mr. Xu Zhiwen, Mr. Tang Yuanxin and Mr. You Minyong entered into an investment agreement with Ningbo Quanshi, pursuant to which, Ningbo Quanshi agreed to subscribe for 565,000 Shares of our Company at the consideration of RMB14,407,500. The consideration was determined after arm’s length negotiations with reference to the overall valuation of the Company, industry conditions as well as the Company’s operational performance. See “— [REDACTED] Investments” in this section for further details on Ningbo Quanshi. On 1 September 2019, Mr. Tang Yuanxin and Ms. Tang Qian (唐倩) entered into a share transfer agreement, pursuant to which, Mr. Tang Yuanxin transfer all his Shares in our Company to Ms. Tang Qian, his former spouse, at the consideration of RMB4,000,000, which was determined with arm’s length negotiations as an internal family arrangement.

On 8 October 2019, our Company, Mr. Xu, Mr. Han, Mr. Xu Zhiwen, Ms. Tang Qian and Mr. You Minyong entered into an investment agreement with Shanghai Kuanyuan and Ningbo Zhixin, pursuant to which, Shanghai Kuanyuan and Ningbo Zhixin agreed to subscribe for 283,000 and 394,000 Shares in our Company with the consideration of RMB7,216,500 and RMB10,047,000, respectively. The consideration was determined after arm’s length negotiations with reference to the overall valuation of the Company, industry conditions as well as the Company’s operational performance. Shanghai Kuanyuan and Ningbo Zhixin are [REDACTED] Investors of our Company. For details, see “— [REDACTED] Investments” in this section. On 25 October 2019, our Company completed with the Local AMR in relation to the above equity changes.

Equity transfer and capital increase in April 2020 (introducing Shanghai Yijing, Zhuhai Taihong and Fuzhou Taihong as our [REDACTED] Investors)

On 10 April 2020, Zhongzhi Orient Assets and Shanghai Jiantelife Technology Co., Ltd. (上海健特生命科技有限公司) (“**Shanghai Jiantelife**”), entered into a share transfer agreement, pursuant to which Zhongzhi Orient Assets transferred all its 916,590 Shares in our Company to Shanghai Jiantelife at the consideration of RMB33,455,535, which was determined after arm’s length negotiations with reference to the previous consideration paid by Zhongzhi Orient Assets for subscription of such equity interest in our Company. Shanghai Jiantelife is a direct non wholly-owned subsidiary of Giant Ventures, a [REDACTED] Investor of our Company.

On 7 April 2020, our Company entered into an investment agreement with Ningbo Zhixin, Shanghai Yijing, Zhuhai Taihong and Fuzhou Taihong, respectively, pursuant to which each of Ningbo Zhixin, Shanghai Yijing, Zhuhai Taihong and Fuzhou Taihong agreed to subscribe for 410,000, 550,000, 220,000 and 330,000 Shares in our Company at the consideration of RMB14,965,000, RMB20,075,000, RMB8,030,000 and RMB12,045,000, respectively, which was determined after arm’s length negotiations with reference to the overall valuation of the Company and industry prospects. Ningbo Zhixin, Shanghai Yijing, Zhuhai Taihong and Fuzhou Taihong are [REDACTED] Investors of our Company. For details, see “— [REDACTED] Investments” in this section. The funds for such capital increases were fully received by our Company on 15 April 2020. Upon completion of such capital increases, the registered capital of our Company correspondingly increased to RMB33,393,732.

Capitalisation issue in June 2020

On 12 June 2020, our Company convened an annual general meeting to approve, among other things, issuance of 20 new Shares of the Company for every 10 existing Shares to all Shareholders of the Company by way of capitalisation of capital reserve, representing a total increase of 66,787,464 Shares, based on the total share capital of the Company of 33,393,732 Shares as of the same date. Upon completion of the capitalisation issue, the total issued Shares increased from 33,393,732 Shares to 100,181,196 Shares. On 29 June 2020, our Company completed registration with the Local AMR in terms of the increased registered capital.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Equity transfer in June 2020 (introducing Giant Ventures as our [REDACTED] Investor)

On 28 June 2020, Shanghai Jiantie entered into a share transfer agreement with Giant Ventures, pursuant to which Shanghai Jiantie transfer all its 2,749,770 Shares in our Company to Giant Ventures at the consideration of RMB33,455,535, which was determined after arm’s length negotiations with reference to the previous consideration paid by Shanghai Jiantie for acquiring such equity interest in our Company. Upon completion of such share transfer, Shanghai Jiantie ceased to be a Shareholder of our Company.

The capital reductions and share transfers in 2022 and 2024

The Company convened an extraordinary general meeting on 23 October 2023 and 29 July 2024 respectively to approve the reductions of share capital. Upon completion of the capital reductions, the registered capital of our Company correspondingly decreased to RMB94,248,310. Our Company completed the registration of the capital reductions with the Local AMR on 13 December 2023 and 23 September 2024 respectively.

Meanwhile, from January 2022 to June 2024, our Company went through a series of share transfers among the existing Shareholders of the Company.

Divestment of Shanghai Kuanyuan in 2025

In December 2024, Ningbo Zhixin and Shanghai Kuanyuan entered into equity transfer agreements with each of Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen, pursuant to which Ningbo Zhixin and Shanghai Kuanyuan agreed to transfer certain amount of Shares they held in our Company to each of Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu. In March 2025, each of Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen entered into equity transfer agreements with Shanghai Kuanyuan, pursuant to which Shanghai Kuanyuan transferred its remaining 720,900 Shares to Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen, which were completed between 14 March and 19 March 2025 respectively. Upon completion of the share transfer, Shanghai Kuanyuan ceased to be a Shareholder of our Company.

The shareholding structure of our Company immediately upon completion of such equity transfers and as of the Latest Practicable Date is set out in the table below:

Name of Shareholders	Number of Shares held	Approximate equity interests percentage in our Company (%) ⁽⁴⁾
Mr. Xu	21,185,038	22.48
Shanghai Keytier	10,491,060	11.13
Mr. You Minyong	8,165,400	8.66
Mr. Han Songyu	7,567,500	8.03
Shanghai Kaipeng	7,246,800	7.69
Mr. Xu Zhiwen	6,229,600	6.61
Shanghai Kaixian	3,000,000	3.18
Shanghai Lanhao	1,908,000	2.02
Shanghai Kaiao ⁽¹⁾	1,065,000	1.13
Mr. Xu Xin	960,000	1.02
[REDACTED] Investors ⁽²⁾	16,948,110	17.98
Other Shareholders ⁽³⁾	9,481,802	10.06
Total	94,248,310	100.00

Notes:

- (1) Shanghai Kaiao is a limited partnership established under the laws of the PRC on 14 October 2019 with Mr. Han being its general partner.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (2) Upon completion of equity transfer in March 2025 and as of the Latest Practicable Date, there were a total of then existing eight [REDACTED] Investors, including Hangzhou Hanli, Orient Investment, Giant Ventures, Ningbo Zhixin, Shanghai Yijing, Shanghai Hanli, Fuzhou Taihong and Zhuhai Taihong, which held approximately 4.38%, 4.07%, 2.92%, 1.66%, 1.75%, 1.46%, 1.05% and 0.70% of the equity interest in our Company, respectively.
- (3) To the best of knowledge of our Directors after making all due enquiries, the other 48 Shareholders are Independent Third Parties as of the Latest Practicable Date.
- (4) The percentage of equity interests in our Company are subject to rounding.

The Existing AIC Agreement

On 29 August 2022, Mr. Xu, Mr. Han, Mr. Xu Zhiwen and Mr. You Minyong entered into an acting in concert agreement (the “**AIC Agreement**”), pursuant to which (i) each of Mr. Xu, Mr. Han, Mr. Xu Zhiwen and Mr. You Minyong undertook to act in concert to ensure that the decisions regarding our Company’s production and operations as well as other significant matters are consistent during the period they remain as Shareholders of our Company and (ii) that in the event of any disagreement, Mr. Xu’s opinion shall prevail.

Previous A Share Listing Attempts

Following the continued growth of our Company and with a view to tapping into capital markets with a broader investor base, our Company submitted an application to the Shenzhen Stock Exchange for the proposed A share listing on the ChiNext on 30 June 2021. On 22 July 2021, Shenzhen Stock Exchange issued the first round of comments to the Company, focusing on the shareholding and control, compliance, business, and finance. On 23 December 2021, due to changes in our Company’s capital market operation plans and to adjust its listing segment from ChiNext (a board focusing on small up-starters, in particular those in high-tech and emerging industries) to main board, we proposed to change the [REDACTED] venue and voluntarily withdrew the application on the ChiNext without making any reply to the first round of comments made by Shenzhen Stock Exchange. Further our Company entered into a tutoring agreement (輔導協議) with GF Securities Co., Ltd. (廣發證券股份有限公司) in preparation for the listing application on the Shanghai Stock Exchange, and made a preliminary filing (上市輔導備案) with the Shanghai Supervision Bureau of the CSRC (中國證券監督管理委員會上海監管局) on 15 July 2022, the tutoring service of which was terminated on 28 November 2023 (collectively the “**A Share Listing Attempts**”). As advised by our PRC Legal Advisers, the preliminary filing (上市輔導備案) did not constitute a formal listing application and save as disclosed, no formal listing application had been made to any stock exchange in the PRC. Our Directors confirm that, which our PRC Legal Advisers and Sole Sponsor concur, the CSRC did not raise any comments in respect of the preliminary filing. The main reason for switching from the Shenzhen Stock Exchange to the Shanghai Stock Exchange was not simply about changing exchanges, but rather about choosing the most suitable board for the Company’s A-share listing, which is determined based on the following: (i) the focus of ChiNext board on high-tech companies and companies in strategic emerging industries that aligns with the national strategies, which made the Company’s business, mismatched for the listing segment; and (ii) the greater practicality and convenience for the Company provided by the Shanghai Stock Exchange for the Company as a company based in Shanghai due to its geographical proximity. To the knowledge of our Directors, none of the professional parties of the A Share Listing Attempts were aware of any material adverse findings and any unresolved material adverse comments or enquiries raised by the regulators in respect of the A Share Listing Attempts. There were also no disagreements between our Group and any of the professional parties of the A Share Listing Attempts.

Having taken into account our long-term business development plan and financing needs for our further expansion, and considering that the Stock Exchange, being an internationally recognised and reputable stock exchange, to be a more appropriate [REDACTED] venue, we decided to pursue a [REDACTED] in Hong Kong. Our Directors confirmed that there is no other material matter in relation to the A Share Listing Attempts or the NEEQ quotation and NEEQ Withdrawal that needs to be brought to the attention of the Stock Exchange.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Based on the due diligence work conducted by the Sole Sponsor including, among others, (i) conducting interviews with Mr. Xu, the executive Director, chairman of the Board; (ii) conducting interviews with the professional parties engaged in connected with the A Share Listing Attempts; (iii) reviewing relevant reports and enquiries in relation to the Previous A Share Listing Attempts, including but not limited to the enquiries raised by Shenzhen Stock Exchange and the reports filed to Shanghai Stock Exchange on IPO tutoring filing and the report on IPO tutoring termination; and (iv) discussing with the PRC legal advisers as to the Sole Sponsor to understand the applicable PRC rules and regulations and application procedures in relation to the A Share Listing Attempts, the Sole Sponsor has the following findings: (i) the Company’s A Share Listing Attempts are conducted with proper commercial rationale and the switching of listing platforms is reasonable in the context as disclosed; (ii) it is not aware of any dispute or disagreement between the Company and the professional parties involved in the A Share Listing Attempts; (iii) it is not aware of any material issues relating to the NEEQ Withdraw which may materially and adversely affect the Company’s suitability for the Listing as the NEEQ Withdrawal was voluntarily resolved by the then Shareholders in 2019 and the withdrawal was conducted with NEEQ’s formal approval; and (iv) nothing in relation to the A Share Listing Attempts or the NEEQ Withdraw should be brought to the attention of the Stock Exchange and potential investors.

Reasons for Seeking the [REDACTED] on the Stock Exchange

Our Directors believe that the [REDACTED] will be in the interests of our Group’s business development strategies, and would be beneficial to us and our Shareholders as a whole for the following reasons:

- (a) the NEEQ is a trading platform in the PRC for off market transfer of non-listed public shares by qualified investors only and it adopts a market maker, negotiated transfer or price competing transfer trading mechanism, which might limit price discovery and order execution. The relatively low liquidity of the shares quoted on the NEEQ would generally make it difficult for the companies to publicly raise funds, in equity or debt, to continuously support our business growth;
- (b) in contrast, the Stock Exchange, as a leading player of the international financial markets, serves as the ideal [REDACTED] venue for us by virtue of its strong business ties with Chinese investors and business partners. Seeking a [REDACTED] on the Stock Exchange aligns with our Company’s long-term strategy for cross-border expansion and internationalisation. The Stock Exchange could offer us a direct access to the international capital markets, enhance fund-raising capabilities and channels and broaden our Shareholders base; and
- (c) as an e-commerce service solution provider, [REDACTED] on the Stock Exchange will further raise our business profile and thus, enhance our recognition in overseas markets and our ability to attract new customers, business partners and strategic investors as well as to recruit, motivate and retain key management personnel for our Group’s business.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] INVESTMENTS

1. Overview

[REDACTED] Investors	Date of capital increase/equity transfer agreement	Subscription amount of registered capital/ Number of Shares subscribed or transferred	Consideration paid	Date of completion of payment of consideration	Number of Shares as of the Latest Practicable Date	Average cost per Share as immediately before completion of the Latest Practicable Date	Interest held in our Company immediately before completion of the Latest Practicable Date	Interest held in our Company upon completion of the Latest Practicable Date (assuming that the [REDACTED] is not exercised)	Discount to the [REDACTED] ⁽¹⁾⁽²⁾ ([REDACTED])
1. Star Culture	28 February 2014	526,300	RMB5.0 million	13 February 2014	—	—	—	—	—
2. BlueFocus	1 September 2014	1,103,900	RMB12.0 million	17 November 2014	—	—	—	—	—
3. Orient Investment	10 September 2015	638,800	RMB10.0 million	25 September 2015	3,832,800	RMB2.61	4.07%	[REDACTED]%	[REDACTED]%
4. Beijing Voyage	10 September 2015	319,400	RMB5.0 million	25 September 2015	—	—	—	—	—
5. Orient Securities	27 May 2016	532,481	RMB9,999,993.18	24 June 2016	—	—	—	—	—
6. Everbright Securities	27 May 2016	100,000	RMB18.8 million	24 June 2016	—	—	—	—	—
7. Haitong Securities	27 May 2016	200,000	RMB37.6 million	24 June 2016	—	—	—	—	—
8. Shengang Securities	8 August 2017	400,000	RMB43.6 million	1 September 2017	—	—	—	—	—
9. Zhongzhi Orient Assets	8 August 2017	916,590	RMB9,999,996.90	1 September 2017	—	—	—	—	—
10. Shanghai Hanli	8 August 2017	458,295	RMB4,999,998.45	1 September 2017	1,374,885	RMB3.64	1.46%	[REDACTED]%	[REDACTED]%
11. Hangzhou Hanli	8 August 2017	1,374,885	RMB14,999,995.35	4 September 2017	4,124,655	RMB3.64	4.38%	[REDACTED]%	[REDACTED]%
12. Ningbo Quanshi	12 September 2019	565,000	RMB14.4 million	19 September 2019	—	—	—	—	—
13. Shanghai Kuanyuan	8 October 2019	283,000	RMB7.2 million	14 October 2019	—	—	—	—	—
14. Ningbo Zhixin	8 October 2019; 7 April 2020	394,000; 410,000	RMB10,047,000; RMB14,965,000	14 October 2019; 15 April 2020	1,566,000	RMB8.50	1.66%	[REDACTED]%	[REDACTED]%
15. Shanghai Yijing	7 April 2020	550,000	RMB20,075,000	13 April 2020	1,650,000	RMB12.17	1.75%	[REDACTED]%	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] Investors	Date of capital increase/equity transfer agreement	Subscription amount of registered capital/ Number of Shares subscribed or transferred	Consideration paid	Date of completion of payment of consideration	Number of Shares as of the Latest Practicable Date	Average cost per Share as immediately before the Latest completion of the	Interest held in our Company upon completion of the [REDACTED] (assuming that the [REDACTED] is not exercised)	Discount to the [REDACTED] ⁽¹⁾⁽²⁾ (([REDACTED]))
16. Fuzhou Taihong	7 April 2020	330,000	RMB12,045,000	10 April 2020	990,000	RMB12.17	1.05%	[REDACTED]% [REDACTED]%
17. Zhuhai Taihong	7 April 2020	220,000	RMB8,030,000	10 April 2020	660,000	RMB12.17	0.70%	[REDACTED]% [REDACTED]%
18. Giant Ventures	28 June 2020	2,749,770	RMB33,455,535	29 June 2020	2,749,770	RMB12.17	2.92%	[REDACTED]% [REDACTED]%

Notes:

- (1) The [REDACTED] is based on the exchange rate of HK\$1 to RMB0.87306, the median rate set by PBOC for foreign exchange transactions prevailing on the Latest Practicable Date, and assuming the [REDACTED] is fixed at HK\$[REDACTED], being the [REDACTED] of the indicative [REDACTED].
- (2) The considerations of the [REDACTED] investments were determined after arm's length negotiation among the parties with reference to the net asset value of our Company of the relevant times. The discount to the [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]). The foreign price range has taken various factors including the recent market condition, liquidity premium after the [REDACTED], valuation level of the listed comparable peers, the current business scale of our Group and future profitability of our Group, into account

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

2. The principal terms of the [REDACTED] Investments and the rights of the [REDACTED] Investors

Use of [REDACTED] from the [REDACTED] Investments	All [REDACTED] from the [REDACTED] Investments are used for the business of our Company, including but not limited to the growth and expansion of our Company’s business and general working capital purposes. As of the Latest Practicable Date, the [REDACTED] from the [REDACTED] Investments had been fully utilised.
Strategic benefits of the [REDACTED] Investments to our Company	At the time of the [REDACTED] Investments, the Directors believe that our Company will benefit from the additional capital provided by the [REDACTED] Investors’ investment and their knowledge and experience.
Basis for determination of consideration paid	See “— Corporate Development of our Company” in this section.
Lock-up period	Pursuant to the applicable PRC law, all existing Shareholders (including the [REDACTED] Investors) could not dispose of any of the Shares held by them within 12 months following the [REDACTED].

3. Special Rights granted to the [REDACTED] Investors

Pursuant to the relevant capital increase agreements, certain of our [REDACTED] Investors had been previously granted special rights by our Controlling Shareholders, including, among others, divestment rights, information rights, pre-emptive right, right of co-sale and anti-dilution right. There was (i) no guarantees by the Company in respect of the redemption right previously granted by the Controlling Shareholder to the [REDACTED] Investors; (ii) no other side agreements between the Controlling Shareholders and the [REDACTED] Investors; and (iii) the Company was not a party to the redemption right previously granted by the Controlling Shareholders; and no liability regarding such right was recorded during the Track Record Period. See note 30 “share capital of the Company” in Appendix I to this document for details. On 27 April 2021, the Shareholders entitled to such special rights have entered into a termination agreement in relation to the special rights with our Controlling Shareholders and specifically agreed to terminate all the above-mentioned special rights.

As of the Latest Practicable Date, none of the [REDACTED] Investors had any special rights.

4. Compliance with Guide for New Listing Applicants

On the basis that (i) the [REDACTED], being the first day of trading of our H Shares on the Stock Exchange will take place more than 120 clear days after the completion of the [REDACTED] Investments; (ii) none of the [REDACTED] Investors had any special rights, the Sole Sponsor confirms that the [REDACTED] Investments as described above are in compliance with the guidance in Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange effective from 1 January 2024.

5. Information on our [REDACTED] Investors

The following sets out the background of our [REDACTED] Investors:

1. Star Culture

Star Culture is a limited partnership established under the laws of the PRC and is principally engaged in venture capital investment, management and consulting. Star Culture (Shanghai) Investment Management Company Limited (星之文華(上海)投資管理有限公司) (“**Star Culture Shanghai**”) is a limited liability company established under the laws of the PRC and is the general partner of Star Culture, holding approximately 17.5% of interests. Star Culture Shanghai is owned as to 56.0% by Shanghai Chuangyuan Investment Consulting Company Limited (上海創苑投資諮詢有限公司) (“**Shanghai Chuangyuan**”) and 44.0% by Shanghai Puwei Investment Management Company

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Limited (上海普維投資管理有限公司) (“**Shanghai Puwei**”). Shanghai Chuangyuan is owned as to 55.0% by Shanghai Jinshan Capital Management Group Company Limited (上海金山資本管理集團有限公司) (formerly known as Shanghai Jinshan Capital Management Company Limited (上海金山資本管理有限公司)) (“**Shanghai Jinshan Capital**”) and 45% by Shanghai Puwei. Shanghai Jinshan Capital is directly wholly-owned by Shanghai Jinshan State-owned Assets Supervision and Administration Commission (Shanghai Jinshan Collective Assets Supervision and Administration Commission)* (上海市金山區國有資產監督管理委員會(上海市金山區集體資產監督管理委員會)). Shanghai Puwei is owned by Shenzhen Puwei Enterprise Management Company Limited (深圳普維企業管理有限公司) and Zhao Limei, each holding 80.0% and 20.0% of interests, respectively. Shenzhen Puwei Enterprise Management Company Limited is wholly controlled by PV Capital Management (HK) Limited which is wholly owned by Daytime Ventures Limited.

As of the Latest Practicable Date, Star Culture had divested as a [REDACTED] Investor. To the best knowledge of our Directors, Star Culture and its ultimate beneficial owners were Independent Third Parties of the Company.

2. BlueFocus

BlueFocus is a joint stock limited company established under the laws of the PRC whose shares are listed on the Shenzhen Stock Exchange (stock code: SZ.300058). As of the Latest Practicable Date, BlueFocus had divested as a [REDACTED] Investor. To the best knowledge of our Directors, BlueFocus and its ultimate beneficial owners were Independent Third Parties of the Company.

3. Orient Investment and Orient Securities

Orient Investment is a limited liability company established under the laws of the PRC, which is wholly and directly owned by Orient Securities, whose shares are listed on the Shanghai Stock Exchange (stock code: SH. 600958). As of the Latest Practicable Date, Orient Securities had divested as a [REDACTED] Investor and Orient Investment held approximately 4.07% of our issued Shares. To the best knowledge of our Directors, each of Orient Investment and Orient Securities and their ultimate beneficial owners are Independent Third Parties of the Company.

4. Beijing Voyage

Beijing Voyage is a limited liability company established under the laws of the PRC, which is wholly and directly owned by Beijing Voyage Media Co., Ltd. (北京沃捷文化傳媒股份有限公司) (formerly known as Beijing Voyage Advertisement Company Limited (北京沃捷廣告有限公司)) (“**Beijing Voyage**”), whose shares are quoted on the NEEQ (stock code: NQ.430174). As of the Latest Practicable Date, Beijing Voyage had divested as a [REDACTED] Investor. To the best knowledge of our Directors, Beijing Voyage and its ultimate beneficial owners were Independent Third Parties of the Company.

5. Everbright Securities

Everbright Securities is a joint stock limited company established under the laws of the PRC and is a listed company on the Shanghai Stock Exchange (stock code: SH.601788) and the Stock Exchange (stock code: 06178). As of the Latest Practicable Date, Everbright Securities had divested as a [REDACTED] Investor. To the best knowledge of our Directors, Everbright Securities and its ultimate beneficial owners were Independent Third Parties of the Company.

6. Haitong Securities

Haitong Securities is a joint stock limited company established under the laws of the PRC whose shares were previously listed on the Shanghai Stock Exchange (stock code: SH.600837) and the Stock Exchange (stock code: 6837). As of the Latest Practicable Date, Haitong Securities had divested as a [REDACTED] Investor. To the best knowledge of our Directors, Haitong Securities and its ultimate beneficial owners were Independent Third Parties of the Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

7. Shengang Securities

Shengang Securities is a joint stock limited company established under the laws of the PRC. Before divestment, the largest shareholders of Shengang Securities are Mason Group Holdings Limited and Arta Global Markets Limited, each holding 13.6% of interest in Shengang Securities. As of the Latest Practicable Date, Shengang Securities had divested as a [REDACTED] Investor. To the best knowledge of our Directors, Shengang Securities and its then ultimate beneficial owners were Independent Third Parties of the Company.

8. Zhongzhi Orient Assets

Zhongzhi Orient Assets is a limited liability company established under the laws of the PRC and is wholly and directly owned by Shanghai Yanyangtian Investment Management Company Limited (上海艷陽天投資管理有限公司) (formerly known as Shanghai Yuguo Investment Management Company Limited (上海禦國投資管理有限公司)) (“**Shanghai Yanyangtian**”). Shanghai Yanyangtian is owned as to 50.0% by Jiang Feng and 50.0% by Tang Jianguo. As of the Latest Practicable Date, Zhongzhi Orient Assets had divested as a [REDACTED] Investor. To the best knowledge of our Directors, Zhongzhi Orient Assets and its ultimate beneficial owners were Independent Third Parties of the Company.

9. Shanghai Hanli and Hangzhou Hanli

Shanghai Hanli is a limited partnership established under the laws of the PRC and is principally engaged in venture capital investment. Shanghai New Access Capital Management Co., Ltd. (上海漢理前景投資管理有限公司) (“**Shanghai New Access**”) is a limited liability company established under the laws of the PRC and is the general partner of Shanghai Hanli. Shanghai New Access is the directly wholly-owned subsidiary of Shanghai Hanli Equity Investment Management Co., Ltd. (上海漢理股權投資管理股份有限公司) (formerly known as Shanghai Hantao Equity Investment Management Company Limited (上海漢韜股權投資管理有限公司)) which is owned as to 65.1%, 14.3%, 9.0%, 4.5%, 2.0%, 1.6%, 1.0%, 0.5%, 0.5%, 0.5%, 0.5%, 0.5% by Qian Xuefeng, Shanghai Hantao Investment Management Company Limited (上海漢韜投資管理有限公司), Shanghai Fenghuo Investment Partnership (Limited Partnership) (上海豐獲投資合夥企業(有限合夥)), Song Ying, Sun Jian, Qiao Wenjun, Zhang Baoquan, Chen Jiahao, Wang Wei, Zhu Yinmin, Wangzhuo Investment Management (Shanghai) Company Limited (網卓投資管理(上海)有限公司) and Wang Rong.

Hangzhou Hanli is a limited partnership established under the laws of the PRC and is principally engaged in venture capital investment. Shanghai Hanli Equity Investment Management Co., Ltd. is the general partner of Hangzhou Hanli.

As of the Latest Practicable Date, Shanghai Hanli and Hangzhou Hanli held approximately 1.46% and 4.38% of our issued Shares respectively and 5.84% of our issued Shares in aggregate. To the best knowledge of our Directors, Shanghai Hanli, Hangzhou Hanli and their ultimate beneficial owners and limited partners are Independent Third Parties of the Company.

10. Ningbo Quanshi

Ningbo Quanshi is a limited partnership established under the laws of the PRC and is principally engaged in equity investment. Ningbo Meishan Bonded Port Area Jiayun Investment Management Company Limited* (寧波梅山保稅港區佳贇投資管理有限責任公司) (“**Jiayun Investment**”) is a limited liability company established under the laws of the PRC and is the general partner of Ningbo Quanshi. Jiayun Investment is owned as to 58.0% by Zuo Caibai, 39.0% by Zhang Jing and 3% by Qiao Xinyu. Ningbo Quanshi was deregistered on 21 October 2024 and had divested as a [REDACTED] Investor before its deregistration. To the best knowledge of our Directors, Ningbo Quanshi and its ultimate beneficial owners and limited partners were Independent Third Parties of the Company before its deregistration.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

11. Shanghai Kuanyuan

Shanghai Kuanyuan is a limited liability company established under the laws of the PRC and is owned as to 75.0% by Xu Jingde, 20.0% by Zhen Xinzhong and 5.0% by Cai Zhen. As of the Latest Practicable Date, Shanghai Kuanyuan had divested as a [REDACTED] Investor. To the best knowledge of our Directors, Shanghai Kuanyuan and its ultimate beneficial owners were Independent Third Parties of the Company.

12. Ningbo Zhixin

Ningbo Zhixin is a limited partnership established under the laws of the PRC and is principally engaged in venture capital investment, management and consulting. Ningbo Zhixin Investment Management Partnership (Limited Partnership) (寧波致信投資管理合夥企業(有限合夥)) (“**Ningbo Zhixin Investment**”) is a limited partnership established under the laws of the PRC and is the general partner of Ningbo Zhixin. Shanghai Kuanyan Management Consulting Company Limited (上海寬衍管理諮詢有限公司) (“**Shanghai Kuanyan**”) is the general partner of Ningbo Zhixin Investment which has three limited partners, being Xu Jingde, Wang Linmao and Liang Li, each holding 58.0%, 31.0% and 10.0% of interests, respectively. Shanghai Kuanyan is owned as to 51% by Xu Jingde and 49.0% by Zhen Xinzhong.

As of the Latest Practicable Date, Ningbo Zhixin held approximately 1.66% of our issued Shares. To the best knowledge of our Directors, Ningbo Zhixin and its its ultimate beneficial owners and limited partners were Independent Third Parties of the Company.

13. Shanghai Yijing

Shanghai Yijing is a limited liability company established under the laws of the PRC and is owned as to 80.0% by Zhang Jianqun and 20.0% by Li Xinyan. As of the Latest Practicable Date, Shanghai Yijing held approximately 1.75% of our issued Shares. To the best knowledge of our Directors, Shanghai Yijing and its ultimate beneficial owners were Independent Third Parties of the Company.

14. Fuzhou Taihong and Zhuhai Taihong

Fuzhou Taihong is a limited partnership established under the laws of the PRC and is principally engaged in equity investment and related consulting services. Ganzhou Chaohui Investment Management Partnership (Limited Partnership) (贛州朝暉投資管理合夥企業(有限合夥)) (“**Ganzhou Chaohui**”) is a limited partnership established under the laws of the PRC and is the general partner of Fuzhou Taihong. Ganzhou Chaohui is owned as to 68.99% by Wang Hui, 12.0% by Wu Jin, 12.0% by He Xing, 4.0% by Hu Li, 3.0% by Yan Jingran and 0.01% by Shanghai Hehong Jinghui Equity Investment Management Company Limited (上海合弘景暉股權投資管理有限公司) (“**Hehong Jinghui**”), among which Hehong Jinghui is the general partner. Hehong Jinghui is a limited liability company established under the laws of the PRC and is owned as to 72.0% by Wang Hui, 12.0% by Wu Jin, 12.0% by He Xing, 2.5% by Hu Li and 1.5% by Wang Jing.

Zhuhai Taihong a limited partnership established under the laws of the PRC and is principally engaged in equity investment, investment management and asset management. Ganzhou Yuhui Investment Management Partnership (Limited Partnership) (贛州禦暉投資管理合夥企業(有限合夥)) (“**Ganzhou Yuhui**”) is a limited partnership established under the laws of the PRC and is the general partner of Zhuhai Taihong. Ganzhou Yuhui is owned as to approximately 68.99% by Wang Hui, 12.0% by He Xing, 12.0% by Wu Jin, 4.0% by Hu Li, 3.0% by Yan Jingran and 0.01% by Hehong Jinghui, among which Hehong Jinghui is the general partner of Ganzhou Yuhui.

As of the Latest Practicable Date, Fuzhou Taihong and Zhuhai Taihong held approximately 1.05% and 0.70% of our issued Shares respectively and 1.75% of our issued Shares in aggregate. To the best knowledge of our Directors, Fuzhou Taihong, Zhuhai Taihong and its ultimate beneficial owners and limited partners are Independent Third Parties of the Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

15. Giant Ventures

Giant Ventures is a limited liability company established under the laws of the PRC and principally engaged in investment. As of the Latest Practicable Date, Giant Ventures is owned as to approximately 97.86% by Mr. Shi Yuzhu (史玉柱) and 2.14% by Ms. Niu Jinhua (牛金華).

As of the Latest Practicable Date, Giant Ventures held approximately 2.92% of our issued Shares. To the best knowledge of our Directors, Giant Ventures and its ultimate beneficial owners are Independent Third Parties of the Company.

MAJOR ACQUISITIONS, MERGERS AND DISPOSALS

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

COMPLIANCE WITH LAWS AND REGULATIONS

As of the Latest Practicable Date, as advised by our PRC Legal Advisers, the establishment of the Company and transfers of equity interests and changes in registered capital (where applicable) have been properly and legally completed in compliance with the applicable laws and regulations. As advised by our PRC Legal Advisers, the Company has obtained relevant approvals or confirmation and has registered or filed with the relevant competent authorities (where applicable) in accordance with the relevant laws and regulations in respect of its establishment and subsequent transfers of equity interests, including the [REDACTED] Investments as referred to above, and changes in registered capital (where applicable), and the establishment of the Company and subsequent transfers of equity interests and changes in registered capital (where applicable) are effective and legally binding.

FULL CIRCULATION

The Company has applied for H-share full circulation to convert certain of the Domestic Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of Domestic Shares into H Shares will involve an aggregate of [[REDACTED]] Domestic Shares held by existing Shareholders, representing approximately [REDACTED]% of total issued Share capital of the Company upon the completion of the conversion of Domestic Shares into H Shares and the [REDACTED] (assuming the [REDACTED] is not exercised).

Save as disclosed in this document and to the best knowledge of our Directors, we are not aware of the intention of any existing Shareholders to convert their Domestic Shares. See “Share Capital” for further details.

PUBLIC FLOAT AND FREE FLOAT

Following the conversion of the Domestic Shares into H Shares and upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised):

- (i) Mr. Xu, Mr. Han, Mr. You Minyong, Mr. Xu Zhiwen, Shanghai Keytier, Shanghai Kaipeng, Shanghai Kaixian, Shanghai Lanhao and Shanghai Kaiao are our Controlling Shareholders. In addition, Mr. Xu Xin is a cousin of Mr. Xu. Therefore the [REDACTED] Shares held by them will not be counted towards the public float.
- (ii) The [REDACTED] Domestic Shares held by one [REDACTED] Investor, namely Orient Investment and three other public Shareholders, will not be counted as part of the public float.

Based on the above, it is expected that immediately following completion of the [REDACTED] and conversion of Domestic Shares into H Shares and assuming the [REDACTED] is not exercised, the total number of [REDACTED] H Shares of the Company held by the public represents approximately [REDACTED]% of the total number of issued Shares of the Company which is in compliance with the requirement under Rule 19A.13A(1) of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Rule 19A.13C of the Listing Rules provides that, where a new applicant is a PRC issuer with no other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

To the best knowledge of our Directors, the [REDACTED] H Shares to be issued pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised) are expected to be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Based on the low-end of the indicative [REDACTED] at HK\$[REDACTED] per Share, our Company will satisfy the free float requirements under Rule 19A.13C of the Listing Rules.

CAPITALISATION

Our Company [has] applied for H-share full circulation to convert certain Domestic Shares into H Shares after the [REDACTED]. The conversion of Domestic Shares into H Shares will involve an aggregate of [REDACTED] Domestic Shares, representing approximately [REDACTED]% of total issued share capital of the Company as of the Latest Practicable Date. The table below is a summary of the capitalisation of our Company upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised) and the conversion of Domestic Shares into H Shares:

Name of the Shareholder	As of the Latest Practicable Date		Immediately upon completion of the [REDACTED]			
	Number of Domestic Shares	Shareholdings in the Company	Number of Domestic Shares held	Number of H Shares held	Number of Shares held in total	Shareholding in the Company (%) ⁽¹⁾
Mr. Xu	21,185,038	22.48%	—	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Keytier	10,491,060	11.13%	—	[REDACTED]	[REDACTED]	[REDACTED]
Mr. You Minyong	8,165,400	8.66%	—	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Han	7,567,500	8.03%	—	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Kaipeng	7,246,800	7.69%	—	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Xu Zhiwen	6,229,600	6.61%	—	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Kaixian	3,000,000	3.18%	—	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Lanhao	1,908,000	2.02%	—	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Kaiao	1,065,000	1.13%	—	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Xu Xin	960,000	1.02%	—	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED] Investors	16,948,110	17.98%	3,832,800	[REDACTED] ⁽²⁾	[REDACTED]	[REDACTED]
Other Public shareholders	9,481,802	10.06%	1,197,000	[REDACTED] ⁽²⁾	[REDACTED]	[REDACTED]
Total	94,248,310	100.00	5,029,800	[REDACTED]	[REDACTED]	100.00

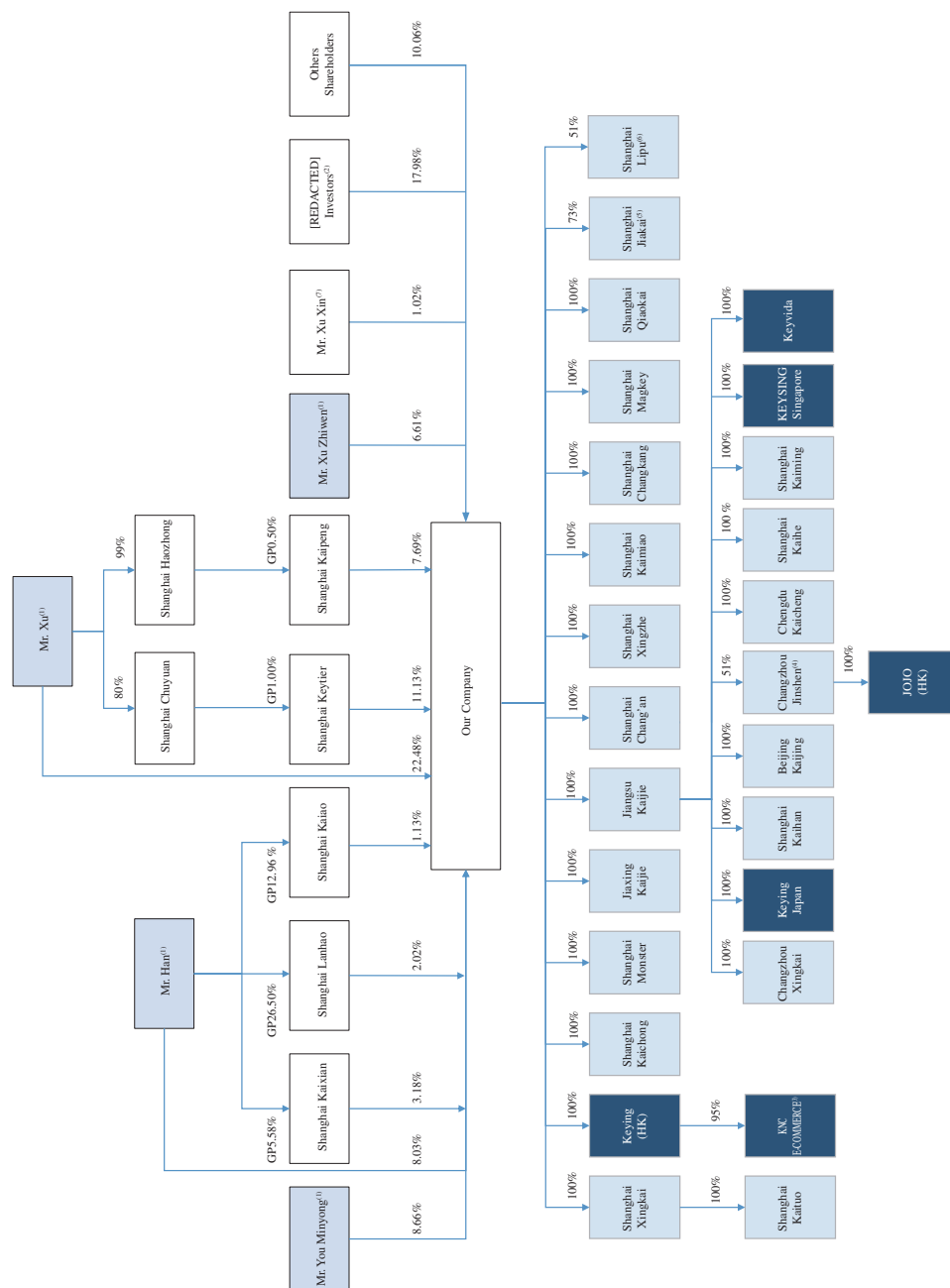
Notes:

(1) The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

(2) The H Shares held by the [REDACTED] Investors and other public Shareholders will be counted towards the public float.

Corporate Structure Immediately Before Completion of the [REDACTED]

The chart below sets out the shareholding structure of our Company immediately before completion of the [REDACTED]:



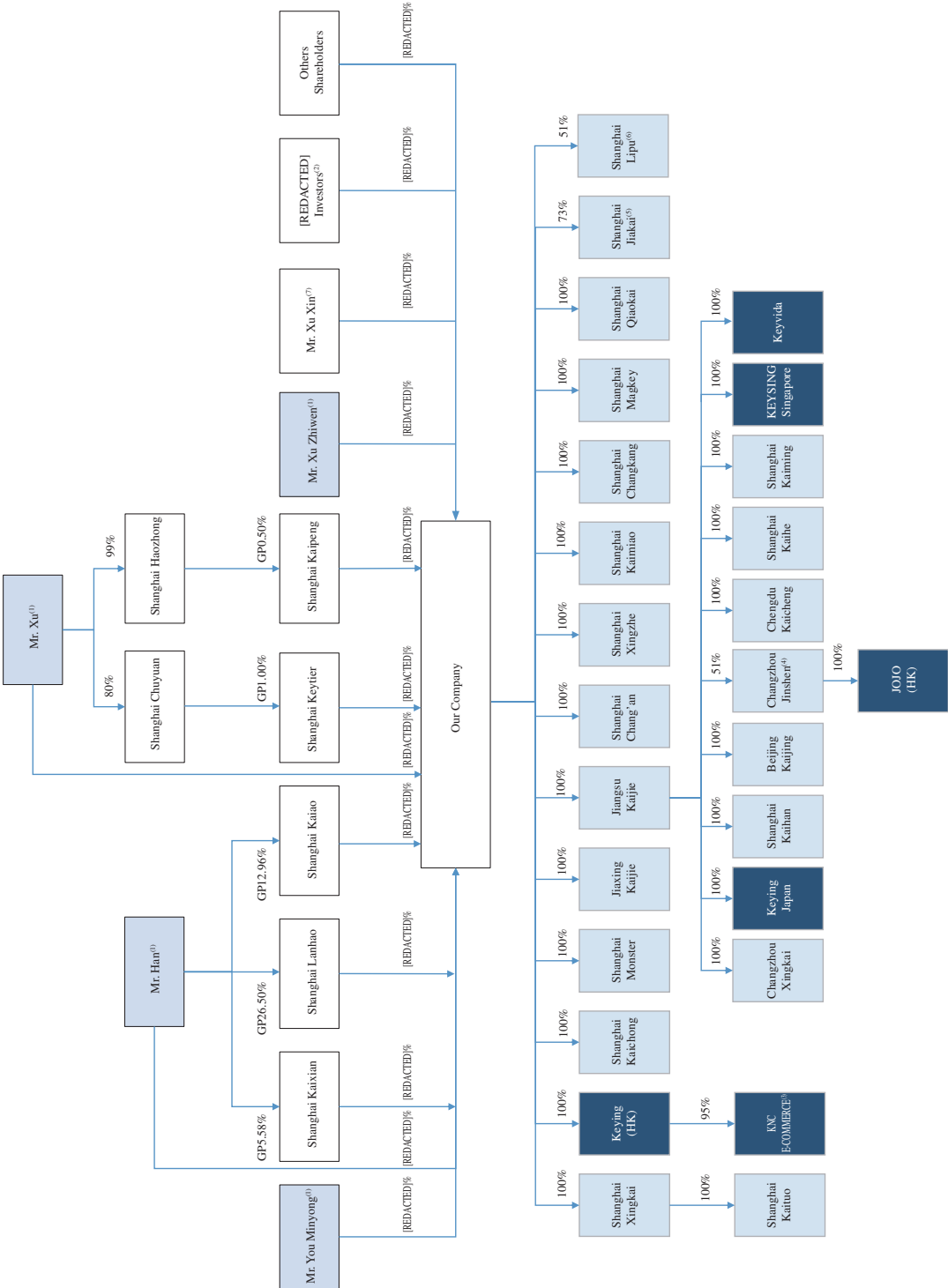
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Mr. Xu, Mr. Han, Mr. Xu Zhiwen and Mr. You Minyong entered into the AIC Agreement on 29 August 2022, pursuant to which, (i) each of Mr. Xu, Mr. Han, Mr. Xu Zhiwen and Mr. You Minyong undertook to act in concert to ensure that the decisions regarding the Company’s production and operations as well as other significant matters are consistent during the period they remain as shareholders of our Company and that (ii) in the event of any disagreement, Mr. Xu’s opinion shall prevail.
- (2) See “— [REDACTED] Investments” in this section for further details of the [REDACTED] Investors.
- (3) The remaining 5% of equity interest in KNC E-Commerce is held by Mr. Cao Yichen, who is the director of KNC E-Commerce and therefore a connected person of the Company.
- (4) The remaining 49% of equity interest in Changzhou Jinshen is held as to 30% by Shanghai Linuo E-commerce Co., Ltd. (上海利諾電子商務有限公司) and 19% by Mr. Shi Chonghua (石崇華). Shanghai Linuo E-commerce Co., Ltd. is held as to 35%, 30%, 22.75% and 12.25% by Ms. Xu Rong (徐蓉), Mr. Gao Kepan (高科攀), Mr. Chen Chen (陳晨) and Shanghai Kaite Biotechnology Co., Ltd. (上海開特生物科技有限公司). Shanghai Kaite Biotechnology Co., Ltd. is owned as to 90% and 10% by Mr. Chen Chen and Ms. Huang Yingfei (黃穎斐).
- (5) The remaining 27% of equity interest in Shanghai Jiakai is held as to 19% by Ms. Wang Hua (王華), 5% by Mr. Chang Wei (常委) and 3% by Mr. Sheng Zhi (盛志). Mr. Sheng Zhi is a director of Shanghai Jiakai and therefore a connected person of the Company. Each of Ms. Wang Hua and Mr. Chang Wei are Independent Third Parties.
- (6) The remaining 49% of equity interest in Shanghai Lipu is held as to 24.5% by Ms. Zhang Qingsu (張情蘇), 14.5% by Ms. Liu Danni (劉丹妮) and 10% by Mr. Shen Kai (沈凱), who are Independent Third Parties.
- (7) Mr. Xu Xin is a cousin of Mr. Xu and therefore a connected person of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following chart sets out our shareholding structure immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Mr. Xu, Mr. Han, Mr. Xu Zhiwen and Mr. You Minyong entered into the AIC Agreement on 29 August 2022, pursuant to which, (i) each of Mr. Xu, Mr. Han, Mr. Xu Zhiwen and Mr. You Minyong undertook to act in concert to ensure that the decisions regarding the Company’s production and operations as well as other significant matters are consistent during the period they remain as shareholders of our Company and that (ii) in the event of a disagreement, Mr. Xu’s opinion shall prevail.
- (2) See “— [REDACTED] Investments” in this section for further details of the [REDACTED] Investors.
- (3) The remaining 5% of equity interest in KNC E-Commerce is held by Mr. Cao Yichen, the director of KNC E-Commerce and therefore a connected person of the Company.
- (4) The remaining 49% of equity interest in Changzhou Jinshen is held as to 30% by Shanghai Linuo E-commerce Co., Ltd. (上海利諾電子商務有限公司) and 19% by Mr. Shi Chonghua (石崇華). Shanghai Linuo E-commerce Co., Ltd. is held as to 35%, 30%, 22.75% and 12.25% by Ms. Xu Rong (徐蓉), Mr. Gao Kepan (高科攀), Mr. Chen Chen (陳晨) and Shanghai Kaite Biotechnology Co., Ltd. (上海開特生物科技有限公司). Shanghai Kaite Biotechnology Co., Ltd. is owned as to 90% and 10% by Mr. Chen Chen and Ms. Huang Yingfei (黃穎斐).
- (5) The remaining 27% of equity interest in Shanghai Jiakai is held as to 19% by Ms. Wang Hua (王華), 5% by Mr. Chang Wei (常委) and 3% by Mr. Sheng Zhi (盛志). Mr. Sheng Zhi is a director of Shanghai Jiakai and therefore a connected person of the Company. Each of Ms. Wang Hua and Mr. Chang Wei are Independent Third Parties.
- (6) The remaining 49% of equity interest in Shanghai Lipu is held as to 24.5% by Ms. Zhang Qingsu (張情蘇), 14.5% by Ms. Liu Danni (劉丹妮) and 10% by Mr. Shen Kai (沈凱), who are Independent Third Parties.
- (7) Mr. Xu Xin is a cousin of Mr. Xu and therefore a connected person of our Company.

BUSINESS

OVERVIEW

We are a digital retail solutions provider in China, dedicated to offering end-to-end and multi-channel digital retail solutions for established brands. Our solutions cover the entire value chain of the e-commerce ecosystem, including brand positioning, consultation of product development, retail operations, channel management, marketing and promotion, order fulfilment, as well as data and IT services. According to CIC, in terms of GMV in 2025, we were the fifth largest digital retail solutions provider with a market share of 1% and the largest provider of O2O digital retail solutions in China.

We were one of the early major entrants to the digital retail solutions sector in China. Since our inception in Shanghai in 2010, we have been actively engaging with major digital retail platforms, helping our brand owners expand their business in the rapidly evolving digital retail landscape in China. Since 2012, we have become one of the first digital retail solutions providers with multi-platform operation capabilities. In the following years, we proactively adapted to the progressive development of digital retail platforms, and expanded our solutions offerings that align with these platforms’ ecosystems. As the e-commerce ecosystem continues to transform, we have further developed capabilities in content e-commerce, social e-commerce and O2O e-commerce. Currently, we have established an multi-channel network that covers over ten core digital retail platforms including Tmall, JD.com, Douyin and Pinduoduo. Since Tmall introduced the “Tmall Six-Star Service Provider” (天貓六星服務商) as its highest honour for service providers in 2018, we have been awarded this title for eight consecutive years. We also hold the highest service provider titles within the Alibaba ecosystem, including “Dual Six-star Service Provider for Tmall and Alimama” (天貓及阿里媽媽雙六星服務商) in recognition of our KPIs, service quality, ecosystem collaboration, growth breakthrough and commercial investment for Tmall, and in recognition of our service capability, marketing capability, professional competence, expansion capability, and innovation capability for Alimama, “Tmall International Purple Star Service Provider” (天貓國際紫星服務商) in recognition of our operational capability, corporate strength, investment attraction capability, outstanding case studies, business layout and planning, and “Tmall New Product Innovation Centre (“TMIC”) Gold Service Provider” (天貓新品創新中心認證金牌服務商) in recognition of our service delivery, brand outreach and co-creation capabilities. Additionally, we hold certifications and qualifications from multiple major e-commerce platforms such as JD.com, Douyin, Meituan, and Taobao Flash Sale. For example, we were awarded “2026 Jing Excellence Partner for Operations Services” (2026年京卓越合作夥伴-運營服務) by JD. com. These recognitions are a testament to our industry standing and service standards. We assist brand owners in formulating and implementing consistent e-commerce strategies, which require comprehensive performance analysis across channels and tailored strategies adapting to different platforms.

We have accumulated rich experience in providing end-to-end solutions to established brands across multiple industries. Since our inception, we have served more than 200 brands, including over 100 international brands. Our brand owners cover food & beverage, beauty & personal care, baby & kids, pop toys, pets, health and outdoor sports industries as well as chain enterprises. Our brand owners include nearly 50% of the Fortune 500 FMCG companies in 2024. We maintain an average relationship of more than nine years with our major brand owners and over 90% of the collaborative relationships with them were still active as of the Latest Practicable Date.

Our digital intelligence capabilities, encompassing both online digital capability and intelligent capability, play an important role in serving our brand owners. Through our end-to-end information system integration capabilities, internally we have achieved business-finance online digital integration, and externally, we have realised online integration with our some of our brand owners’ operational systems with respect of logistics and information flow, while strictly adhering to privacy protection principles. On the other hand, intelligence capabilities are demonstrated through the extensive use of AI technology, which directly contributes to their brand value growth. According to CIC, we are one of the digital retail solutions providers that utilise AI technology extensively in the digital retail solutions industry.

Against the backdrop of China’s booming e-commerce market, the digital retail solutions sector is thriving. The rapid development of the digital retail industry has created demands for higher quality solutions, brand enhancement, and standardised operations for online transactions. According to CIC, China’s overall digital retail penetration rate has been steadily increasing over the years, rising from 22.9%

BUSINESS

in 2021 to 29.5% in 2025. Meanwhile, the market size for digital retail solutions in China continued to grow, increasing from RMB1.4 trillion in 2021 to RMB2.2 trillion in 2025 in terms of GMV at a CAGR of 12.3%, and is expected to further increase to RMB3.8 trillion in 2030 at a CAGR of 12.1% from 2026 to 2030.

During the Track Record Period, we recorded revenue from onward selling of products purchased from our brand owners and from provision of services to our brand owners. Our revenue amounted to RMB1,722.9 million, RMB1,698.6 million and RMB1,757.2 million in 2023, 2024 and 2025, respectively. During the same period, we recorded net profit of RMB67.6 million, RMB60.4 million and RMB60.9 million, respectively. For details, see “Financial Information — Results of Operation”.

The following table sets out the breakdown of our GMV under sales of goods for the years indicated.

	For the year ended 31 December		
	2023	2024	2025
To-C	1,424,268	1,462,126	1,460,047
To-B	753,115	783,970	728,267
Total	2,177,383	2,246,096	2,188,314

Our GMV was higher than our revenue during the Track Record Period. For to-C model under sales of goods, our GMV is calculated based on the actual payments made by consumers, inclusive of value-added tax on the product sales, and does not deduct amounts or account for subsequent order modifications by consumers influenced by complex promotional rules, which results in it being higher than the revenue from the to-C model. For to-B model under sales of goods, our GMV is primarily measured based on the total value of goods ultimately sold by the e-commerce platform to end consumers, while our revenue is consistent with the amount shown on platforms’ settlement statements. In addition, our total GMV was primarily derived from the provision of services during the Track Record Period, and served primarily as an indicator of our performance on provision of services. As our revenue from provision of services is recognised only as a modest percentage of GMV, our aggregate GMV exceeded the total revenue during the Track Record Period.

OUR STRENGTHS

China’s Digital Retail Solutions Provider

We are a digital retail solutions provider in China, dedicated to offering end-to-end and multi-channel digital retail solutions for established brands. According to CIC, in terms of GMV in 2025, we were the fifth largest digital retail solutions provider with a market share of 1% and the largest O2O digital retail solutions provider in China.

We have received multiple industry recognitions and top awards from major digital retail platforms. Currently, we have established a comprehensive e-commerce network covering more than ten major digital retail platforms, including Tmall, JD.com, Douyin, and Pinduoduo. Since our inception, we have served more than 200 brands, including over 100 international brands. Our brand owners include nearly 50% of the Fortune 500 FMCG companies in 2024. We maintain an average relationship of more than nine years with our major brand owners, and over 90% of the collaborative relationships with them were still active as of the Latest Practicable Date.

In recent years, China’s digital retail economy has developed rapidly, with the value of the digital retail economy as a proportion of GDP continuing to rise. The synergy among different sectors has driven the continuous optimisation and upgrading of China’s retail market. The rapid development of the digital retail industry has created demands for higher quality solutions, brand enhancement, and standardised

BUSINESS

operations for online transactions. According to CIC, China’s overall digital retail penetration rate has been steadily increasing over the years, rising from 22.9% in 2021 to 29.5% in 2025. Meanwhile, the market size for digital retail solutions in China continued to grow, increasing from RMB1.4 trillion in 2021 to RMB2.2 trillion in 2025 in terms of GMV at a CAGR of 12.3%, and is expected to further increase to RMB3.8 trillion in 2030 at a CAGR of 12.1% from 2026 to 2030. We believe that the market for digital retail solutions in China will be a strong driving force for our further development, promoting continuous improvement in our service capabilities and technological innovation.

Rich Experience in Providing End-to-end Solutions to Established Brands across Industries

We have accumulated rich experience in providing end-to-end solutions to established brands across multiple industries. Our brand owners cover food & beverage, beauty & personal care, baby & kids, pop toys, pets, health and outdoor sports industries as well as chain enterprises. This diverse industry combination positioned us as one of the few digital retail solutions providers in China with multi-category service capabilities. The cross-industry experience enables us to replicate our success across different segments along the value chain, achieving multi-dimensional synergies in operations, marketing, customer base, resources and service innovation.

Based on our in-depth operational experience across various industry verticals, we are able to precisely identify customer demands and e-commerce pathways to reach consumers online. This understanding also allows us to gain comprehensive insights into the algorithm mechanisms and resource distribution of various e-commerce platforms, allowing for timely responses. We are dedicated to adhering to the operational logic of “innovating in one category, benefiting the operations of multiple categories”, which helps us streamline the collaboration cycle and reduce trial-and-error costs in our collaboration with new brands. Our multi-category operation expertise enables us to implement modular solutions and replicate successful experiences when serving different brands. In addition to replication of solutions, we optimise resource allocation through cross-category synergies, such as leveraging FMCG influencer networks to nurture emerging categories like sports underwear. This holistic capability of replicating experiences and coordinating resources enables us to respond more quickly to the diverse needs of the market and our brand owners, continuously creating added value. Moreover, we believe that our cross-industry mix of brand owners enhances our risk resistance, allowing us to mitigate the impact of cyclical fluctuations in individual industries.

We have established long-term strategic partnerships with multiple established brands, forming a dual-engine model that integrates the systematic operation for established brands and accelerated incubation new emerging brands. For established brands, we maintain deep cooperation with multi-national companies, including global leading western fast-food chain brands, the largest chocolate manufacturer in Europe, and leading Chinese seasoning product companies in 2024, supporting them to achieve channel expansion and product innovation in China’s market through digital transformation. We also closely collaborate with emerging brands in sectors such as streetwear and outdoor gear, helping them achieve rapid growth and overcome development bottlenecks through precise market positioning and efficient operational strategies tailored to their stage-specific goals. This dual-engine model of “systematic operation + accelerated incubation” allows us to adjust service offerings flexibly for brands at different development stages. We provide customised solutions at different development stages that help them adapt to market changes, establish consumer awareness quickly through precise product selection and effective channel matching during the expansion stage, support product iteration and scenario expansion with data analysis in maturity stage, and address transformation challenges through rapid response mechanisms during the industry adjustment periods.

Through the combination of full-scope e-commerce operation capabilities and multi-platform service experience, we provide our brand owners with end-to-end solutions for the entire value chain, covering brand positioning, consultation of product development, retail operations, channel management, marketing and promotion, order fulfilment, as well as data and IT services, ensuring effective integration throughout their digital transformation process. We provide the majority of end-to-end solutions to all of our top ten

BUSINESS

customers by revenue during the Track Record Period. Meanwhile, by leveraging deep cooperation with over ten major digital retail platforms such as Tmall, JD.com, Douyin and Pinduoduo, we help brands manage and utilise the operational rules and resources of different platforms in a consolidated manner, thereby enhancing overall efficiency.

Deeply Embedding in Platforms’ Ecosystems to Drive Multi-channel Brand Growth

China’s retail industry is experiencing a profound integration and transformation across multiple ecosystems. With the integration and innovation of online e-commerce platforms, O2O retail, social media and content e-commerce, and multi-channel retail, the complexity of the digital retail market ecosystem has significantly increased. We are fully aware of the holistic nature of the online retail ecosystem and the urgent need for brand owners which would like to achieve better business outcomes. We have developed multi-channel service capabilities to help our brand owners operate across various sales channels while achieving optimal operational efficiency. This helps our brand owners adapt to the differentiated operational logic of each platform swiftly. We believe that our multi-channel service capabilities differentiate us from our competitors and foster long-term trusted relationships with our brand owners.

Based on our long-term engagement with major digital retail platforms, we have established an multi-channel network covering over ten core platforms including Tmall, JD.com, Douyin and Pinduoduo to provide multi-channel digital retail solutions to our brand owners through dedicated professional teams. We offer multi-dimensional integrated management support in operations, planning, design, supply chain and customer service, and by leveraging our rich experience and efficient execution capabilities, we maximise brands’ market performance and sales conversion.

We have received top recognitions from major digital retail platforms. These recognitions are a testament to our industry standing and services standard. See details of our major recognitions in “— Overview”.

Utilising our proprietary “Smart Kaijie” BI analysis system (which was developed in January 2023) and RPA risk control tools, we have achieved the consolidation of sales, inventory, and encrypted desensitised user behaviour data across multiple platforms, which enables, amongst others, real-time monitoring, strategy coordination, risk control and resource management. For example, by standardising process management, we regulate promotional timing and pricing strategies to effectively avoid channel conflicts. Additionally, we implement differentiated operations tailored to the unique characteristics of each platform. On Douyin, we enhance live streaming and content coordination to achieve balanced and sustainable growth. On JD.com, we optimise product hierarchies and resource utilisation to foster consistent growth. On Meituan, we focus on immediate demand, O2O data coordination, and localised strategies to empower traditional business models.

In response to the evolution of major e-commerce platforms in recent years, we have deepened our strategic cooperation with mainstream platforms through multi-level innovation. On one hand, we have established specialised operational systems tailored to the unique characteristics of each platform. For example, we established Beijing Kaijing for our solutions related to JD.com to align with the platform’s organisation and strategy, enhancing our responsiveness to JD.com. We have also set up an innovative incubation business unit for operations on Pinduoduo, forming an agile and focused organisational design and management system to serve small-scale businesses with efficiency and effectiveness, maximising the value of Pinduoduo for our brand owners. We obtained Douyin’s e-commerce service provider qualification in 2021 and have been actively exploring and incubating businesses on Douyin since then, helping brands enhance their market coverage and influence across multiple channels. On the other hand, leveraging the feedback mechanism formed by our cross-industry service experience, we became able to quickly replicate innovative practices from one platform to other platforms, thereby capturing user traffic across multiple platforms in emerging and diversified e-commerce ecosystem. Additionally, we integrate resources across multiple scenarios, such as those in public traffic operations, private domain user retention and O2O retail. Through encrypted desensitised data consolidation and analysis capabilities, we help brands predict consumer consumption trends and optimise business strategies, building an O2O interactive growth model. This continuously enhances brand owners’ operational efficiency and market coverage, increasing the loyalty and stickiness of our brand owners. We believe that our multi-channel operational capability enables us to deeply integrate brand resources and platform ecosystem, facilitating the dynamic refinement

BUSINESS

of operational strategies for brands, as it helps brands break through single-channel growth bottlenecks and improve cross-platform efficiency, while also empowering e-commerce platforms to enhance their ecosystem service capabilities. Ultimately, we aim to construct a value symbiosis network among brands, platforms, and consumers.

Digital Intelligence Underpin Refined Operation System

Based on our deep understanding of brands and industries, we assist brand owners in identifying business opportunities and propose customised strategic promotion plans that stand out from other easily accessible but standardised marketing solutions in the market. Under the refined operation model, we provide highly refined services for brands through systematic steps, covering core services and stages including traffic acquisition and branding services, e-commerce store operations, brand value enhancement, and data and IT services.

Comprehensive application of digital intelligence underpins our offering of quality operation services. Digital intelligence capability is primarily categorised into two dimensions: online digital capability and intelligent capability. Our online digital capabilities focus on data integration throughout the business process, integrating internally-operated business systems including order management system (OMS), distribution management system, warehouse management system (WMS), and business-finance integrated platforms to achieve integration of order flow, inventory flow, financial flow, and data flow and ensure synchronisation with financial systems. With 21 domestic warehouses and a cross-border logistics network, our intelligent scheduling realises the “multi-store unified inventory” management model, significantly optimising inventory turnover and order fulfilment efficiency. In addition, our self-developed RPA scheduling platform (which was developed in January 2023) is able to support over 200 high-frequency business scenarios including financial reconciliation, inventory synchronisation, data alignment, and external system connectivity, improving operational efficiency while reducing labour costs and mitigating operational risks. On the other hand, intelligent capabilities are demonstrated through the extensive use of AI technology, empowering brands and directly contributing to their brand value growth. Distinguished from generic AI solutions, we have developed a differentiated AI application system based on our in-depth insights into vertical industries and accumulation of historical data. This system primarily encompasses three key aspects. First, through the development of proprietary industry-specific large language models and localised knowledge bases, we have deeply integrated AI into our internal operations. This enables precision in customer service responses tailored to different product categories’ professional contexts and significantly enhances efficiency in automated process handling. By transforming our industry expertise into intelligent service accuracy, we have substantially reduced manual intervention while improving operational responsiveness. Second, by combining AI decision-making capabilities with RPA clusters, we have established an end-to-end automated system that covers critical processes such as data collection, real-time monitoring, and risk alerts. This ensures operational stability and execution efficiency during high-traffic scenarios like major sales campaigns. We have been pre-configuring category-specific risk control rules into our AI+RPA systems (in development) to achieve deep alignment between intelligent automation and industry-specific requirements. Third, in scenarios such as live stream operations, content marketing, and cross-platform advertising, our AI technology leverages competitive marketing asset libraries and consumer preference models to automatically generate category-specific creative content. This approach enables scalable personalisation for different brand types while precisely adapting to the marketing needs of various channels, significantly reducing labour costs and driving simultaneous improvements in marketing efficiency and effectiveness. According to CIC, we are one of the companies that utilise AI technology extensively in the digital retail solutions industry.

BUSINESS

Our self-developed “Smart Kaijie “ BI system serves as the central hub for data-driven precision operations. Leveraging this system, we consolidate business data from multiple e-commerce platforms, and support brands’ various operational decisions through big data analysis by applying intelligent cleansing and modelling to brands’ information flows, goods flows, and capital flows from an operational results perspective (i.e., to conduct analysis on conversion rate, profit margin, etc.). It helps brands with optimising traffic conversion and customer management, and gaining insights into market trends to achieve precise marketing. Core advantages of the BI system lie in translating our industry understanding into data dimensions, with tailored monitoring and analytical metrics for different sectors. This industry-informed metric design equips BI system’s universal data tools with vertical-specific decision-making insights. Furthermore, the BI system achieves business-finance integration across the supply chain finance, and human resource functions, transforming business data into management insights to support dynamic resource allocation and risk control alerts.

Our digital intelligence capabilities have been certified by authoritative institutions. In 2022, we were the only service provider in the industry for that year to be included in the Shanghai Municipal Commission of Economy and Informatisation’s directory of premium big data service providers (優質大數據服務提供商), demonstrating our status in the field. In 2023, we became the first digital retail solutions provider in China’s digital retail industry to obtain the Level 3 (Robust Level) DCMM certification for data management capability (數據管理能力成熟度DCMM認證穩健級(3級)), signifying that our data strategy, data governance, data architecture, data application and data security had reached nationally recognised level. Underpinned by our strong digital intelligence capabilities, we have established additional competitive barriers for competitors. Our capability in end-to-end information integration and governance transforms our insights from data into concrete business strategies, with each stage precisely controlled through standardised processes and intelligent systems. By leveraging AI capabilities and various process automation tools, we empower platforms’ big data, forming an efficacious cycle of data-driven operations to operational optimisation systems. This continuous improvement enhances the market adaptability and growth certainty for brands.

Seasoned Management and Professional Team with Strategic Insight and Extensive Industry Experience

Since our inception, our core management team has remained stable, which has laid a solid foundation for our continued development. They have well-structured plans in business operations, development strategies, team building and culture cultivation. Our Chairman and Executive Director, Mr. Xu Hao, has held important positions such as production manager and sales manager at renowned companies including Procter & Gamble, General Electric, and RR Donnelley. Our Executive Director and general manager, Mr. Han Songyu, has served as sales management manager and international customer manager at reputable companies including Mars and Danone. These experiences enable them to effectively formulate our strategies and drive continuous development which help us maintain our position in a highly competitive market. Our other management personnel also possess extensive industry experience and expertise, providing strong support for our operations through their outstanding performance in their respective fields. We believe that our success is attributable to the management team’s rich practical experience in corporate governance, financial management, e-commerce operations, marketing and supply chain management, data analysis, technological innovation and industry trend analysis.

Our success also relies on the strong support from our business and technical teams. Our team members have extensive practical experience in various fields such as business development, store management, visual design, marketing promotion, warehousing logistics, user management, and IT technology, ensuring efficient iteration and execution of our business operations. Our management team closely collaborates with our business and technical teams to drive continuous technological advancement and market adaptability. Through our deep understanding in brand owners needs and integrating resources to achieve their established business goals and promotional concepts, our team grows together with our brand owners, collectively building a prosperous e-commerce ecosystem.

BUSINESS

In addition, the success of multiple rounds of financing from external investors not only demonstrates investors’ confidence in our future development, but also provides strong funding support for our technological research and development and market expansion, enabling us to stand out in fierce market competition.

OUR STRATEGIES

Continuously Expand into Emerging Industries and Broaden Brand Coverage

We plan to continuously diversify our service offerings, broaden brand reach and scale our solutions. With our extensive channel network, we believe that we can support brands in more industries across multiple stages on brand planning and consulting, online operations and marketing planning, thereby expanding our value proposition. Additionally, we aim to provide differentiated service products to small and medium-sized brands, creating a comprehensive e-commerce business model through multi-channel operations to drive business growth and continuously optimise our brand coverage.

In terms of industry expansion, we plan to continue to develop our service offerings and brand reach in the FMCG industry and the health products sector while focusing on deepening our exploration in the outdoor domain. We aim to develop various emerging sub-categories in the outdoor field, such as skiing, cycling, mountaineering and camping, which are rapidly growing categories, providing small and medium-sized brands with full-cycle support from consultation of product development to channel landing. We also plan to focus on expanding collaboration with small and medium-sized brands, combining customer supply chain capabilities with brand asset profile to provide brands with growth acceleration services such as new product incubation, new channel incubation, multi-channel development and collaborative development, helping small and medium-sized brands break through growth bottlenecks.

Our development goals also include expanding the scale of our digital retail solutions and we seek to become an exclusive multi-channel partner in China for additional brands, in particular those without any presence in China. Under these circumstances, we will have the opportunities to develop additional product concepts for China market. We plan to enhance our capabilities in marketing and media resource management, and strengthen our ability to explore new product concepts for collaboration, which we believe will enable us to achieve our strategic goals and solidify our market leadership position.

Improve Online Digitalisation and AI Penetration to Enhance Digital Intelligence Capabilities Comprehensively

We are committed to developing industry-leading digital intelligence capabilities, focusing on two main areas: data-driven online digitalisation throughout the entire business process and AI-empowered decision-making and execution. By leveraging industry knowledge and enabling intelligent system-wide connectivity, we believe that we will be able to build a knowledge-driven intelligent decision-making and execution system to drive dual upgrades in operational efficiency and service capabilities.

In terms of online digitalisation, we plan to rely on the data assets from all channels accumulated during our service processes to continuously optimise the “Smart Kaijie” BI analysis platform, improving our data-driven and decision-making capabilities in various related areas such as HR, finance, warehousing logistics and SKU management. We will also upgrade our OMS, distribution management system and WMS, enhancing the management on logistics and warehousing efficiency through deep integration of AI and embedded RPA component to establish a closed-loop mechanism of “demand input — intelligent analysis — automatic execution”. The system receives natural language commands, automatically decomposes tasks, deploys RPA tools for data collection and generates visual reports. Our goal is to continuously improve the digitalisation of our IT system infrastructure by implementing role-based data isolation strategies to support agile responses to market demands.

On the other hand, we will promote the penetration of AI in our work scenarios and business processes, building a two-tier empowerment system comprising an enterprise knowledge engine and company-wide intelligent assistants. We plan to realise knowledge assetisation, which is to establish an enterprise-level knowledge base to transform years of vertical industry service experience into core assets such as standardised process knowledge packages and intelligent solution matrices. We also aim to achieve

BUSINESS

company-wide AI empowerment to realise company-wide AI integration in our business scenarios, integrating our proprietary-built AI data platform into application platforms, enabling every employee to fully utilise the enterprise-level AI platform in their daily work. For example, through a unified AI application portal, business personnel can directly access functions such as intelligent data analysis with natural language query and instant visualisation, and automated process triggering via voice commands to activate RPA clusters, thereby enhancing work efficiency and optimising task execution. We believe that AI will not only help us transform internal production relationships and improve operational efficiency but also optimise service products through data insights, driving customer upgrades. At the same time, AI will deeply integrate with the “Smart Kaijie” business system, realising value transformation from foundational data to business insights in digital scenarios, and empowering intelligent market response and product innovation.

Strengthen Technology R&D Investment and Enhance Talent System

In the future, we will continue to increase investment in technology R&D, focusing on deploying cutting-edge technology fields such as AI. By establishing dedicated technology innovation funds and building enterprise-level AI R&D platforms, we aim to achieve independent innovation and rapid application of core technologies. By constructing the data analysis teams, we will enhance our ability to analyse market dynamics and consumer needs, optimising customer feedback and market research mechanisms.

At the same time, we plan to continue establishing training systems in e-commerce operations, and data management and governance, and collaborate with universities to cultivate practical talents, focusing on strengthening skills such as AI content generation and intelligent warehouse management. Additionally, we will continue to optimise corporate governance, improve career advancement channels for technical talents, and establish cross-departmental collaborative innovation mechanisms, providing solid organisational support and talent backing for technological innovation. Through the construction of a “technology R&D + talent cultivation” dual-engine system, we will continue to strengthen our core digital capabilities, ensuring ongoing advancement in the high-quality development of the enterprise.

Continue to Build Capabilities to Serve Overseas Market to Empower the Globalisation of Chinese Brands

We are committed to empowering Chinese brands to establish global localised operations with our digital retail solutions capabilities. We plan to expand our global business, establish overseas market service capabilities and collaborate with international e-commerce platforms to serve Chinese brands in global retail ecosystem. With the rise of platforms like TikTok and Alibaba in overseas markets, we hope to leverage the influence of these e-commerce platforms to help Chinese brands succeed in the global market.

Our subsidiaries are located in the United States, Japan, Hong Kong, Singapore and Spain, most of which were initially set up to support existing cross-border importing business. We believe that in the future, these overseas subsidiaries will enable us to swiftly enter into local markets, or seek potential business opportunities with local partners. In the future, we plan to continuously expand our footprint in key markets based on business development needs.

Additionally, we are focused on the potential of combining innovation and technology empowerment with overseas expansion. We may explore potential opportunity of establishing strategic partnerships with suitable partners to share resources with other companies and brands, expand market channels and enhance our global competitiveness.

OUR BUSINESS MODEL

Based on the specific needs and product characteristics of each brand owner, we adopt differentiated collaboration models to provide comprehensive and tailored digital retail solutions. Our solutions cover the entire value chain of the e-commerce industry ecosystem, including brand positioning, consultation of product development, retail operations, channel management, marketing and promotion, order fulfilment, as well as data and IT services. By leveraging our strong capability in data analysis, we conduct in-depth

BUSINESS

analysis of our brand owners’ products, their target audiences and relevant markets. This enables us to develop tailored strategies that suit our brand owners’ businesses at various phases of their development. We possess strong cross-category service capabilities and currently focus on providing end-to-end solutions to established brands across multiple industries and supporting them to achieve higher market coverage.

According to CIC, digital retail solutions providers have a variety of revenue models to monetise their solutions provided to brand owners. Typically, they either procure products from brand owners at a reduced cost and generate revenue from the sales of goods, or record service fees received as revenue from the provision of services. In FMCG industry, it is common for brand owners to select digital retail solutions providers that have a deep understanding of their products and the capability to conduct onward sales. Consequently, digital retail solutions providers primarily focusing on FMCG industry would typically generate a majority of their revenue from the sales of goods which enables them to increase brand stickiness, according to CIC.

As part of our provision of end-to-end digital retail solutions, generally, we may purchase products from brand owners and we sell these products to end consumers, e-commerce platforms or distribution partners, and generate revenue from the sales of goods. Our ability to provide comprehensive digital retail solutions across multiple platforms help brand owners reach consumers more efficiently, and they seek to leverage our strengths to achieve improved sales performance. Through conducting onward sale of our brand owners’ products with our comprehensive digital retail solutions capability, we believe we are better positioned to maintain stability and stickiness of our relationship with brand owners and expand our offering of solutions to them, in particular those in the FMCG industry. We also record revenue from the provision of services by providing the following services to our brand owners, including (i) traffic acquisition and branding services, (ii) e-commerce store operation services, (iii) brand value enhancement services, and/or (iv) data and IT services.

The following table sets out a breakdown of our revenue in absolute amounts and as a percentage of our total revenue for the years indicated.

Revenue	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sales of goods						
To-C	1,030,981	59.8	973,948	57.3	1,060,438	60.3
To-B	556,655	32.3	582,433	34.3	540,795	30.8
<i>Sub-total</i>	1,587,636	92.1	1,556,381	91.6	1,601,233	91.1
Provision of services						
<i>Sub-total</i>	135,262	7.9	142,173	8.4	155,977	8.9
Total	1,722,898	100.0	1,698,554	100.0	1,757,210	100.0

The revenues we generate from the provision of digital retail solutions are categorised into two types, namely, sales of goods and provisions of services.

BUSINESS

Under the first type (i.e., the revenue from sales of goods), the brand owners are our suppliers. We promote and sell the goods purchased from the brand owners (i) directly to end consumers under the to-C model, and (ii) to e-commerce platforms or distribution partners under the to-B model. The services provided by us under this type are not separately recorded as revenue generated from provision of services, as the brand owners are not regarded as our customers; rather, the services are provided in order to drive sales revenue, and maintain stability and stickiness of our relationship with brand owners, and ultimately expand our offering of solutions to them. Our capabilities to help brand owners attract high-quality traffic through targeted multi-channel campaigns, effectively convert such engagement into actual orders using precisely executed strategies, and ensure efficient fulfilment through integrated logistics and operational support, among others, are key factors brand owners consider when they select digital retail solutions providers to conduct onward sales for them. According to CIC, our revenue model, namely, generating a majority of its revenue from the sales of goods, is in line with the practice of digital retail solutions providers primarily focusing on FMCG industry.

Under the second type (i.e., the revenue from provision of services), the brand owners are our customers. When the brand owners specifically request certain services from us, and in turn pay service fees to us, we record such service fees as revenue generated from the provision of services. These services are not directly tied to the process of onward sales of goods, including (i) traffic acquisition and branding services, (ii) e-commerce store operation services, (iii) brand value enhancement services, and/or (iv) data and IT services from us.

We believe that there exists significant synergy between the two types, which together form an integrated business ecosystem. Our collaboration with brand owners typically commences with the sales of goods for them, during which we gain deep insights into the brand owners’ products and relevant market demand, and maintain stability and stickiness in our relationships with brand owners. This naturally help us identify specific needs of the brand owners, normally leading to demand for our specialised services under provision of services. When brand owners require specific services such as marketing campaigns, data-driven solutions, or brand value enhancement initiatives, we provide these as separately charged services. This natural extension from product sales to services provision not only deepens our collaborations with brand owners but also creates diversified revenue streams for us. The two types are mutually reinforcing, collectively enhancing our ability to create value for brand partners and the resilience of our business model.

The solutions provided by us under the two types differ in form and accounting treatment, and the role of the brand owners are distinct (being our suppliers under sales of goods, and our customers under provision of services). However, we consider them all similar in nature as they share the same ultimate business purpose: to serve the brand owners through various approaches, and our core capability in providing solutions under these two types is the same, which is to provide end-to-end digital retail solutions by helping brand owners attract high-quality traffic through targeted multi-channel campaigns, effectively converting such engagement into actual orders using precisely executed strategies, and ensure efficient fulfilment through integrated logistics and operational support. The ultimate business rationale of our operation is to leverage our deep understanding of the industry and brand development strategies to help brand owners enhance their brand value, and maintain and expand its relationship with brand owners to achieve a win-win solution and drive sales and revenue.

Our Solutions - Sales of goods

When we sell goods, we select and purchase goods from our brand owners and/or their authorised distributors, then leverage various e-commerce marketing tools to create brand-aligned marketing campaigns. By integrating off-platform resources (i.e., leveraging external platform channels such as social media and search engines (e.g., KOL marketing to generate interest) to drive traffic, thereby expanding brand exposure and customer acquisition), and fully adopting various models such as shelf-based e-commerce (i.e., e-commerce using standardised product displays and proactive search as the core to deliver an efficient purchase path for end consumers), content-driven e-commerce (i.e., e-commerce using content such as live streaming and short videos to attract end consumers’ interest and affecting their purchasing behaviour), social e-commerce (i.e., e-commerce using user sharing and social interactions to build brand image and achieve precise marketing through social media through influencing purchase intent)

BUSINESS

and O2O e-commerce (i.e., e-commerce integrating online platform models with offline physical store experiences), we promote and sell these purchased goods (i) directly to end consumers through authorised flagship stores (旗艦店) and other brand stores operated by us on e-commerce platforms (the “**to-C model**”), or (ii) to e-commerce platforms or distribution partners (the “**to-B model**”).

Our comprehensive digital retail solutions go beyond selling goods for our brand owners. The comprehensiveness of our solutions lies in our ability to help brand owners attract high-quality traffic through targeted multi-channel campaigns, effectively convert such engagement into actual orders using precisely executed strategies, and ensure efficient fulfilment through integrated logistics and operational support; as well as our capability to provide complete suite of value-added digital retail solutions, which our brand owner can select all or opt for specific ones that align with their immediate needs. Leveraging our deep understanding of customer behaviour and brand development strategies, we provide our brand owners with practicable and expertise-supported advice and solutions, including specific channels on which our brand owners should operate, key promotional cycles relevant to their offerings, personalised and targeted marketing strategies and analysis of target customer demographics and customer behaviour. For example, to enhance campaign effectiveness ahead of the peak sales season, we executed tailored digital campaigns including producing professional live streams and short videos for our brand owners. Using advanced filming techniques, and specialised set design and technologies, we create an immersive environment, such as indoor studio setups that digitally simulate outdoor scenes, while showcasing the actual products. For example, we can film ski jackets in-studio with CGI snowscapes to highlight functionality without compromising visual appeal. These live streams and short videos are carefully designed to highlight the unique advantages of our brand owners’ products, and are strategically distributed through highly effective channels to reach the appropriate target audience. Our campaigns are designed to effectively channel viewer engagement into sales conversions. Furthermore, our fulfilment capabilities ensure order processing and delivery, aiming to enhance post-purchase experiences for end consumers. In this way, we combine our expertise in online channel operations and our brand owners’ product offerings to enhance revenue generation from sales of goods and foster collaborative relationships.

We are committed to enhancing our brand owners’ online presence and market share through high-quality products and tailored e-commerce solutions. Therefore, in addition to acting as suppliers to provide qualified products, our brand owners and/or their authorised distributors are also obliged to provide necessary assistance to us for establishing authorised flagship stores and other brand stores, including granting legitimate licences to us for establishing e-commerce distribution channels, and provide accurate and valid logos, trademarks, scripts and other promotion materials that would facilitate brand building, and the promotion and sales of the relevant products. To achieve this, specifically, we typically provide other value-added services simultaneously in addition to establishing online sales channels based on the specific needs and product characteristics of each brand owner, including brand positioning, consultation of product development, retail operation, channel management, marketing promotion, order fulfilment, as well as data and IT services.

In our contracts with brand owners, we typically provide an estimated purchase volume for a specified period. The estimates were made based on market demand or pre-sales plans of e-commerce platforms or distribution partners. Upon receiving our estimation, our brand owners make efforts to meet our needs based on factors such as available quantity of products and their production capacity. Adopting this approach and leveraging our comprehensive supply chain system, we are able to address clients’ diversified product mix requirements. In limited scenarios involving large-volume orders with tight delivery timelines, after end consumers place orders through these platforms or distribution partners, we arrange direct shipments and delivery of the goods to the end consumers’ location.

Pricing for Sales of Goods

The prices of the goods we sell under both to-B and to-C model are generally determined based on (i) the purchase price of the relevant goods we procured from the brand owners, (ii) the prevailing market prices of the goods, and (iii) our other relevant cost in connection with the sales. Within the advised price range provided by the brand owners, we have full discretion on the prices of the goods we sell. In daily online store operations, we consistently monitor and analyse changes in customer profiles and demand. By assessing their purchasing power, we adjust product pricing correspondingly to achieve higher sales volume

BUSINESS

or improve profit margins. Under certain circumstances, such as when the products approach expiration dates, we retain the flexibility to significantly reduce prices to accelerate inventory turnover. Our pricing decisions are made independently, while maintaining ongoing communication with brand owners to safeguard their price positioning and collectively enhance their image, and are not subject to any restrictions from e-commerce platforms, or other third parties.

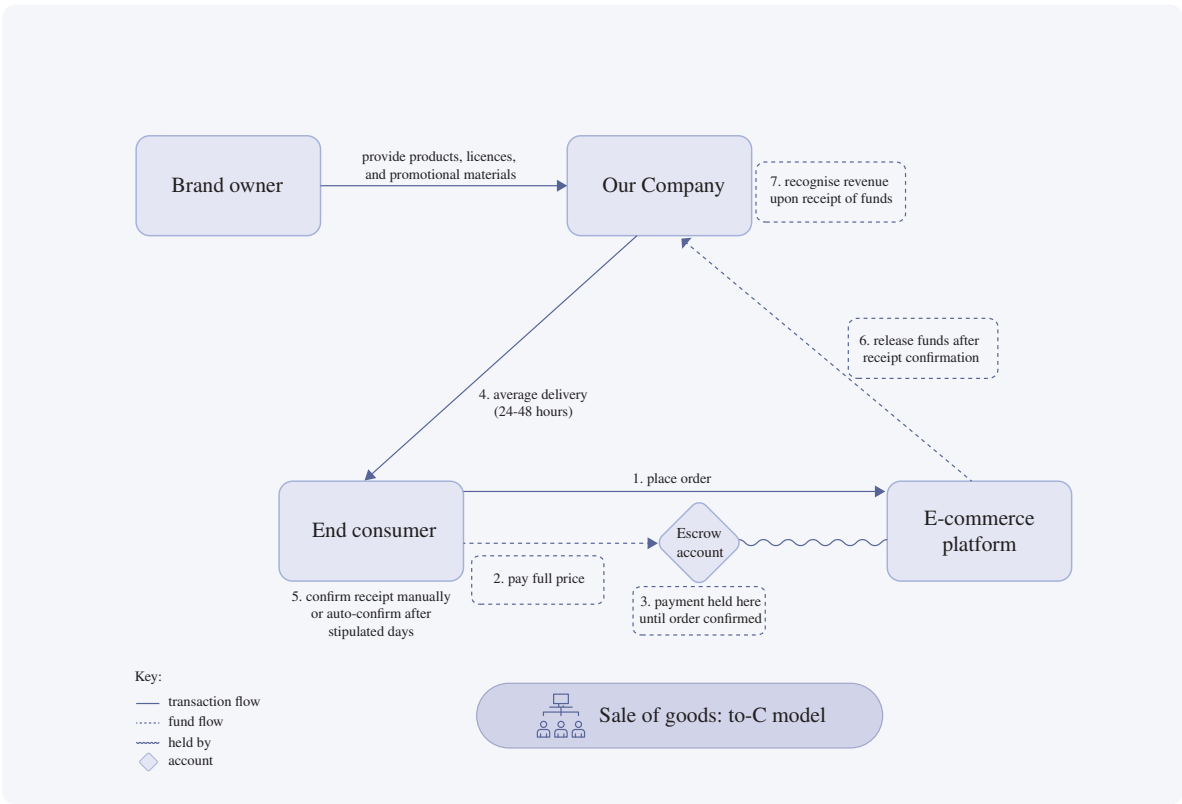
Under to-C model, our revenue from the sales of goods is recognised when the advance payment made by customers is transferred from the platform’s designated escrow account to our authorised flagship store’s and other brand store’s fund account with the relevant authorised flagship store and other brand store only upon such order being confirmed as received. Under to-B model, the control of the goods transfers when the relevant e-commerce platform, as our customer, issues documents (e.g., settlement statements) evidencing transfer of control over goods, or when the goods are delivered to the designated locations or transferred to the specified carriers. We typically require advance payment from our distribution partners before delivery. Our revenue is recognised as a contract liability until the goods are delivered to our distribution partners. See “Financial Information — Material Accounting Policies and Estimates — Revenue from Contracts with Customers — Sales of Goods” for further details.

Sales of Goods: to-C model

Under the to-C model, we typically arrange delivery within 24 hours (or 48 hours during major promotional events) after a successful customer order. A customer order is deemed successful only after the consumer prepays the full price into the escrow account established by the e-commerce platform. Our consumers can manually confirm receipt of goods within the period stipulated by the e-commerce platform (typically being seven days upon delivery by logistics service providers); otherwise, the e-commerce platform automatically acknowledges receipt of the order after the stipulated period (typically being ten days for domestic online stores (and 20 days for cross-border online stores) after the goods are shipped), except during promotional periods when delivery timelines may be affected due to heightened external supply chain resources, potentially extending the waiting time for consumers to receive their orders compared to regular periods. The advance payment made by customers will only be transferred from the platform’s designated escrow account to our authorised flagship store’s and other brand store’s fund account with the relevant authorised flagship store and other brand store after the order is confirmed as received. The sales revenue is recognised only when the payment from the platforms is credited to our account. A majority of our revenue from product sales was derived from the to-C model during the Track Record Period.

BUSINESS

The following flowchart sets out the transaction flow, fund flow, revenue recognition and the roles and responsibilities of each of the key participants under the to-C model.



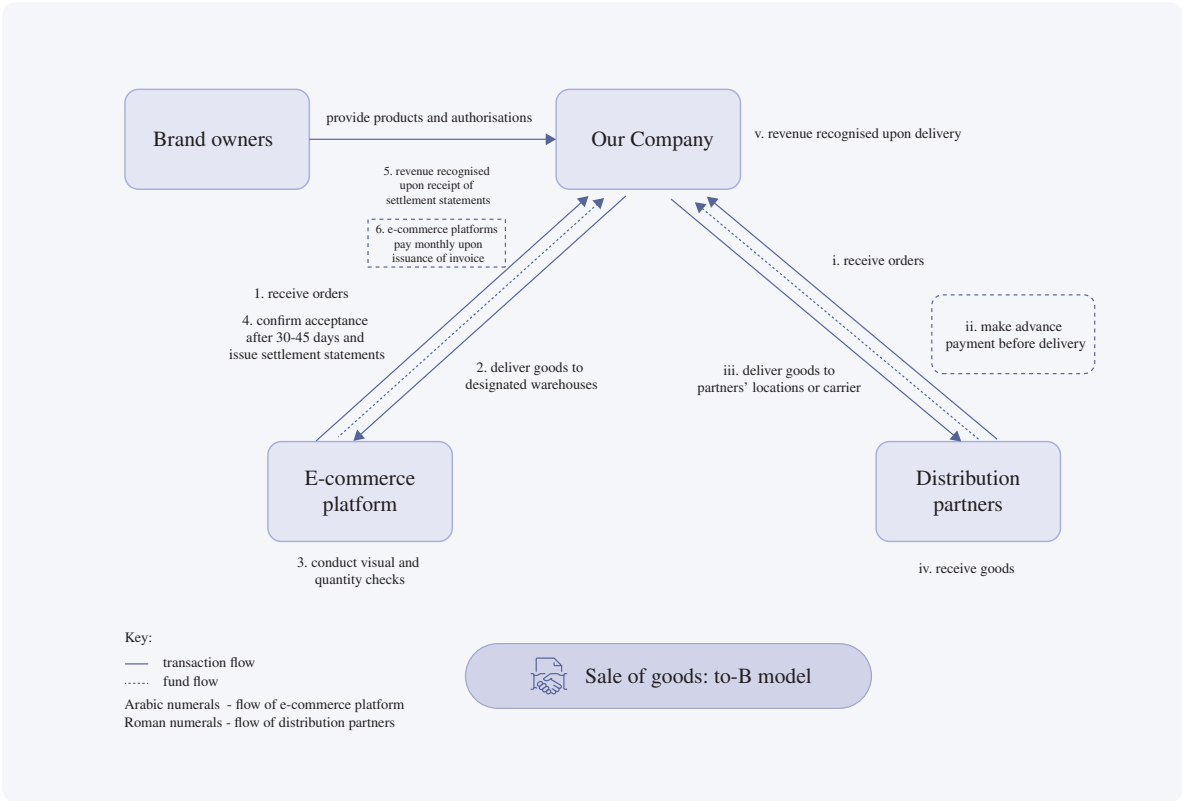
Sale of Goods: to-B model

Under our to-B model, sales to e-commerce platforms and sales to distribution partners are parallel to each other. After we receive the orders from e-commerce platforms or from our distribution partners, we deliver the goods to them in a timely manner through point-to-point direct transportation within the agreed-upon time frame.

We have a buyer-seller relationship with both e-commerce platforms and our distribution partners. For sales to e-commerce platforms, we recognise revenue upon receipt of settlement statements, which are issued after the platforms complete inspections and acceptance of goods. For sales to our distribution partners, revenue is recognised when goods are delivered to them, as these distribution partners subsequently facilitate onward sales. We maintain such buyer-seller relationship to diversify revenue streams and increase market reach.

BUSINESS

The following flowchart sets out the transaction flow, fund flow, revenue recognition and the roles and responsibilities of each of the key participants under the to-B model.



Sales to E-Commerce Platforms

When selling to e-commerce platforms (such as Tmall Supermarket, AliHealth, Tmall Global Direct Operation store, or JD self-operated store), orders are directly generated by the platform’s backend system. Based on these orders, we deliver the goods to the designated receiving warehouses specified by the e-commerce platform. The e-commerce platforms normally conduct standard visual and quantity check upon receipt of our goods and arrange shelving first, then confirm acceptance after 30 to 45 calendar days, before they issue settlement statements based on the pre-agreed unit price. In some other cases, the e-commerce platforms would issue settlement statements to us only after end consumers place orders and confirm the receipt of the goods. In such cases, the goods are either delivered to end consumers directly from the platform’s warehouse upon order receipt, or routed to our warehouse for direct fulfilment. The sales revenue is accordingly recognised upon receipt of the settlement statements issued by the platforms when we sell goods to e-commerce platforms.

Even when flagship stores we operate are on the same e-commerce platform, we sell goods to their target audiences and operational logic are different. The flagship stores serves as the brand owners’ key venue for loyal customers and those with clear purchase intent. The flagship stores provides full product assortments, exclusive releases such as IP collaborations and limited-edition gift sets and high-quality brand contents, helping brand building and deepening engagement with loyal customers while attracting new potential customers through targeted traffic campaigns. In contrast, the online stores of the e-commerce platforms are designed to replicate a one-stop supermarket shopping experience and catered primarily to households and stock-up purchases. They offer a broad range of categories that can be purchased together conveniently, supported by reliable sourcing and fast delivery. Such online stores attract consumers by using category-based traffic allocation, volume-based promotions such as multi-item discounts, and cart-building incentives such as spend-and-save offers. We believe that the clear strategic divergence in positioning and customer value proposition ensures that there is no material risk of cannibalisation between them.

BUSINESS

Unlike service-oriented e-commerce platforms (such as food delivery or transportation services) that typically impose high fixed commissions of ranging from 20% to 30% from merchants, we operate in an e-commerce environment where commodity e-commerce platforms charge significant lower commission rates, generally ranging from 3% to 6%, and offering merchants with greater operational flexibility through optional and market-bid promotional tools. These platforms would also collaborate with merchants on jointly-funded promotional initiatives. Aggressive marketing activities previously promoted by platforms like Pinduoduo (e.g., unconditional refunds without product returns) have been largely phased out. Given these material differences in fee structure and service model compared to service-oriented e-commerce platforms, the recent SAMR guidelines on reasonable platform charges are unlikely to materially impact our operations or financial position. Further, certain e-commerce platforms are involved in the so-called “price war” recently. Our Directors believe that such price war does not have material indirect impacts on our business operations and financial performance. Firstly, food delivery only constitutes a negligible proportion of our business. Secondly, the platform subsidies have boosted daily active users in the Alibaba ecosystem, which is our primary operational environment, and substantially increased its market share in on-demand delivery businesses. This showcases Alibaba’s competitive strength of multi-business synergy and its financial resilience. In addition, Chinese regulatory authorities have publicly advocated for rational market competition, explicitly discouraging irrational price wars that could lead to significant financial losses for platforms and overall market volatility. This top-down guidance significantly reduces the likelihood of a prolonged, destructive margin war among the major e-commerce platforms that form our customer base.

Key terms of cooperation with e-commerce platforms

The following table sets out the key terms of cooperation with the e-commerce platforms as our customers under the to-B model.

Returns or refunds	:	The e-commerce platforms are responsible for assessing and handling requests in relation to returns and refunds. We cooperate with them by providing return and exchange services and managing related logistics information. Returned or exchanged goods should be of the same quality as the original products and returned defective products should not be resold.
Minimum purchase amounts or sale targets	:	Most agreements generally do not impose mandatory minimum purchase amounts or sale targets on the e-commerce platforms. Entering into framework agreements or placing pre-orders does not constitute an obligation to purchase.
Payment	:	The e-commerce platforms are typically required to pay on a monthly basis upon issuance of invoice.
Quality and compliance	:	We ensure that product quality complies with applicable standards and requirements, a failure of which will lead to a compensation for any losses caused.

Sales to Distribution Partners

Under the to-B model, we also sell products to our distribution partners when we obtain authorisations from brand owners. During the Track Record Period, our distribution partners included small-scale wholesalers and retailers which sell products on e-commerce platforms. After we receive orders from our distribution partners, we deliver the goods to them in a timely manner through point-to-point direct transportation within the requisite time frame. We sell our products to our distribution partners as we believe these distribution partners may further facilitate onward sales of products, thereby enhancing the exposure of our products and our market penetration. According to CIC, it is not uncommon for digital retail solutions providers to engage distributors to facilitate onward sales of products, with an aim to diversify revenue streams and increase market exposure of products. Revenue generated from sales of products to our respective distribution partners in each year during the Track Record Period were approximately RMB221.7 million, RMB200.6 million and RMB226.5 million, respectively, representing approximately 12.9%, 11.8% and 12.9% of our total revenue for that respective year. Revenue generated

BUSINESS

from sales of product to our respective five largest distribution partners ranked by revenue in each year during the Track Record Period accounted for 35.8%, 41.3% and 47.6% of our revenue from all distribution partners for that respective year. We have established a stable distribution sales network leveraging our online e-commerce resources. The following table sets out the movement in the number of our distribution partners during the Track Record Period.

	Year ended 31 December		
	2023	2024	2025
At the beginning of the year	229	263	223
Addition	141	104	93
(Termination)	(107)	(144)	(110)
Net increase/(decrease)	34	(40)	(17)
At the end of the year	263	223	206

The decrease in the number of our distribution partners in 2023 and 2024 was primarily attributable to the termination of our cooperation with one major pet brand in 2023 and two other pet brands in 2024, thus resulting in the termination of our partnerships with relevant distribution partners associated with the three pet brands. The number of our distribution partners in 2025 remained relatively stable. The aggregated revenue contributed by the distribution partners terminated in 2023, 2024 and 2025 accounted for 3.0%, 1.7% and 2.2% of our total revenue for the respective year.

(a) Key Terms of Distribution Agreements

The following table sets out the key terms of the distribution agreements under the to-B model.

Term	:	The distribution agreements are indefinite-term agreements while the authorisation will be renewed on a yearly basis.
Order	:	Orders for products should be lodged by written notices. Orders should contain information including quantity of products and place of delivery. We reserve the right to modify the product list and our supply price list by providing our distribution partners with ten days' prior written notice.
Payment	:	Distribution partners are typically required to make payment upon placing an order, before our delivery of goods.
Pricing	:	We are allowed to provide our non-binding suggested pricing guidance to distribution partners for reference and update such guidelines periodically, while they have autonomy to decide the sales prices insofar as such prices are in conformity with the prevailing market rates, and are determined by factoring in the promotional activities and relevant sales circumstances.
Product return	:	Distribution partners may only request returns or replacements for discrepancies in product types or quantity, or damaged packaging discovered upon receipt. All claims must be raised and noted on the delivery receipt, and reported within 24 hours. No returns relating to discrepancies in product types or quantity, or damaged packaging are accepted after product acceptance, except for quality issues attributable to us which must be resolved separately through subsequent negotiation between both parties.
Branding	:	We bear the responsibility to notify our distribution partners of any update of branding of products, such that they can take all necessary actions to update sales information.

BUSINESS

During the Track Record Period and up to the Latest Practicable Date, no product return in transactions with distribution partners occurred, and consequently, no refund was issued.

(b) Selection of Distribution Partners

We have set out a number of criteria in terms of selecting our distribution partners which we believe can help us engage able, competent and willing distributors. These criteria are enforced in a strict manner as our distribution partners are not mere selling distributors, but also are our product ambassadors. Generally speaking, our distribution partners are required to (i) possess knowledge of our products, (ii) have capacity and experience of conducting onward sales of products to end consumers, and (iii) demonstrate willingness to conduct onward sales. In addition, we generally conduct qualification and background check of our distribution partners. Upon completion of the selection process, we enter into standard distribution agreements with our distribution partners.

(c) Management of Distribution Partners

We have a dedicated group of staff to manage and evaluate our distribution partners’ performance. However, we do not have authority to monitor the inventory level or inventory status of our distribution partners. In order to avoid channel stuffing, (i) we request our distribution partners to make full payment before our delivery of products, which would place an immediate cash flow burden to our distribution partners for any material overstock; (ii) we keep close communication with our distribution partners to understand their sales and inventory status; and (iii) we conduct visit to our distribution partners’ warehouse to check if the warehouse facilities and logistics capabilities are sufficient to meet the needs of our business, and comply with the applicable laws, regulations, policies and our requirements regarding product storage, transportation, and packing to, and ensure product quality.

We do not control the independent pricing authority of our distribution partners. Instead, we engage in joint channel-building, a collaborative strategy where each party leverages its respective strengths, ours being our market insights and bestselling products selection derived from our flagship store operation experience, and our distribution partners contributing their established retail presence across diverse channels, aiming to develop a mature distribution network. This practice allows the core product categories to rapidly capture market share. Our distribution partners, leveraging their competency on bulk procurement and wholesale distribution, then adapt these products into tailored product bundles across for their various retail points. This strategy is designed to ultimately drive consumer purchases, and we benefit from it through wholesale distribution this established network enables. As such, our distribution channels function as a high-volume platform for products that build the branding for core categories. In the process, we monitor the market-wide price movements to help our distribution partners maintain consistent price positioning across channels, and uphold market order and foster a stable and fair market environment. In addition, our distribution partners have little incentive to disrupt prevailing market prices. Our distribution partners are typically multi-brand retailers within a specific category. After obtaining the authorisations from upstream in the distribution chain, they display comparable products and often compete on price to attract price-sensitive customers. The volume of any single brand they own is insufficient to impact that brand owner’s overall market share.

We pay close attention to the potential competition among our distribution partners. To prevent cannibalisation, we implemented the following measures: (i) our distribution partners shall list all online stores they operate in the distribution agreement; (ii) our distribution partners shall agree to conduct distribution activities solely within the scope stipulated in the distributorship agreement (including but not limited to observing the restriction on authorised brands, channels, and the authorised period which is typically renewed on a yearly basis). Our distribution partners are obligated to take commercially reasonable measures to prevent the products from being directly or indirectly used for sales activities outside the authorised scope. If any of our distribution partners is found to be selling products directly or indirectly outside the authorised scope, we reserve the right to terminate the distributorship agreement immediately, withhold any applicable rebates, and the breaching distributor will be subject to penalties equal to the total order amount of the products in the three months preceding the breaching conduct or RMB200,000, whichever is higher. If the penalty is not sufficient to cover our actual loss, our distribution partners shall compensate the difference; and (iii) historically and up to the Latest Practicable Date, we were not aware of any sub-distribution activities as e-commerce platforms would examine distribution

BUSINESS

authorisation letters before approving the establishment of any online stores, and we refrain from issuing such authorisation letters to any third-party other than our distribution partners. During the Track Record Period, we were not aware of any cannibalisation among our products sold to our distribution partners supplied by our brand owners.

We have self-developed an IT distribution management system which tailors to our business needs, allowing for financial management of the accounts of our distribution partners. See “ — Information Technology Systems” for details. In addition, to ensure effective oversight of our distribution network, we utilise comprehensive management tools including third-party monitoring software, store backend tracking systems, and ERP-based shipment detail collection tools. We also improve our distribution partners management system that by combining clear incentives with performance-based consequences, along with attractive rebate policies. These tools enable us to oversee the products’ price, as well as overall performance of our distribution partners including the rating of the online stores they operate, product sales volume, and bundled product strategies, to protect brand value and optimise inventory turnover through systematic stock management.

Our distribution partners are not permitted to engage in sub-distribution. In order to prevent unauthorised sub-distributions, we provide our distribution partners with written authorisation, which details the authorised distribution partners entity, brand and sub-brands, authorisation period, authorised distribution platform and authorised store name. Such authorisation is explicitly non-exclusive, and our distribution partners are prohibited from sub-licensing. We also retain the right to revoke such authorisation with prior notice. To obtain such submission and approval for new store registration and product listing, our distribution partners are required to submit written authorisation to the relevant e-commerce platform. Such submission and approval are required for each store operated by the same distribution partner. Furthermore, if a distribution partner intends to use our trademarks or logos in its website design, product descriptions, or promotional activities, it must obtain our prior written confirmation. In addition to these contractual obligations, we believe that the distribution partners lack economic incentive to engage in sub-distribution, as their business model relies on leveraging their agility to serve price-sensitive consumers. Any attempt to build additional distribution channels would only erode their existing profit margin.

We are exposed to the risk of cannibalisation. See “Risk Factor — We have limited control over the practice and manner of sales by our brand owners and we may not have sufficient measures to minimise the risk of cannibalisation brought by other digital retail solutions partners or our brand owners to us”. Although we and our distribution partners may sell products on the same e-commerce platforms, our distribution partners are required to obtain authorisation from our brand owners to access the distribution channels on those platforms. This allows us to regulate platforms on which our distribution partners can sell our brand owners’ products. By controlling distribution channels in this way, we minimise the risk of our distribution partners undercutting us on pricing or product availability, as they cannot freely expand into unauthorised platforms where they might compete directly with us. Also, our support to distribution partners is contingent upon their fulfillment of performance requirements and operational compliance. Distribution partners which wish to benefit from our resources and support have an incentive to operate in strict accordance with our channel policies. Additionally, the authorisation system reduces channel conflicts by ensuring that we and our distribution partners target distinct market segments or different channels. Our distribution partners normally act as multi-brand retailers under a specific product category, and their competitive advantage lies in offering competitive pricing to appeal to price-sensitive consumers. Thus, they normally focus on volume-driven sales through batch purchasing and reselling, targeting price-sensitive consumers or regional markets with high demand potential. We leverage our distribution partners’ resources to rapidly scale market presence and penetrate broader consumer segments. Once a product gains traction as a bestseller through our flagship store operations, we collaborate with distribution partners to amplify its reach and secure market share. This allows us to benefit from wide product dispersal without overlapping directly with the market segments we mainly focus on, including (i) the flagship stores we operate for brand owners, which aim to attract consumers with strong brand loyalty and purchase intent, or potential new consumers who are interested in the high-quality content offered by the flagship stores; and (ii) the online stores of the e-commerce platforms, designed to replicate one-stop shopping experience

BUSINESS

and catered primarily to household or stock-up purchases, making such platforms appeal to convenience-seeking and volume-buying consumers. This clear delineation prevents overlapping sales efforts, protecting revenue streams from erosion due to competition between us and our distribution partners.

During the Track Record Period and up to the Latest Practicable Date, all of our distribution partners were Independent Third Parties.

(d) Payment and Credit Term

When we sell the goods to our distribution partners, the orders are placed by our distribution partners. We deliver the goods to their designated locations or hand the goods over to their specified carriers according to the orders. The sales revenue is recognised when the goods are delivered to the designated locations or transferred to the specified carriers. We typically require advance payment from distribution partners before we arrange delivery to minimise financial risks. We determine whether to grant credit limits or credit periods to our distribution partners based on a number of factors, including the registered capital amount and financial condition of the distribution partners, sales volume, and the track record of their cooperation with us. The maximum credit limit we grant to our distribution partners typically would not higher than the amount of their registered capital to minimise potential risk exposures.

To the best knowledge of our Directors, all of our distribution partners during the Track Record Period were Independent Third Parties. These distribution partners are not associated with or related to any of our Company, our subsidiaries, shareholders, directors, senior management and any of our respective associates. To the best of our knowledge, save for the distribution arrangement entered into in the ordinary course of business with us, there is no other relationship between our distribution partners and each of our Company, our subsidiaries, our shareholders, directors or senior management or any of our respective associates.

Payment to Brand Owners

Under our business line of sales of goods model, to better align with brand owners' inventory preparation cycles, we typically make advance payments to our brand owners for purchase orders of goods for our onward retailing. During the preparation periods for major promotional campaigns such as the 618 Mid Year campaign or the Double 11 Day campaign, we may negotiate with selected brand owners or provide bank guarantees to secure a credit term up to three months to benefit our cash flow. We normally make payments to our customers via bank transfers. With the approval of brand owners, some payments are made via bank drafts.

Inventory

Under the business line of sales of goods, we manage inventory risk comprehensively through multi-level systematic measures. Our brand owners are typically responsible for delivering the goods to our warehouses or designated locations, and bear the relevant costs until the goods reach our warehouse or designated locations. Upon delivery, we conduct inspections on the goods and confirm the receipt. To ensure our brand owners remain accountable for the quality of the goods, we are required to notify them of any quality issues within a specified period (normally seven days) following the delivery date. As we are deemed to own and assume the ownership to the inventory after the goods are offloaded, other than for quality issues, we generally are not allowed to return unsold inventories to the brand owners and/or their authorised distributors. We also set a reasonable advance notice period for terminating the agreements with us (typically 30 to 60 days) to allow time for inventory clearance, channel transfer, or buyback negotiations. During the notice period, both parties need to collaboratively develop an inventory disposal plan. Additionally, we clarify the division of responsibilities during channel handover with brand owners, specifying the inventory transfer process upon the termination of the agreement, including the party responsible for logistics for product return, product acceptance standards, and cost-sharing terms. At operational level, we ensure product liquidity and reduce unsellable risk by optimising our procurement costs and conducting precise marketability analysis. Utilising our intelligent inventory management system, we implement effective shelf-life management and storage location control to accurately identify

BUSINESS

and locate slow-moving inventory, and continuously optimise inventory turnover efficiency and scientifically regulate inventory structure, establishing a multi-dimensional risk control system that spans the entire process of procurement, storage, and sales. This ultimately achieves a balance between maximising inventory liquidity and minimising unsellable losses.

To reduce inventory obsolescence, we manage inventory shelf-life and turnover risks through multi-level systematic measures. Upon receipt of new products into our warehouses, we record the production and expiry dates and implement precise shelf-life management by allocating stock to designated storage locations based on varying shelf lives. Our warehouse personnel conduct regular inspections and promptly transfer damaged or deteriorated products to designated scrap storage areas to mitigate quality risks. We adopt market-standard shelf-life classification practices, managing products according to the percentage of shelf life elapsed, consistent with prevailing market pricing practices. Our intelligent inventory management system provides timely alerts for products approaching expiry to facilitate proactive inventory control. For inventory exhibiting slower turnover or deteriorating shelf life, we employ various strategies such as bulk sales to distribution partners, limited-time promotional discounts, and bundled sales to accelerate the clearance of near-expiry stock. The formation of such inventory is often linked to brand operational policies, including underperformance in new product launches. Accordingly, we may receive additional subsidies from our brand owners to offset related risks. Furthermore, for product categories experiencing reduced market demand, we actively collaborate with brand owners to adjust procurement volumes or secure additional subsidies, thereby enhancing inventory turnover while maintaining profitability and mitigating inventory risk. Through these measures, we continuously optimise inventory structure and turnover efficiency, balancing maximisation of inventory liquidity with minimisation of unsellable losses across the procurement, storage and sales processes.

During the Track Record Period, we have not experienced any situations involving unsold inventory following the termination of relationships with our brand owners, primarily because our brand owners generally simultaneously terminate their authorisation for us to sell products on the relevant channels upon the termination of relationships. This is followed by negotiations in relation to arrangements for the remaining unsold inventory, which typically involves our brand owners repurchasing the stock or the entire inventory being sold to our brand owners’ subsequent service providers.

Product Returns

We allow product returns under both to-C and to-B models. Under the to-C model, in accordance with e-commerce platform policies, end consumers may request product returns within seven days of the receipt (applying the “seven-day no-questions-asked return policy”), provided that the product remains in resalable condition, and the consumer bears the return shipping costs. If the consumer has not confirmed receipt on the platform when the return function is initiated, the funds of the relevant product are still held in the platform’s escrow account, and we would not recognise revenue. Upon receiving and verifying the returned goods, we process the refund confirmation through the platform interface, and initiate full reimbursement from the platform’s escrow account to the original payment method. If the consumer has confirmed receipt and subsequently requests product return, the funds would have already been transferred to our account, and upon which the revenue is recognised. In this case, we would reverse the revenue recognition upon processing the return, and the platform refunds the consumer from our settled balance to the consumers’ original payment method. During the Track Record Period, the products returned by the end consumers after they have confirmed receipt accounted for 0.3%, 0.3% and 0.5% of the revenue contributed by the to-C model, and 0.2%, 0.2% and 0.3% of our total revenue, in 2023, 2024 and 2025, respectively. During the same period, under the to-C model, the amount of product returns accounted for approximately RMB3.4 million, RMB3.3 million and RMB5.3 million, in 2023, 2024 and 2025, respectively. Upon the occurrence of a sales return, our financial statements are adjusted by reducing the revenue amount by the amount of the returned goods. Concurrently, the inventory received from the return is recorded as a deduction from the cost of goods sold. In both cases, the order will be closed upon the completion of the reimbursement. The end consumers may also request a full or partial refund if there is any quality issue with the products they receive, and the relevant returned amount will be deducted from our sales revenue.

BUSINESS

Under the to-B model, the goods will be returned to us if the platform decides not to shelf them due to insufficient remaining shelf life (e.g., less than two-thirds of the total validity period). During the Track Record Period, the products returned by the platforms accounted for 1.0%, 0.7% and 0.7% of the revenue contributed by the to-B model, and 0.3%, 0.3% and 0.2% of our total revenue, in 2023, 2024 and 2025, respectively. During the Track Record Period, under the to-B model, the amount of product returns accounted for approximately RMB5.6 million, RMB5.0 million and RMB3.7 million, in 2023, 2024 and 2025, respectively. Our distribution partners are not allowed to return qualified goods to us based on the distribution agreements.

In the event of product defects, such as failure to meet efficacy standards, we reserve the right to seek recourse from our brand owners after addressing end customers’ claims. Typically, to protect their reputation, brand owners collaborate with us on public relations responses, product recalls, and compensation, and bear the resulting losses. Consumers also retain the right to file claims directly against the relevant brand owner. During the Track Record Period and up the Latest Practicable Date, we had not encountered any major liability claims arising from product quality issues, including in categories such as food safety and skincare product quality.

Selection of Brand Owners

Based on the screening and evaluation, we carefully select competitive, reputable and reliable brands with low inventory risk and long-term potential for our sales of goods business line. In the selection process, we evaluate not only a brand’s intrinsic competitiveness but also the strategic value of our partnership with that brand. From the perspective of scale value, we ensure that partnerships with brands can drive steady growth in our core business revenue and effectively allocate management costs and other expenses. We also expect the products involved in these partnerships strengthen our influence and engagement in core categories across target channels or platforms. We prioritise establishing long-term, stable cooperative relationships, typically assessing the developmental value of the partnerships with our brand owners over a cycle of three years or more, leveraging stability to ensure sustained mutual success. We consider different factors including the scale and the risk distribution capacity of the brands and the costs associated with providing solutions for them, and implement differentiated strategies accordingly. Combined with our robust inventory risk control system, we have established a brand partnership selection mechanism that balances short-term gains with long-term development, as well as scale expansion with risk management.

Our Solutions - Provision of Services

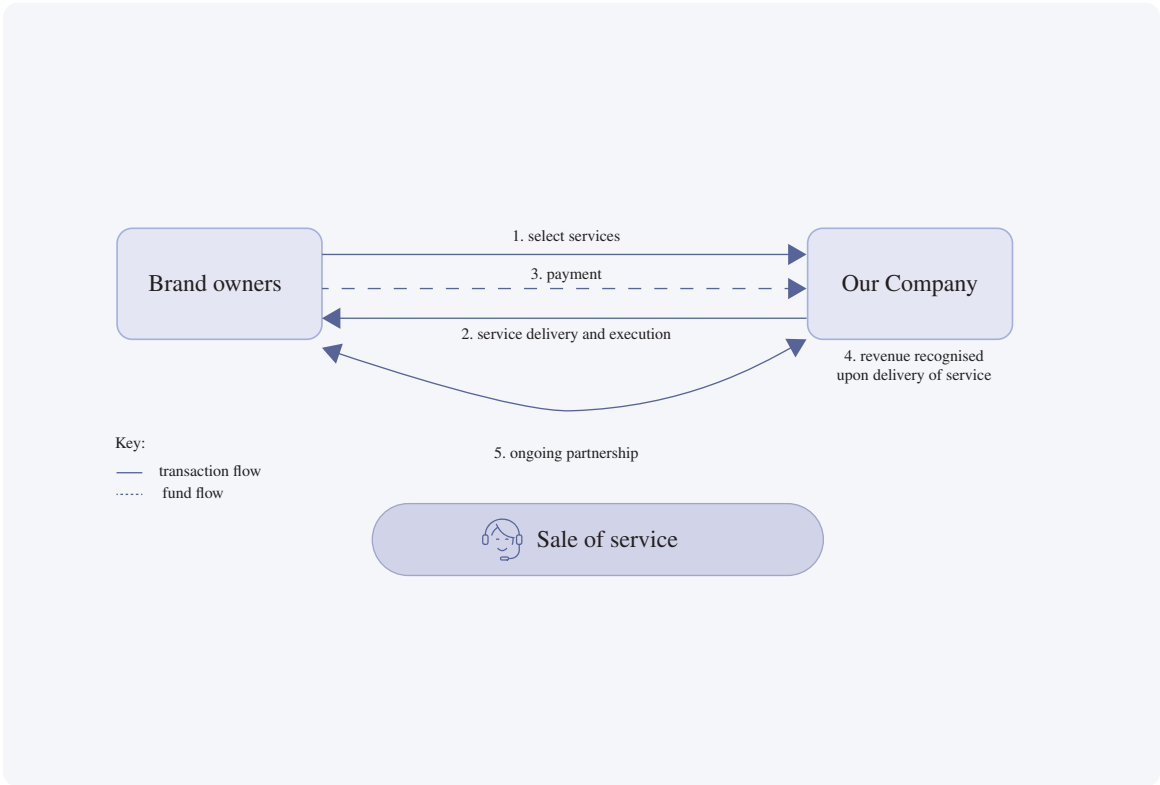
We provide one or more of the following services to our brand owners in exchange for service fees. These include (i) traffic acquisition and branding services, such as search and recommendation traffic optimisation, platform promotional campaigns, and commercial advertisement placement to enhance visibility; (ii) e-commerce store operation services, including product management, interactive experience management (i.e., the optimisation of product details design, functional descriptions services to enhance end consumers’ convenience and satisfaction when browsing and using the relevant platform, thereby enhancing customer retention and repurchase rates), daily promotional campaign management (i.e., planning, execution, and performance monitoring of regular promotions to stimulate sales growth and improve marketing efficiency), customer relationship management (including customer support services), and order fulfilment management; (iii) brand value enhancement services, such as large-scale promotional campaigns, KOL and content marketing, and O2O activations to increase brand awareness and loyalty; and/or (iv) data and IT services, including IT solutions, data analytics, and automation tools that support and enhance the capabilities and efficiency of all other service layers. Our brand owners are our customers under this business line, and we generate revenue from the provision of services.

We tailor our solutions to meet the specific needs of each brand owner. We initiate our collaboration with each brand owner through consultation sessions to understand their unique e-commerce objectives and growth strategies. Based on these discussions, brand owners can choose to leverage our complete suite of digital retail solutions or opt for specific solutions that align with their immediate requirements, including front-end traffic acquisition, mid-end e-commerce store operations and/ or back-end brand value

BUSINESS

enhancement. Regardless of the solutions selected, our technology and data infrastructure integrate to support and enhance the efficiency of the chosen solutions. As our partnership evolves, many brands recognise the value of our services and progressively expand their scope of engagement, adopting a wider range of our solutions to support their growing business needs.

The following flowchart sets out the transaction flow, fund flow, revenue recognition and the roles and responsibilities of each of the key participants of our business line of provision of services.



Pricing for Provision of Services

Our pricing mechanism for service fees is structured on a mixed system, which includes fixed monthly and quarterly fees, as well as performance-based incentives tied to KPIs:

- For traffic acquisition and branding services, media spend is charged based on e-commerce platform-quoted rates. In most cases, we also charge service fees for traffic acquisition services, typically either a fixed team service fee or a single-digit percentage of the total media spend. Media spend consists of our payments to e-commerce platforms for advertisement placement, promotional tools or products, promotional activities such as limited group-buying deals, Billion-Dollar Subsidies and other marketing activities launched by e-commerce platforms. See “Financial Information — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Selling and Marketing Expenses” for details. We typically establish annual, quarterly, and monthly plans for different traffic sources, with core traffic management categories being organic platform traffic and paid traffic. Paid traffic primarily consists of commercial advertisement placement within the platform. Prior to execution of advertising activities, we normally submit an annual, quarterly or monthly advertising scheme setting out budget allocation, creative strategy, and ROI projections for the approval of brand owners. Upon approval, we either advance payments to platforms and third-party vendors, with brand owners subsequently reimbursing us against verified invoices reflecting actual expenditures, or arranging for brand owners to make payments directly or indirectly to the media vendors.

BUSINESS

- E-Commerce store operation services are priced through a combination of fixed monthly, quarterly or annual retainers for basic operational support (e.g., daily store management, CRM maintenance) and variable performance incentives tied to pre-defined KPIs such as GMV growth or ROI. Specialised deliverables, including content design production (e.g., marketing campaign proposals, product web page design or customised gift boxes solutions), are quoted on a project-specific basis, with annual estimates provided for recurring needs within a year. Certain brand owners negotiate roles and headcounts of designated personnel such as project directors, designers, operations specialists or customer service specialists to a certain project with us, with their annual services fees being included in our fee quotes as well, ensuring transparency in resource costing. Order fulfilment services are primarily priced using a warehouse-and-shipping rate card, where logistics providers supply clients with standardised pricing lists detailing all fulfilment service charges. Corresponding contractual terms are then established. We bill clients monthly based on actual consumption at the rates previously agreed. Alternatively, some clients opt to bundle fulfilment service fees with performance-based incentives for consolidated payment.
- Brand value enhancement services involve campaign-specific advances for costs such as key opinion leader (KOL) media resource integration collaborations, key opinion consumer (KOC) content marketing and brand marketing campaigns. If the costs are agreed to be covered by the brand owners, we first submit detailed proposals with cost estimates for brands’ prior written approval, and initially cover the costs by ourselves and later bill to brand owners through invoices, the amount of which are based on originally quoted fees and brand-verified expenses.
- For data and IT services, the technology and data solutions costs, while embedded as a foundational layer across all services, are absorbed into respective service fees. However, customised IT solutions primarily including brand-specific business platform development (e.g., data asset management systems, and ERP integration for automated reporting and BI dashboards), online stores on WeChat Mini Programme and brand-owned app development, and subsequent maintenance for these solutions) are charged separately per project, with detailed pricing set out in the relevant service agreements. See “— Data and IT Services” for details of the categories of data and IT services we provide.

Across all service categories, fee structures may incorporate client-defined KPIs benchmarks, and there may be fee adjustments or incentive payouts contingent on achieving these targets.

Our revenue from the provision of services is recognised over time as the customer simultaneously receives and consumes the benefits provided by our performance as we perform. See “Financial Information — Material Accounting Policies and Estimates — Revenue from Contracts with Customers — Over Time Revenue Recognition: Measurement of Progress towards Complete Satisfaction of a Performance Obligation” for further details.

Traffic Acquisition & Branding Services

We empower brand owners to enhance visibility and sales performance through our full-funnel digital marketing solutions. Our service offerings mainly include search and recommendation of traffic optimisation primarily including (i) operational optimisation, where we enhance product search rankings and recommendation visibility within the platform through search engine optimisation techniques and product page upgrades, increasing the likelihood of products being featured in automated recommendation modules; (ii) precision advertising, where we integrate search ads based on user search behavior, with display ads targeted using audience profiles to achieve precise reach and drive high conversion rates, boosting sales performance and synergistically amplify inorganic traffic through the effective use of paid media; and (iii) marketing and promotion, where we maximise brand and product exposure through direct and indirect content marketing initiatives, along with active participation in a variety of platform campaigns. These efforts significantly increase brand awareness and contribute to the growth of free traffic on the platform, platform promotional campaigns, and commercial advertisement placement. Leveraging our deep understanding of brand-specific and product-specific consumer segments with platform-specific algorithm, we identify high-intent audience groups to deliver highly targeted campaigns. As campaign performance improves (e.g., with higher click-through and purchase rates), e-commerce platforms may

BUSINESS

reward these optimised listings with increased visibility, allowing us to secure premium traffic at more efficient costs, so as to reduce advertising spend while maximising conversion efficiency. Further, we improve organic conversion through refined operations such as product link configuration management, search engine-optimised product naming and video-enhanced product page redesign, which effectively boosts search rankings and recommendation exposure. In terms of platform promotional campaigns, we specialise in managing various events, such as category-specific promotions (e.g., beauty-exclusive events), platform-featured activities (e.g., Tmall/ Taobao’s Juhuasuan (limited group-buying deals) and Billion-Dollar Subsidies) and seasonal campaigns (e.g., 618 Mid Year campaign and Double 11 Day). We have particular expertise in managing platform-specific campaigns, including Tmall’s flagship events such as Super Category Day (超級品類日) and Black Box (小黑盒) initiatives, as well as leveraging JD.com’s core strength in logistics and consumer experience to execute campaigns that emphasise fast delivery and superior service quality. For commercial advertisement placement, we develop tailored strategies that align with specific brand objectives using advertising tools across platforms (such as Alimama on Tmall and Qianchuan on Douyin), and optimise advertising performance through advanced data analytics. We work with platform’s functions such as the TMIC for precise audience segmentation and premium product planning, while maintaining financial controls in order to balance competitiveness and profitability.

Our services extend to full-cycle media management, covering both online and offline channels. For online e-commerce platforms, we execute advertisement placement procurement on behalf of brand owners, through various media and marketing tools offered by platforms, and secure high-visibility placement for brand owners leveraging digital spaces such as brand zones and star stores on platform’s websites and applications. We also optimise campaigns using incentives such as Tmall supermarket vouchers or new-user welcome kits, to increase conversion rates and customer retention. Beyond digital campaigns, we increase brand reach through integrated offline marketing activations. This includes executing localised physical advertising campaigns, such as deploying eye-catching promotional posters in high-traffic areas, and distributing branded booklets in shopping malls.

We formulate media resources procurement plans in data-backed budgeting frameworks. These plans align with pre-defined financial targets, while retaining flexibility for real-time adjustments. Benefiting from our extensive experience in cross-platform campaigns, we submit detailed proposals for brand owners’ approval, followed by fine execution that adapts to market feedback and performance trends.

E-Commerce Store Operation Services

We offer comprehensive e-commerce store operations services tailored to our brand owners’ unique needs. We assign specialised operations teams equipped with industry-specific expertise and deep brand knowledge to manage our brand owner’s authorised flagship stores and other brand stores. Our operation teams are supported by our proprietary technology infrastructure and robust analytics systems specifically designed for e-commerce operations, which deliver regular performance reports, from daily updates to in-depth campaign analyses, empowering brands with actionable market intelligence. Our comprehensive solutions are categorised into following aspects:

- **Product management.** This is an effort to maximising the appeal and sales performance of each product, key activities of which include product online presentation, data-driven optimisation by provide pricing and merchandising commendations, and lifecycle management by advising on launch strategies, inventory turnover, and clearance sales. We optimise product presentation by crafting high-converting product detail pages, incorporating strategic design and layout elements that align with market trends, providing actionable optimisation insights to develop star items, and preparing periodic content updates such as product photography and site banners. By advising on product photography, site banners and other promotional content, we make sure that brand owners’ authorised flagship stores and other brand stores are professionally curated and dynamically refreshed to align with our brand owners’ latest advertising campaigns. By examining market data, competitor pricing strategies, and consumer demand patterns, we develop tailored merchandising recommendations to optimise brand owner’s online presence. Furthermore, we oversee full product lifecycle management from new product launch strategies and inventory turnover optimisation to clearance solutions, ensuring a consistently competitive product portfolio.

BUSINESS

- **User interface and experience management.** This is an effort to optimise the entire customer online shopping journey, key activities of which include store design and continuous optimisation on page designs and contents, and integrated customer services combines AI-driven tools. We create brand-consistent digital experiences by transforming consumer insights into visual competitiveness for our brand owners’ authorised flagship stores and other brand stores. By optimising every customer touchpoint across the purchase journey, we deliver design solutions that integrate brand aesthetics, intuitive interaction architecture, and demand-driven content, ensuring smooth browsing and search efficiency for customers, and help brand owners enhance user dwell time and click-through rates to drive purchase behaviours. We periodically update product detail pages, site banners, and promotional materials used in the brand owners’ authorised flagship stores and other brand stores to maintain their appeals and align all designs with brand guidelines and campaign plans. We also continuously optimise page layouts and interaction designs. We leverage AI-driven tools for 24/7 robotic responses to support customer service activities, and human agents are also maintained who specialise in specific sectors like baby & kids and pet supplies. Intelligent monitoring systems assess interaction quality and emotional tone, with recurring issues addressed through targeted training via our “YuYi system” (語憶系統). In addition, advanced analytics systems enable us to deliver real-time performance reports and campaign insights, while systematic event management processes handle marketplace activity monitoring, batch application processing, and visual content coordination.
- **Daily promotional campaign management.** We plan and execute end-to-end promotional campaigns, including event registration, advertisement placement bidding, promotional material production, and performance review. Through multi-channel and multi-scenario strategies, we help brand owners maximise campaign impact, boosting sales conversion and brand exposure. Based on brand positioning and sales targets, we develop customised promotional plans and integrate platform marketing resources to secure premium traffic support. With real-time sales data monitoring, we can quickly adjust budget allocation and conduct post-campaign analysis through user behaviour tracking to identify high-value customers.
- **Membership management.** We develop mid-to-long term membership growth strategies tailored to each brand owner’s specific business objectives and current member engagement levels. Our strategic planning carefully balances budget considerations with projected ROI. Through membership management applications, we establish multi-channel membership systems for brand owners which realise digital management on membership from initial registration to long-term loyalty development. Leveraging encrypted desensitised data across major e-commerce platforms and combined with advanced segmentation methodologies, we deliver targeted member engagement campaigns across relevant digital touchpoints. Throughout this process, we help our brand owners enhance member retention, elevating members’ experiences and ultimately drive repeated purchases.
- **Order fulfilment management.** Through effective integration between our OMS and WMS systems, we achieve fully automated control of the entire process from order generation to delivery. When customers place orders, their encrypted desensitised information on product and shipping details are automatically processed through our OMS which integrates with the relevant platform. This could update the platforms with real-time fulfilment status. In terms of logistics, the OMS simultaneously transmits order details to the WMS, which intelligently matches orders (based on inventory availability, destination proximity, and specialised requirements like cold chain and cross-border) with optimal shipping solutions, ensuring balanced fulfilment efficiency and cost-effectiveness.

BUSINESS

In addition, we facilitate effective communication between brands and e-commerce platforms, ensuring cohesive cross-platform strategies and optimised operational efficiency. For instance, we actively participate in brand-platform interactions, such as engaging in meetings between our brand owners and the platforms, and collaborating with platforms to refine brands’ operational strategies for a certain marketing campaign. Our holistic approach combines market expertise, technological innovation and strategic partnership to maximise our brand owners’ online presence and drive sustainable growth in the digital marketplace.

Brand Value Enhancement Services

We offers a comprehensive suite of brand value enhancement solutions designed to increase brand awareness and visibility across digital and physical consumer touchpoints. Our solutions are designed to help brand owners foster emotional connections with target audiences, and elevate their brand recognition from consumers. The key activities of brand value enhance services build and strengthen a brand’s overall image and connection with consumers, which primarily include integrated marketing campaigns, strategic KOL collaborations and competitive design solutions.

We believe effective digital store event management are crucial to our brand owners’ e-commerce business. With the help of our analytics systems, we develop detailed sales strategies for our brand owners, incorporating precise cost calculations and annual marketing plans aligned with key promotional events. We develop annual marketing blueprints aligned with key promotional cycles (e.g., 618 Mid Year campaign and the Double 11 Day), integrating platform-specific campaigns such as Tmall’s Super Brand Day and JD.com’s category-focused initiatives. Our integrated strategy balances new customer acquisition with existing customer retention and repurchase programmes, incorporating diverse promotional methods such as on-site promotions, off-site advertising, and KOL collaborations. We identify and engage livestream KOLs based on brand owners’ specific requirements and the characteristics of their products. After personally testing and evaluating the products, the livestream KOLs present items in livestreams with clear explanations of product features, advantages, and target audiences. Through interactive formats such as live demonstrations, livestream KOLs create an engaging and entertaining shopping that provides valuable information to end customers, and ultimately drives sales transactions. As for content seeding KOLs, being content creators and key contributors to product recommendation initiatives, they produce high-quality and authentic content to share their first-hand experiences with the products. Using both visual posts and short-form videos, content seeding KOLs are able to effectively communicate with their audience, shaping consumer preferences and purchase decisions. This approach ultimately drives sales conversion and completes the full marketing funnel, from raising awareness and stimulating interest, to ultimately facilitating purchase. During the Track Record Period, the number of KOLs cooperated with us is 950, 758 and 762 in 2023, 2024 and 2025, respectively. Most of our KOLs are engaged by us directly and have a deep understanding in areas such as food & beverage, beauty & personal care, and health. We also enhance our brand owners’ product competitiveness through design solutions, from functional packaging to special collection designs. Our solutions transform product presentation into compelling market assets that boost shelf visibility, strengthen brand differentiation, and ultimately improve conversion performance.

BUSINESS

The following table sets out the key terms of cooperation with livestream sales KOLs:

Service fees	:	Payment to livestream KOLs consists of a fixed “slotting fee” (坑位費) and a commission based on actual sales generated during the livestream. KOL-related expenses are predominantly settled on a reimbursement basis for actual costs incurred, and therefore, these costs were not reflected in our consolidated statement of profit or loss and other comprehensive income during the Track Record Period.
Calculation basis	:	The slotting fee is a pre-agreed, fixed amount paid to the KOLs considering their influence and proved live streaming performance, and to guarantee a minimum return for them for their participation in the livestream. The commission is calculated as a percentage (normally from 20% to 30%) of the actual sales revenue generated through the KOL’s livestream, net of returns and refunds. Given that the commission normally represents a relatively high proportion of the product sales revenue, we generally advance the payment of the commission on behalf of our brand owners and are subsequently reimbursed by them.
ROI Guarantee	:	In some cases, the KOL or agency may guarantee a minimum sales amount with a corresponding ROI. If the actual sales do not meet the guaranteed amount, the KOL or agency is required to refund the unearned portion of the slotting fee according to a pre-agreed formula.
Contractual obligations	:	The KOL is required to provide live-streaming promotional services for our designated products and to prepare the live streaming environment. We are required to provide accurate and complete brand or product materials. Both parties have the obligation to maintain confidentiality.
Liability	:	The KOL is liable for any losses caused by its own breach of legal or regulatory requirements in the live streaming process. We are liable for any disputes with third-party end consumers, or for providing false or infringing materials, and must compensate the KOL for any resulting losses or negative impact.
Term	:	Our contracts with KOLs are variable, mostly on a monthly or quarterly basis, and can be extended until such orders are completed.
Breach	:	The KOL may cancel the live stream, retain fees or claim damages if we (i) fail to provide required materials or samples on time; (ii) cancel or delay the live stream without proper notice; (iii) err in product links or promotional mechanisms thus causing losses to the KOL; or (iv) breach confidentiality obligations or other regulatory breaches.

The following table sets out the key terms of cooperation with content seeding KOLs, who focus on generating brand awareness and product interest through posts, videos, and reviews, rather than direct sales):

Service fees	:	Payment is typically structured on a tiered pricing model based on the KOL’s follower count and influence metrics (such as engagement rate and exposure level), and are charged as a fixed project fee, covering the creation and publication of a specified number of posts. KOL-related expenses are predominantly settled on a reimbursement basis for actual costs incurred because they are not directly tied to sales performance and depend on the brand owners’ overall marketing investment strategy, and therefore, these costs were not reflected in our consolidated statement of profit or loss and other comprehensive income during the Track Record Period.

BUSINESS

Calculation basis	:	The project fee is based on the number and type of deliverables, as well as performance metrics such as total exposure volume.
Contractual obligations	:	The KOL is required to create a contracted number of video, image and text posts for a certain brand on a named social media platform, monitor and analyse the advertising effectiveness, and provide regular reports. We are required to provide accurate and complete brand or product materials. Both parties have the obligation to maintain confidentiality.
Liability	:	The KOL is liable for any infringement of intellectual property or breach of confidentiality, and is required to compensate the client for all losses. If the KOL’s actions cause us to suffer losses, the KOL is required to fully compensate the client.
Term	:	Our contracts with KOLs are variable, mostly on a monthly or quarterly basis.
Breach	:	If the KOL fails to meet content or effectiveness targets as contracted, or if the KOL publishes any political or reputation-damaging content, we are allowed to terminate the contract and claim 20% of the contract value as liquidated damages.

The aggregate amount of the slotting fees and the commissions paid to livestream KOLs is RMB32.0 million, RMB35.0 million and RMB38.0 million in 2023, 2024 and 2025, respectively. The project fees paid to content seeding KOLs is RMB5.3 million, RMB5.7 million and RMB5.9 million in 2023, 2024 and 2025, respectively. During the Track Record Period and up to the Latest Practicable Date, all the aforesaid commissions or project fees paid to KOLs advanced by us on behalf of brand owners were subsequently reimbursed by brand owners.

We implement robust measures to monitor and control the behaviour of KOLs to ensure compliance with our standards and contractual obligations:

- Content review and approval: We require KOLs to submit all content for our review and written approval prior to publication or broadcast. We reserve the right to request modifications to ensure alignment with brand guidelines and legal requirements.
- Compliance and conduct: KOLs are contractually prohibited from publishing or engaging in any behaviour that could damage our brand reputation, including political or controversial statements. Any breach is considered a material default, entitling us to terminate the contract and seek damages.
- Intellectual property and authenticity: KOLs must guarantee that all content is original and that any materials used are properly licensed. They are liable for any infringement or unauthorised use.
- Anti-Bribery and integrity: We maintain strict anti-bribery and anti-corruption clauses in all KOL agreements. Both parties are required to report any improper conduct, and we reserve the right to investigate and take action in the event of violations.

Our PRC Legal Advisers have confirmed, and the Sole Sponsor has concurred, that during the Track Record Period and up to the Latest Practicable Date, we had complied with the laws and regulations in relation to the engagement of KOLs in all material respects and were not subject to any administrative penalties imposed by regulatory authorities for violations of relevant laws and regulations.

Our analytics systems enable real-time monitoring of marketplace trends, allowing us to optimise event participation through batch registration, standardised data workflows, and visually cohesive content. Our event management approach enables efficient monitoring and identification of relevant marketplace activities across various channels. We have established systematic processes to handle application and registration procedures through batch processing, which includes promotional campaigns coordination,

BUSINESS

product identification, data standardisation, and visual content management. This streamlined methodology enhances operational efficiency, reduces errors, and allows us to optimise resource allocation for event-related functions. We also collaborate with brands to design limited-edition packaging or co-branded merchandise (e.g., IP collaboration or seasonal gift boxes) that incentivise social sharing, turning customers into brand advocates.

Our digital marketing capabilities extend to social media platforms, where we identify preferred channels for target consumers, operate brand accounts, and create engaging content to foster consumer interaction. We analyse the impact of social marketing efforts, utilising livestreams and short-form videos to drive interactive marketing. We design and execute tailored livestream campaigns that blend entertainment with brand storytelling. Our end-to-end live-streaming services include, securing suitable KOLs aligned with brand personas, scripting interactive sessions to highlight product characteristics, and integrating real-time promotions including limited-time discounts and gift-with-purchase. We manage technical logistics such as multi-platform broadcasting and post-stream analytics to measure audience engagement metrics such as peak viewership and click-through rates, and report to our brand owners.

In collaboration with our brand owners’ multiple e-commerce teams and marketing teams, we ensure alignment with their overall sales objectives through a combination of comprehensive marketing proposals and targeted execution. We work closely with brand owners to identify their target audience and design impactful advertising campaigns tailored to maximise engagement.

We believe that our success and differentiation stem from two key factors: our data-driven approach, and the effective integration of marketing services with operational execution. Our data-driven approach enables us to optimise brand marketing strategies, user acquisition, and management, tailored specifically to the needs of e-commerce platforms and their customers. This commitment to precision and fine operation has been a key factor in our achievements. With years of industry expertise, we have developed deep operational capabilities and technical resources, supported by strong financial backing. We also emphasise on effective integration of marketing services with operational execution, ensuring smooth implementation from planning to delivery. This comprehensive, performance-oriented approach enables us to deliver measurable results while maintaining strategic alignment with our brand owners’ sales and marketing objectives.

Data and IT Services

The data and IT services we provide are technology solutions to help brand owners operate more efficiently and make data-driven decisions. Our offerings primarily include (i) brand-specific business platform development; (ii) customised development of interactive marketing programs on brand owners’ online stores on WeChat Mini Programmes; and (iii) brand-owned app development and maintenance. We also provide RPA-technology solutions to our brand owners.

As the first e-commerce service provider in the industry to achieve the Level 3 (Robust Level) DCMM certification for data management capability in the PRC, we have been officially recognised for our capabilities in data strategy, data governance, data architecture, data application and data security. With our expertise in technology infrastructure and systems and our deep understanding of Chinese consumers’ online shopping habits, we provide proprietary e-commerce technology solutions that build three core service capabilities spanning the entire e-commerce value chain.

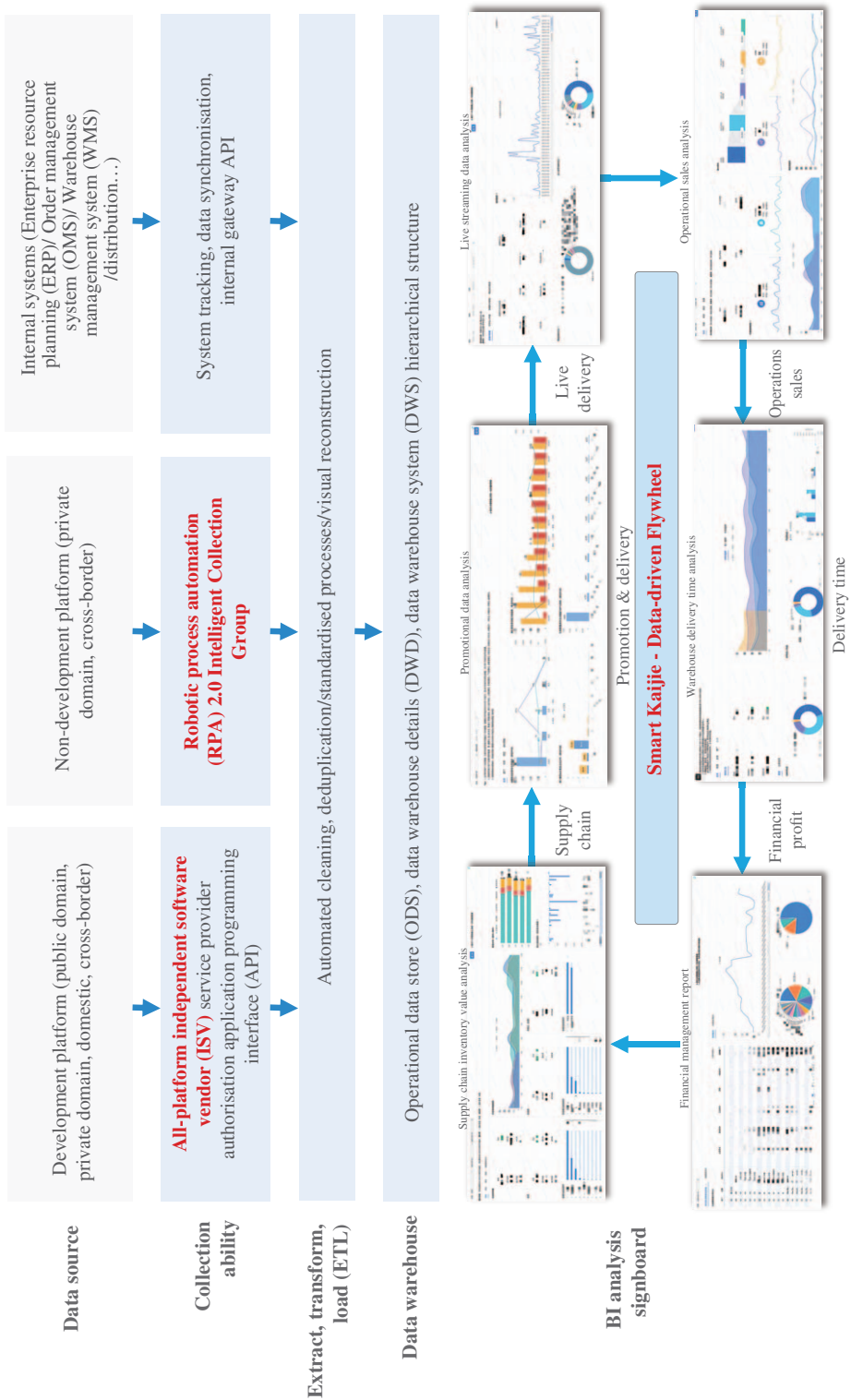
- **Multi-channel service provider capability.** We have established business and data mid-platform covering about 15 domestic and international mainstream e-commerce platforms including Tmall, JD.com, Douyin and Amazon, with ISV service provider qualifications on each of these platforms. Our core advantage lies in multi-platform integration efficiency. Through unified data interface standards, we are able to achieve real-time transmission and standardised processing of order, inventory and customer data, supporting business operations, financial management, and item-level analytics. This addresses the issue of data fragmentation across platforms and supports dynamic routing optimisation and cross-platform strategy coordination.

BUSINESS

- **Comprehensive business system integration capability.** Our system utilises a microservices architecture so that it supports elastic scaling and multi-region disaster recovery deployment. The modular design of our system encompasses core functionalities including OMS, distribution systems, business mid-platform systems and WMS, seamlessly integrate with brand owners’ existing ERP (enterprise resource planning) or SCM (supply chain management) systems through API (application programming interfaces) to achieve end-to-end digital supply chain collaboration. We have established a full e-commerce chain coverage, from brand collaboration, procurement, and supply chain management to order sales, marketing campaigns, live-streaming/KOL promotions, membership operations and warehousing/logistics. This integrates order flow, goods flow, cash flow and information flow across the entire process. Our business systems are also fully synchronised with financial systems, ensuring real-time data alignment, enabling rapid profit and sales analysis.

BUSINESS

- **End-to-end operational data governance capability.** We have established a comprehensive “collection — cleaning — modelling — application” data governance framework, consolidating data spanning inventory, products, logistics, warehouse management, and cross-channel product information through multi-source data collection technologies, and achieving data cleaning and standardisation through intelligent algorithms. Through analytical models such as “Smart Kaijie” BI data analysis system, a product lifecycle prediction tool, we achieve decision-making process empowered by data-driven approaches across inventory optimisation, precision marketing and other scenarios, while generating daily profitability reports to guide operational strategies. The following chart illustrates the data governance framework we have established.



BUSINESS

Building on the aforesaid capabilities, we have established an end-to-end management system covering data collection, cleansing, storage, and analysis. Levering platform-granted data access credentials and analytical tool permissions, our technology system compliantly integrates data related to SKUs, product information, supply chain logistics, warehouse management and customer feedback from various channel, and empower our brand owners to achieve digital transformation across the entire e-commerce ecosystem, encompassing storefront operations, customer acquisition, lifecycle management, operational optimisation, and market intelligence.

For product innovation and advertisement placement, leveraging our big data capabilities, we assist brands in optimising product positioning and marketing strategies. By analysing consumer profiles, purchase pathways and market trends, we accurately identify high-potential product opportunities, providing data-driven support for new product development and existing product line optimisation. We continuously refine advertising content and promotion methods based on real-time campaign data, ensuring each marketing initiative achieves greater precision and effectiveness.

In recent years, we have expanded our offerings to provide standalone data and IT solutions to our brand owners, which are charged separately per project, with detailed pricing set out in the relevant service agreements. These services primarily fall into three categories: (i) brand-specific business platform development, including data asset management systems and ERP integrations for automated reporting and BI dashboards. The reporting function and BI dashboards encompasses our customer data platform (“CDP”) services, which integrate encrypted desensitised customer data from multiple sources, perform advanced analytics, and create a unified view to help brand owners better understand customer behaviour and optimise experiences; (ii) customised development of interactive marketing programs on brand owners’ online stores on WeChat Mini Programmes, covering development and operational support; and (iii) brand-owned app development and maintenance. For more information about our technology infrastructure and capabilities, see “— IT Information Technology Systems”.

In 2023, as part of our provision of data and IT services, we started to provide RPA-technology solutions to our brand owners. Specifically, to address brand owners’ pain points in multi-channel management, we have deployed approximately 1,000 RPA data collection robots to establish a global data mid-platform covering worldwide sales networks. This system enables end-to-end product lifecycle tracking, achieving comprehensive data integration across marketing campaigns, cross-border multi-platform sales, multinational warehousing/logistics, through to returns/exchanges and customer reviews, all being able to provide SKU-level global sales performance analytics. Leveraging our IT capabilities and rich experience in data automation, integration and analysis, we have developed two RPA (robotic process automation) systems for pre-event warnings and real-time monitoring during promotional periods, respectively, as well as a number of RPA-related technologies and application such as the RPA toolbox and scheduling centre plugins, which are now adopted across our business sectors and continuously optimised. Regarding these initiatives, phase I deliverables have been successfully implemented, and phase II will expand intelligent decision-making capabilities including real-time exchange rate monitoring and local policy analysis, along with integration of an enhanced BI visualisation system.

Case Study: Our Comprehensive Solutions Provided to a Brand Owner

To illustrate our business model and comprehensive solutions provided to our brand owners, the following case study is selected to explain the most expansive scope of solutions we currently provide to brand owners. The solutions we provide to other brand owners may not include every category of the solutions set out below.

One of our brand owners (the “**Brand Owner A**”) operates in the food industry. It has collaborated with us for more than ten years. In addition to providing basic operation and supply chain services under the sales of goods business line to Brand Owner A, we strategically provided an additional value-added service suite under the provision of services business line, including paid in-platform promotion services, visual design and production services, KOL media resource integration services, marketing IP & consumer engagement services, and brand self-operated live streaming solutions, collectively empowering Brand Owner A to thrive in an evolving market landscape.

BUSINESS

We monetise the solutions provided to the Brand Owner A by procuring products from it at a reduced cost and generate revenue from the sales of goods, and record service fees received as revenue from the provision of services to Brand Owner A.

Sales of Goods

Brand Owner A acts as a supplier to provide qualified products to us. In addition, it provides necessary assistance to us that would facilitate brand building, and the promotion and sales of the relevant products.

To-C Model: Direct Sales to End Consumers through our Authorised Flagship Stores and other Brand Stores Operated by Us

Our to-C operations for Brand Owner A’s products are primarily conducted through its Tmall flagship store. Through our refined operations, the flagship store’s business scale and GMV have shown consistent year-on-year growth.

We develop comprehensive sales strategies for Brand Owner A’s core products and implement refined operations management. Our product segmentation strategy classifies items into distinct categories based on price range and market positioning, including super bestsellers (products which demonstrate consistently high sales volume and consumer popularity), limited-edition new releases (products which feature seasonal availability, exclusivity, or innovative characteristics), IP marketing expansion products (products which utilise IP collaborations to increase brand influence), and differentiated bundled products (products which combine complementary items in gift sets to enhance customer experience and increase average order value).

As we progressively assume operational responsibility for additional product categories under Brand Owner A’s portfolio, we create synergies by consolidating resources and optimising costs across consumer groups with significant overlap, while simultaneously implementing cross-category marketing initiatives to boost overall sales performance.

Building upon our strong supply chain capabilities that includes 21 domestic warehousing, we have achieved a single-warehouse national distribution system for Brand Owner A through our long-term flagship store operating model, achieving significant supply chain cost efficiencies.

Under the to-C model, we typically arrange delivery within 24 hours (or 48 hours during major promotional events) after a successful consumer order. The orders can be confirmed to be received manually by customers or automatically by Tmall.

To-B Model: Sales to E-commerce Platforms

Our to-B operations for Brand Owner A’s products primarily take place on Tmall supermarket’s main platform.

We recognise that the key challenges when distributing products via Tmall supermarket include (i) the proliferation of marketing and promotional activities with varying rules and standards, making it difficult to align sales plans with specific campaign frameworks; and (ii) cumbersome operational processes, which hinder the formulation of precise, efficient sales plans and budgets for marketing activities. Additionally, Tmall supermarket’s products are distributed across multiple warehouses with extensive product categories, including some with shorter shelf lives, creating significant inventory and logistics management difficulties. Leveraging years of experience, we have developed the following competitive advantages: (i) the ability to optimise product combinations for different marketing scenarios (e.g., major promotions, or regular sales); (ii) established long-term trusted relationships with Tmall supermarket’s official team, supported by comprehensive operational protocol expertise that facilitates streamlined promotional campaign execution; (iii) adoption of systematic management tools to centrally manage activity registration

BUSINESS

links and mechanisms, preventing omissions or errors; (iv) implementation of dual “operations + supply chain” KPIs (incorporating both sales volume and inventory turnover rate) to maintain balance between sales performance and supply chain efficiency. During the Track Record Period, under this model, Brand Owner A’s products achieved GMV growth.

We empower supply chain solutions through technology. Our intelligent inventory data model enables rapid analysis of links and which enable our brand owners to outperform industry averages.

Under this to-B model, orders are directly generated by Tmall’s backend system. Based on these orders, we deliver the goods to the designated receiving warehouses specified by Tmall. Tmall issues settlement statements based on the pre-agreed unit price, upon its final confirmation of receipts of goods.

To-B Model: Sales to Distribution Partners

We have an extensive network of distribution partners for Brand Owner A. Through our well-structured distributor management system that combines clear incentives with performance-based consequences, we actively encourage distribution partners to diversify their product portfolios by investing in new launches and non-flagship offerings rather than relying solely on bestsellers. Furthermore, we guide different stores to develop distinctive positioning through customised product combinations and targeted customer groups, while supporting distribution partners in creating bundled offerings to enhance average order values and business expansion.

To ensure effective management of our distribution network, we utilise comprehensive management tools including third-party monitoring software, store backend tracking systems, and ERP-based shipment detail collection tools. These integrated solutions enable us to maintain strict price control to protect brand value while optimising inventory turnover through systematic stock management, thereby ensuring the overall health of our distribution ecosystem.

Under this to-B model, the orders are placed by our distribution partners. We deliver the goods to their designated locations or hand them over to their specified carriers according to the orders. The sales revenue is recognised when the goods are delivered to the designated locations or transferred to the specified carriers. We typically require advance payment from distribution partners before we arrange delivery to minimise financial risks.

Provision of Services

We provide one or more of the following services to Brand Owner A in exchange for service fees.

Traffic Acquisition and Branding Services

We provide paid in-platform promotion services to Brand Owner A, primarily leveraging Alimama’s integrated promotion tool “AlimamaUni Desk” (萬相台無界). Our promotional formats include keyword targeting (precisely matching user search intent through search advertisements), scenario-based placement (e.g., promotional event pages, category guides, and other scenario-driven traffic); Gravity Cube (引力魔方) (a customisable reporting tool enabling merchants to flexibly track campaign performance); and brand zones (displaying brand-related search terms in top positions to reinforce brand awareness). By analysing store data and IP audience profiles, we identify high-impact keywords for product categories, gift box scenarios, and IP collaborations, assisting Brand Owner A in executing targeted advertisement placement to capture precise traffic. In terms of product portfolio strategy, our traffic acquisition efforts focus on core bestsellers while also supporting emerging product categories to foster long-term growth potential. Additionally, we allocate an increased share of advertisements spending to IP co-branded products to maximise visibility and engagement.

Expenditures are charged based on the quoted rates of e-commerce platforms (primarily Alimama). We submit an annual, quarterly or monthly advertising scheme setting out budget allocation, creative strategy, and ROI projections. Upon obtaining Brand Owner A’s approval, we advance payments to platforms and third-party vendors, with Brand Owner A subsequently reimburse us against verified invoices reflecting actual expenditures.

BUSINESS

E-commerce Store Operation Services

We provide Brand Owner A with a range of retail operation services and charge a fixed monthly retainers. We assign specialised operations teams equipped with industry-specific expertise and deep brand knowledge to manage Brand Owner A’s Tmall flagship store. Our e-commerce store operation services are categorised into product management, user interface and experience, daily promotional campaign management, membership management and order fulfilment management.

Brand Value Enhancement Services

We provide comprehensive brand value enhancement services to Brand Owner A, including:

- **KOL media resource integration services.** Our dedicated media team identifies and connects with KOLs tailored to Brand Owner A’s specific requirements and product characteristics, offering an extensive selection of collaboration opportunities. We have successfully established partnerships spanning mega-influencers, top-tier creators, category specialists, and mid-tier talents. These collaborations employ diverse models including celebrity live stream appearances, brand-exclusive broadcast events, and traffic-boosting pre-launch short videos. To mitigate risk, we implement flexible payment structures such as fixed slot fees plus incentives, GMV-based tiered pricing, and guaranteed sales agreements. Through innovative rebate programmes and deposit-waiver pre-sale initiatives, we effectively enhance customer retention and repurchase rates while achieving comprehensive traffic penetration across all marketing channels.
- **Marketing IP & consumer engagement services.** We deliver full-spectrum content marketing solutions by developing targeted strategies based on audience profiles. Our approach combines co-branded campaigns, cross-over IP collaborations, and premium advertisement placement to maximise brand exposure. We implement multi-level KOL engagement across social media and e-commerce platforms, complemented by influencer live streams that systematically build consumer awareness and drive purchase decisions. Our brand-hosted livestreams serve as a consistent channel for customer acquisition and loyalty enhancement, completing the entire marketing cycle from awareness generation to purchase conversion. Our execution emphasises strategic timing, focusing on critical promotional periods and new product launches. For major annual sales events, we deploy phased content strategies, which begins with value proposition communication, transitions to conversion-focused messaging, and concludes with user experience sharing. Seasonal campaigns highlight festive elements and gift-giving appeal to stimulate latent consumer demand. All content is platform-optimised according to user behaviour patterns to ensure precise audience targeting and maximum engagement.
- **Brand self-operated live streaming solutions.** Our Chengdu-based live stream base provides professional self-operated live streaming solutions to Brand Owner A that intelligently combine human expertise with AI capabilities. During peak viewing hours, our skilled hosts deliver dynamic product demonstrations and real-time interactive sessions, while continuously refining content based on viewer feedback and data analysis. These premium broadcasts are subsequently repurposed for extended marketing reach. During off-peak periods, our AI system maintains consistent engagement through automated yet compliant product presentations and promotion displays. We conduct regular performance evaluations through structured review sessions with Brand Owner A, with particular focus on optimising key campaign periods. For special collaborations, we develop customised live stream plans featuring strategic presale activations. Celebrity guest appearances and interactive segments are strategically incorporated to significantly boost brand visibility and audience participation. Our solution stands out through data-driven AI optimisation, tailored approaches for co-branded products, and measurable quality improvements achieved through our rigorous evaluation framework.

BUSINESS

Revenue Recognition for Our Collaboration with Brand Owner A

We generate revenue from our collaboration with Brand Owner A from sales of goods, and provision of services. When we sell goods purchased from Brand Owner A under the to-C model, the control of the goods transfers when the end consumers confirm the receipt of the goods or the receipt is automatically confirmed by Tmall after certain period of time (normally ten days after the goods are shipped). Under the to-B model, the control of the goods transfers when Tmall, as our customer, issues documents evidencing transfer of control over goods, such as the settlement statements; or when the relevant distribution partner accepts the goods at its designated warehouse. In addition to this, we also provide one or more of the services to Brand Owner A and receive service fees.

LOGISTICS, WAREHOUSING AND INVENTORY

Selection of Logistics Services

We select different types of logistics services for different business models. For our to-C sales, we primarily rely on express delivery logistics services providers to deliver goods to end consumers. For our to-B operations, we typically partner with services providers with trunk line or truck transportation qualifications. Our brand owners do not designate logistics providers, but they may recommend suit providers based on their experiences, with which we may enter into negotiation and agreements.

We fully delegate our logistics operations to independent third-party couriers, and focus on warehouse operations only. For our management on warehouses and inventory, see “— Self-operated and Outsourced Warehouses” and “ — Inventory Management” below. We obtain tracking information and additional details on the goods when necessary from our logistics services providers, which offer timely logistics updates.

We believe that we are able to secure contract terms on arm’s length basis with third-party couriers. We typically negotiate and enter into annual logistics agreements with our logistics partners, under which we agree to pay delivery fees based on the weight of the goods to be delivered, as well as the destination of the delivery.

We periodically evaluate the performance of our logistics suppliers to ensure they meet our stringent standards. Key performance indicators include the accuracy and timeliness of deliveries, with a focus on ensuring that orders are fulfilled correctly and on time. We monitor the rate of returns and the accuracy of inventory management, and track the efficiency of order processing, from receipt to dispatch, ensuring that all steps are completed within the agreed timelines. We also assess the responsiveness of our logistics suppliers to customer complaints and their ability to resolve issues swiftly. The logistics suppliers are also required to provide detailed updates and adhere to our operational protocols.

Key Terms of Cooperation with our Logistics Partners

The following table sets out the key terms of our cooperation with our third-party logistics providers.

Services	:	Our logistics partners provide warehousing, transportation, distribution, express delivery, cross-border logistics, and supply chain management, including inventory handling, sorting, packaging, customs clearance, and last-mile delivery services.
Pricing	:	Delivery fees are calculated based on volume, weight, item count and pallet number, or carrier volume under the to-B model, with tiered pricing for warehousing and transport. Warehousing charges depend on space and time for our self-operated warehouses, or inventory volume for outsourced warehouses. Delivery fees are determined based on distance and parcel weight under the to-C model. Labour fees are charged per order or per cubic metre.

BUSINESS

Contractual obligations	:	We are required to pay agreed fees on time, ensure goods to be delivered comply with laws, and maintain product safety. Our logistics partners are required to ship and package goods per our instructions, use reliable courier services, and provide delivery updates.
Liability	:	Our logistics partners are liable for any losses, damage, or delays caused by them as contracted. In any event of <i>force majeure</i> , the case will be resolved by mutual agreement.
Term	:	Our contracts with logistics partners generally have a term of one year or longer, are renewable, and require prior written notice for any amendments or termination.
Breach	:	If either party materially breaches the contract, the other may terminate and seek damages.

Self-operated and Outsourced Warehouses

Our warehouses comprise domestic warehouses, which are all self-operated or outsourced; and bonded and overseas warehouses, which are all outsourced. As of 31 December 2025, we directly operated two warehouses with an aggregate GFA of approximately 16,216 sq.m. in Jiashan and Jinshan in the PRC. As of 31 December 2025, 17 of our domestic warehouses are outsourced, most of which were located in Shanghai, Tianjin, Guangdong, Hubei and Sichuan. We strategically store products with higher in-warehouse operation demand in our self-operated warehouses for better management, and store and handle a majority of products in outsourced warehouses. Among all of our 19 domestic warehouses, there were nine cold chain warehouses, catering to business needs such as same-hour or scheduled delivery services. Our warehouses cater to a variety of product categories.

In addition, our operations team had been collaborating with Cainiao Logistics and other third-party logistic providers with goods being stored in one overseas warehouse in the U.S. and 34 bonded warehouses primarily in Guangzhou, Hong Kong, Ningbo and Jinhua as of 31 December 2025, to better utilise warehouse resources and better serve our brand owners’ needs. Our warehouse in the U.S. is primarily used for the procurement, transit and distribution of a U.S. healthcare brand. After purchasing and collecting the goods from the U.S. suppliers, we first store them temporarily in the U.S. warehouse. Subsequently, the goods are distributed either to bonded warehouses in China for cross-border sales or directly sold to relevant distribution partners. The operations of these outsourced bonded and overseas warehouses rely on the management system of third-party logistic providers and we are not directly involved in the daily operations of these warehouses. All of our outsourced warehouses may not be used exclusively by us, and the third-party logistic providers typically charge us based on the size, volume and the delivery requirements of the relevant goods.

We take into various factors into consideration when selecting the locations of our warehouses in the PRC, including the relevant cost, proximity to manufacturing plants and policy requirements. The selection of cold chain warehouses primarily considers the characteristics of cold chain products to ensure that they are maintained at low temperatures upon delivery. The overseas and bonded warehouses are typically selected to meet the requirements of particular projects. Therefore, as the demands of these projects shift, we may update our selections of these warehouses to support our new business needs.

We typically differentiate between warehouses for to-B and to-C operations, as their designs serve different purposes. To-B operations normally involve bulk transportation. Therefore, we have strategically positioned our to-B warehouses across key cities nationwide, including Shanghai, Tianjin, Wuhan, Chengdu, and Guangzhou. This allows for quick delivery to distributors, minimising transportation distances and improving efficiency. Unlike to-B warehouses which focus on storage, to-C warehouses typically require larger spaces for transshipment, unpacking, and sorting, as they often engage in more complex operations. In addition, our to-C warehouses are capable of delivering goods nationwide to meet our brand owners’ needs to costs for inventory holding and storage. As of 31 December 2025, eight of our warehouses in the PRC were engaged in to-B operations.

BUSINESS

Our warehouse management strategy varies based on the size of our warehousing spaces suppliers and the maturity of their management systems. Some of our warehouses in the PRC use our WMS for warehouse management. For larger warehouses in the PRC with more mature management systems, we allow them to keep their own management systems and require such systems to be integrated with our dynamic management system to execute better control on inventory and orders. With our proprietary WMS, we are able to closely monitor each step from inbound to outbound of the products. At each warehouse, inventory is bar-coded and tracked through our WMS, allowing real-time monitoring of inventory levels across our network. Our WMS is designed to support a large volume of inventory turnover. In 2025, our WMS was capable of processing 349,757 inbound pieces and 20,769 outbound orders per day on average. During the Double 11 Day promotion period in 2025 which lasted from 9 October 2025 to 14 November 2025, our WMS processed approximately 1.8 million orders, showcasing our ability to support an enormous flow of transactions and order traffic. We closely monitor the speed and service quality of our logistics service providers through consumer surveys and feedbacks from consumers to ensure their satisfaction. For more details of our WMS, see “— Information Technology Platforms”.

We periodically evaluate the performance of outsourced warehouses to confirm they meet stringent standards for safety and operational efficiency. This includes maintaining organised and clean storage and receiving areas, and ensuring accurate alignment between system records and actual inventory level. Regular inspections are required to be conducted to minimise inventory issues, and fines may be imposed for non-compliant practices, thereby upholding consistent operational standards.

Some of our warehouses also offer a range of bonded services, including customs clearance and documentation, items declaration, and compliance and regulatory support by managing customs bonds, ensuring proper labelling and documentation, and adhering to relevant safety and security protocols.

Inventory Management

We proprietarily-developed order management system (“OMS”) and warehouse management system (“WMS”) to enable full-cycle digital control of order fulfilment and inventory management. OMS automatically translates e-commerce platform marketing campaigns and consumer orders into executable warehouse instructions by aligning with platform-specific operational rules, and WMS regularly monitors each our of brand owner’s inventory level while supporting complete warehouse operations. We set inventory level based on the nature of different products. Our OMS supports the generation automated replenishment recommendations, which our operations team evaluates against multiple variables including, category-specific inventory requirements, brand-specific stock policies, anticipated sales impact from promotions, influencer marketing campaigns and paid traffic before they place the orders. Our digital and order inventory management process provides comprehensive tracking from goods receipt to order fulfilment. In addition, WMS includes sales forecast and monitoring mechanism to assist us with dynamically adjusting procurement strategies, effectively reducing the risk of inventory overstock. Our inventory management practices include comprehensive year-end stock audits and periodic evaluations of historical inventory performance. This data-driven approach to inventory control has proven highly effective, as evidenced by our consistently low levels of obsolete stock throughout our operations.

To address both non-seasonal and seasonal demands, we adopt different strategies for inventory management. The utilisation rate of our own warehouses is approximately 80% on normal days. For effective management and distribution, we consider temporarily borrowing of additional third-party warehouse space in promotional season, when the warehouse utilisation rate exceeds 100%.

BUSINESS

OUR BRAND OWNERS

Brand Owners

Since our inception, we have served more than 200 brands, including over 100 international brands with typical contract term of one year. Each brand owner may represent multiple individual brands. Revenue related to our respective top five brand owners accounted for less than 55% in 2023, 2024, and in 2025 it decreased to below 50%. The largest brand owner in terms of revenue contribution, which represents ten individual brands that we collaborate with in each years in the Track Record Period, consistently represented less than 25% of our total revenue. As such, we believe that there is no concentration risks associated with an individual brand, which is supported by our stable partnerships with currently engaged brand owners and the continuous diversification of our brand owner portfolio. Our brand owners cover food & beverage, beauty & personal care, baby & kids, pop toys, pets, health and outdoor sports industries as well as chain enterprises. Some of our existing brand owners have had years of cooperation with us. Typically, we may purchase products from brand owners and we sell these products to end consumers, e-commerce platforms or distribution partners. In addition to such type of collaboration model, we also provide diversified value-added services to our brand owners. When we sell goods on e-commerce platforms, we select and purchase goods from our brand owners and/or their authorised distributors, and promote and sell these purchased goods (i) directly to end consumers through authorised flagship stores and other brand stores operated by us on e-commerce platforms (the “**to-C model**”), or (ii) to e-commerce platforms or distribution partners (the “**to-B model**”). We also record revenue from the provision of services by providing the following services to our brand owners, including traffic acquisition and branding services, e-commerce store operation services, brand value enhancement services, and/or data and IT services. The collaboration with our brand owners is established through separate negotiations, and not jointly with the platforms.

We believe our brand owners value us, as we have established an integrated solutions system. The following table sets out the movement in the number of our brand owners (excluding those with which the transaction was on a one-off basis) during the Track Record Period.

	Year ended 31 December		
	2023	2024	2025
At the beginning of the year	80	101	113
Addition	35	38	48
(Termination)	(14)	(26)	(32)
Net increase	21	12	16
At the end of the year	101	113	129
Brand owner retention rate (%) (Note)	82.5	74.3	71.7

Note: The brand owner retention rate is calculated by dividing the number of brand owners which have been collaborating continuously since the beginning of the year and remain our brand owners at the end of the respective year, by the total number of the same brand owners at the beginning of the year, excluding any newly added brand owners during the same year.

BUSINESS

The termination of our brand owners during the Track Record Period was mainly attributable to: (i) internal strategic adjustments undertaken by our former brand owners, including adjustments to their existing digital retail systems or the implementation of new business strategies under internal decision-making, causes of which may be irrelevant to our solutions provided. These changes may be influenced by significant shifts in our brand owners’ external business environment. In special circumstances, brand owners completely exited the Chinese market due to persistently low market share in China or limited consumer recognition of their brand, products or services; and (ii) change on allocation of resources by former brand owners for engaging digital retail solutions partners like us to their revised performance targets. Considering the renewed terms might be unfavourable to us, we decided to terminate the cooperation. During the Track Record Period and up to the Latest Practicable Date, there had been no instances of rebates being withhold by our brand owners, and virtually no instances of early termination.

RMB897.2 million, RMB897.4 million and RMB859.0 million, representing 52.1%, 52.8% and 48.9% of our revenue, were related to our top five brand owners ranked by revenue contribution in 2023, 2024 and 2025, respectively, among which RMB368.5 million, RMB396.7 million and RMB352.4 million, representing 21.4%, 23.4% and 20.1% of our revenue, were related to our largest brand owner ranked by revenue contribution in the respective years. We generally maintain a stable business relationship with our brand owners. For instance, we have a 13, seven, two, eight, and six years of relationship with our top five brand owners ranked by revenue contribution in 2025, respectively, with no terminations occurred in the course of these relationships. Our top five brand owners ranked by revenue contribution during the Track Record Period mainly consisted of international major market players from food & beverage, beauty & personal care, and health industries.

The tables below set out the years of relationships with our respective top five brand owners in terms of revenue contribution and their respective background in that year of the Track Record Period.

For the year ended 31 December 2025

Brand owner	Background	Years of commencing the business relationship
A	Listed on the NASDAQ Stock Market, primarily engages in the manufacturing of snacks and beverages, based in Chicago, the U.S. and covers the global market	2013
B	With a parent company listed on the New York Stock Exchange, primarily engages in the manufacturing of ophthalmic products and vision care products, based in Shanghai and covers the national market	2019
I	With a parent company listed on the SIX Swiss Exchange, primarily engages in the manufacturing and sales of food items, based in Shanghai and covers the national market	2024
D	With a parent company listed on the Tokyo Stock Exchange, primarily engages in the manufacturing and sales of food items, based in Shanghai and covers the national market	2018
E	With a parent company listed on the Frankfurt Stock Exchange, primarily engages in the research, production, and sales of skincare products, wound care, and industrial adhesives, based in Hamburg, Germany, and covers the global market	2020

BUSINESS

For the year ended 31 December 2024

Brand owner	Background	Years of commencing the business relationship
A	Listed on the NASDAQ Stock Market, primarily engages in the manufacturing of snacks and beverages, based in Chicago, the U.S. and covers the global market	2013
B	With a parent company listed on the New York Stock Exchange, primarily engages in the manufacturing of ophthalmic products and vision care products, based in Shanghai and covers the national market	2019
C	With a parent company listed on the Tokyo Stock Exchange, primarily engages in the manufacturing of household tissue paper, based in Jiangsu Province and covers the national market	2016
F	Primarily engages in the operation and sales of medical devices, diagnostics, nutritional products, and pharmaceuticals, based in Shanghai to cover the Chinese market	2021
G	Primarily engages in the manufacturing and sales of animal health and biopharmaceutical products, based in Shanghai and covers the global market	2018

For the year ended 31 December 2023

Brand owner	Background	Years of commencing the business relationship
A	Listed on the NASDAQ Stock Market, primarily engages in the manufacturing of snacks and beverages, based in Chicago, the U.S. and covers the global market	2013
C	With a parent company listed on the Tokyo Stock Exchange, primarily engages in the manufacturing of household tissue paper, based in Jiangsu Province and covers the national market	2016
H	Operates and sells a comprehensive range of skin care and personal care brands, based in Shanghai and covers the national market	2020
B	With a parent company listed on the New York Stock Exchange, primarily engages in the manufacturing of ophthalmic products and vision care products, based in Shanghai and covers the national market	2019
G	Primarily engages in the manufacturing and sales of animal health and biopharmaceutical products, based in Shanghai and covers the global market	2018

BUSINESS

While our brand owners may grant us exclusive selling rights with on specific channels, we generally do not have contractual rights to exclusively sell the products of our brand owners on any e-commerce channels. Our brand owners normally would specify in the contracts the authorised all sales channels where we are permitted to sell their products on all channels. As a result, we may face competition from other digital retail solution providers that our brand owners work with. See “Risk Factors — Risks Related to Our Business and Industry — We may become unable to compete successfully against current and future competitors”. Our brand owners would also strictly prohibit unauthorised cross-channel sales among different service providers.

The purchase price at which we procure goods from our brand owners was determined with reference to the negotiated target profit margin. Our brand owners take into consideration factors including our reputation, overall track record, capability to provide digital retail solutions, credentials and qualifications for certain particular product categories when decide whether to partner with us and the relevant terms in the collaboration agreements. We receive certain incentive-based rebates that are tied to sales volumes of the products we procure from brand owners.

Our brand owners provide recommended sales price range to us and we may adjust the price in response to market conditions. Product returns with brand owners are strictly limited to exceptional cases such as contract termination disputes.

A small number of our contracts with existing brand owners include non-compete provisions prohibiting the entity that enters into contracts with them from selling products of, or providing similar services to, competitors of such brand owners. As our business further expands, we may engage in business with multiple brand owners that may be in competition with each other. See “Risk Factors — Risks Related to Our Business and Industry — Non-compete provisions in contracts with existing brand owners pose risks to business development and expansion, which may adversely affect our results of operations and financial condition”. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any notice or claim by any brand owner that we have breached any non-compete restriction in its agreement with us.

Generally speaking, when compared with both e-commerce platforms and brand owners as a whole, our competitive edge lies in our unique positioning within the value symbiosis network among brands, platforms and consumers in our capacity as a digital retail solutions provider. Leveraging our ability to integrate across various e-commerce platforms and our understanding of platform-specific mechanisms, we have been entrusted by our brand owners in identifying business opportunities and proposing customised strategic promotion plans in terms of digital retail with them. Meanwhile, e-commerce platforms are motivated to engage and build strategic cooperation with us, driven by our ability and position to propose strategic plans to our brand owners that utilise their platform resources, and the potential reluctance in communicating with brand owners which may possess less experience or knowledge in understanding the operational logic of each platform than we do. To address potential competition and cannibalisation both within the same channel and across different channels, we focus on enhancing these competitive edges by tailoring strategies that optimise the role of each party in this value symbiosis network and minimise overlap. This targeted approach allows us to strengthen collaboration, improve resource allocation, and maximise overall market impact, rather than simply limiting competition and cannibalisation, which are driven by market forces. By reinforcing our unique capabilities and coordinating efforts, we strive to create a more effective and sustainable ecosystem that benefits us, our brand owners and e-commerce platforms.

When compared with other digital retail solutions providers, our competitive edge lies in our experience as China’s digital solutions provider and in providing end-to-end solutions to international premium brands across multiple industries. Our experience spanning multiple industries allows us to apply proven strategies across various segments of the value chain, creating synergies that enhance operations, marketing, customer engagement, resource utilisation, and service innovation on multiple levels. Additionally, we are deeply embedded in platform ecosystems to drive multi-channel brand growth through establishing an multi-channel network covering over ten core platforms and multi-dimensional integrated management support in operations, planning, design, supply chain and customer service. Our multi-channel operational capability enables us to deeply integrate brand resources and platform ecosystem. Furthermore,

BUSINESS

our digital intelligence underpins a refined operation system, covering core services and stages including traffic acquisition and branding services, e-commerce store operations, brand value enhancement, and data and IT services. Our strength is exacerbated by our seasoned management and professional team with strategic insight and extensive industry experience. See “Business — Our Strengths” for details.

When compared with e-commerce platforms, we provide a complete suite of digital retail solutions to allow our brand owners to opt from, including front-end traffic acquisition, mid-end e-commerce store operations and/ or back-end brand value enhancement. Our technology and data infrastructure seamlessly integrate to support and enhance the efficiency of the chosen solutions. In comparison, most e-commerce platforms may only provide a platform for brand owners to sell their goods or services with little or no digital retail solutions in the similar form that we provide. The nature of operations of the e-commerce platforms generally does not prioritise supporting the strategic growth of brand owners and as such, the provision of comprehensive digital retail solutions to brand owners is not their primary focus.

When compared with brand owners, we have accumulated rich experience in providing end-to-end solutions to established brands across multiple industries. The cross-industry experience enables us to replicate our success across different segments along the value chain, achieving multi-dimensional synergies in operations, marketing, customer base, resources and service innovation. Also, we have developed multi-channel service capabilities to help our brand owners operate across various sales channels while achieving optimal operational efficiency. Without such cross-industry experience and multi-channel service capabilities, our brand owners may not be able to replicate useful experiences from other industries and other brands, and may struggle with the differentiated operational logic of each platform. As advised by our industry consultant, it is rare for brand owners to entirely conduct their own digital retail services due to the large amount of resources required to build and maintain their own personnel. It is common for our brand owners to carry out their own services for some categories of their offerings and rely on our digital retail solutions for others, thus solidifying our symbiotic relationship.

We are exposed to the risk of disintermediation. See “Risk Factor — If brand owners conduct digital retail activities on their own rather than procuring our services, we may be exposed to the risk of disintermediation, which could adversely affect our financial condition and operating result” for further details. However, we are of the view that such risk is limited. Brand owners with a stronger tendency towards disintermediation are primarily driven by cost-efficiency considerations. In order to save costs, the brand owners may choose to discontinue product lines with low profit margins altogether, rather than trying to save costs through disintermediation. Our brand owners are generally highly active and dependent on e-commerce platforms and channels. With the rapid growth of China’s digital retail solutions market, most brands generally actively pursue digital transformation and expand their online sales channel. See “Industry Overview — China’s Digital Retail Solution Market”. As a result, a majority of brands would engage solution providers for their online retail and thus lowering the risk of disintermediation. Furthermore, brand owners lack resources internally to build and maintain their own personnel for digital retail services. The costs required for employing and training their own personnel may be high due to the complex business environment, large order volumes and diverse product specifications. From an economic efficiency standpoint, brand owners typically tend to rely on outsourcing to meet their digital retail needs. According to CIC, brands in the FMCG industry primarily operate on a to-B model rather than directly dealing with end consumers. This model emphasises capabilities such as mass production, supply chain management, and bulk distribution, which differ significantly from the skills needed for e-commerce operations. Accordingly, FMCG brands generally rely on services provided by digital retail solution providers like us. There has not come to our attention any specific instance where our brand owners plan to conduct digital retail activities entirely on their own and terminate the collaboration with us.

Brand Owner Development

We aim at establishing strong, and mutually beneficial partnerships with brand owners that align with our strategic goals and enhance our overall business growth. We strategically focus on brand owners in product categories that we believe will help optimise our revenue mix and improve our profitability. We also conduct due diligence reviews on our prospective brand owners’ qualifications, including whether they hold the proper business operation licences and safety, sanitary and quality certifications, and trademark

BUSINESS

registration certificates and licence agreements in relation to the branded products. In addition, we periodically conduct reviews on our brand owners based on category mix, profitability, growth outlook and other criteria. We may also choose to terminate our collaboration with brand owners if the renewal terms proposed by brand owners are considered not favourable to us.

We adopt multiple brand owner acquisition channels. We may be directly contacted by new brand owners, recommended by existing business partners, or obtain referrals through the Tmall Brand Growth Centre (天貓品牌成長中心). The Tmall Brand Growth Centre provides the latest rating of e-commerce service providers every six months or one year, and we have consistently maintained a six-star rating, which has enhanced our potential to attract new brand owners. We intend to grow our business by adding new brand owners into our brand owner portfolio. We seek to attract new brand owners by providing solutions that enable them to grow their e-commerce business more rapidly and cost-effectively than they could on their own. We have been able to use the capabilities we have developed for our existing brand owners to attract new brand owners. We also intend to attract customers with our interactive digital marketing services and technology services, and convert such customers into our brand owners. Driven by market demand, our acquisition of brand owners is usually through public tenders, and referrals from e-commerce platforms and other industry participants, some of which have been received due to our satisfactory track record. Our strong reputation in the industry not only facilitates new introductions but also reinforces trust among potential brand owners. Our collaboration takes shape once there is a mutual demand between the two, but prior to formalising our collaboration, our brand owners usually conduct a rigorous screening and interview process to assess our capabilities and pricing, which are evaluated separately as technical and commercial bids. Key evaluation criteria typically include our track record with other brand owners, scale of operations, financial stability, operational sustainability, competitive advantages and relevant execution strategies. To effectively position ourselves in this evaluation, we proactively present our unique competitive advantages. In order to attract new brand owners, we actively highlight to potential new brand owners our strengths, including our position as China’s digital retail solutions provider, rich experience in providing end-to-end solutions to established brands across industries, being deeply embedded in platform ecosystems to drive multi-channel brand growth and our digital intelligence underpinning a refined operation system. In response to intense competition in the market, we remain flexible in adjusting our pricing to offer more cost-effective solutions to retain our brand owners. This adaptability not only helps us maintain long-term collaboration but also strengthens our competitive position in the evolving digital retail landscape.

We typically assign each brand owner a dedicated brand owner service team to offer individually tailored solutions. All stores across a brand owner’s different channels share the same service team to ensure seamless solutions to our brand owners.

Key Terms of our Collaboration with Brand Owners

The following table sets out the key terms of the collaboration with our brand owners for the sale of goods.

Term	:	The term is generally one year or a specific period agreed upon by both parties. Certain agreements could be renewed upon expiration based on negotiations, and others specify advance notice requirements for termination or renewal.
Payment	:	We are typically required to make full payment via prepayment or settlement payments after invoice billing periods. Credit terms typically require payment within 30 to 90 days upon issuance of invoice. Some agreements require a performance bond, from which penalties or fees may be deducted in case of breaches.

BUSINESS

Order	:	Orders for products should be submitted through the designated systems or lodged by written notice, which the brand owner reviews and confirms before shipment. Orders should contain information including product details, quantity, price, delivery dates and other relevant terms.
Pricing	:	The price is finalised as set out in the agreement itself, the price lists, agreement annexes or system-determined prices published by the brand owner.
Exclusivity	:	Our agreements are generally non-exclusive and we generally do not have contractual rights to exclusively sell the products of our brand owners on all channels.
Minimum purchase amounts or sale targets	:	Certain agreements set out annual or quarterly purchase amounts or sales targets. If such targets are not met, our brand owners have the right to terminate the agreement early or withhold rebates.
Inventory	:	Certain agreements include suggested minimum inventory levels or turnover days for better inventory management.
Rebate	:	We are eligible for several types of rebates from brand owners, contingent upon meeting specific performance criteria. These criteria primarily include achieving certain procurement volumes within a certain period of time. Examples of other specific criteria include maintaining a store rating above a certain score, ensuring on-time delivery, and keeping the out-of-stock rate below a defined threshold. The accounting treatment for all such rebates is consistent. The amount of sales rebates received from our brand owners in each year during the Track Record Period was RMB123.4 million, RMB129.0 million and RMB175.5 million, respectively, for the years ended 31 December 2023, 2024 and 2025, respectively.
Returns or refunds	:	Some agreements stipulate that products generally cannot be returned unless there are quality issues or based on other mutual agreements.
Termination	:	Agreements may be terminated early due to breach, failure to meet purchase amounts or sale targets, force majeure or other reasons. Upon termination, both parties must settle outstanding payments. We must cease using trademarks related to our brand owners and cooperate with the handover of products, services, materials and related items.

The following table sets out the key terms of the collaboration with our brand owners for the provision of services.

Term	:	The term is generally one year or a specific period agreed upon by both parties. Certain agreements could be renewed upon expiration based on negotiations, and others specify advance notice requirements for termination or renewal.
Payment	:	Brand owners are typically required to settle payments based on invoices issued by us. Credit terms typically require payment within 30 to 90 days upon issuance of invoice. Some agreements require a performance bond, from which penalties or fees may be deducted in case of breaches.
Order	:	Orders for services should be lodged by written notice, which we review and confirm before providing the relevant services to our brand owners. Orders should contain information including the service type, scope, price, duration and other relevant terms.

BUSINESS

Pricing	:	The price is finalised as set out in the agreement itself, the price lists, agreement annexes or system-determined prices published by the brand owner.
Exclusivity	:	Our agreements are generally non-exclusive. We may provide similar services to other brand owners, and our brand owners may also procure similar services independently or through other digital retail solutions providers.
Termination	:	Agreements may be terminated early due to breach, force majeure or other reasons. Upon termination, both parties must settle outstanding payments. We must cease using trademarks related to our brand owners and cooperate with the handover of products, services, materials and related items.

MULTI-CHANNELS IN DIGITAL RETAIL

We currently offer brand e-commerce services through the following main channels: online authorised flagship stores and other brand stores on major platforms like Tmall, JD.com, and Pinduoduo; O2O platforms such as Meituan and Taobao Flash Sale; and social media/content driven channels including Douyin, WeChat Mini Programmes and RED (Xiaohongshu). Leveraging our advanced technological capabilities, we seamlessly integrate our brand owners’ operations across these diverse digital retail channels. This integration includes unified product details and consumer profiles, strategic cross-channel marketing and pricing strategies, as well as synchronised inventory management. As a result, our brand owners gain a comprehensive view of their business across different channels and platforms. We utilise these platforms to deliver multi-channel solutions that harness the strengths of each, ensuring optimal branding impact and sales performance that align with the specific e-commerce objectives of our brand owners. Our collaboration with e-commerce platforms is established through separate negotiations, and not jointly with the brand owners.

- **Online authorised flagship stores and other brand stores:** We collaborate with our brand owners by establishing new online authorised flagship stores and other brand stores and/or operating their existing stores on behalf of them. Such stores are generally present on platforms like Tmall, JD.com, and Pinduoduo. If a brand owner has already established an online authorised flagship store or other brand store by themselves or through a previous service provider before commencing our cooperation, we will tend to continue to operate the existing store on behalf of the brand owner or other previous service provider. It is in rare circumstances that the brand owner may request to close the original store and establish a new one, taking into account the existing store’s established consumer base, brand recognition and overall attention the existing store receives from its target consumers. Based on our experience, consumers expect a fully immersive brand experience at online authorised flagship stores and other brand stores, which requires a distinct presentation compared to marketplace stores that blend the brand’s image with the platform’s interface. Our in-house design team creates carefully-designed online and mobile sites for these official stores, ensuring a strong online presence for our brand owners. As of 2023, 2024 and 2025, we operated 210, 271 and 304 online authorised flagship stores and other brand stores, respectively.

We adopt different approaches when we operate flagship stores and brand stores for brand owners. Leveraging our deep understanding on the different positioning of flagship stores and brand stores (i.e., flagship stores act as the primary display portal and crucial market pricing benchmark for the brands, while brand stores are primarily for experimenting with new product categories and targeting niche consumer segments which are driven by curiosity or a willingness to try new products from the consumers), we focus on extensive daily product display management, critical monitoring of product reputation and cross-platform pricing to provide feedback for product development and strategy for flagship stores. Through carrying out such daily operational activities, we systematically collect business data, which will be analysed through our proprietary BI data analysis system, enabling us to communicate timely and

BUSINESS

actionable insights with brand owners. See “Business — Digital Solutions & Innovative Applications — BI Data Analysis System” for further details. Through close collaboration, we jointly formulate optimised brand development strategies and promotional plans with brand owners that align with evolving consumer preferences and market trends. Meanwhile, when we operate brand stores, we place greater emphasis on adopting innovative strategies that allow for rapid experimentation with emerging product categories and cater to niche consumer segments driven by curiosity and a willingness to explore new offerings. Furthermore, brand stores are strategically designed to complement rather than compete with the flagship stores’ core product portfolios, avoiding any disruption to the flagship stores’ established pricing structure and market positioning.

- **O2O platforms:** for local life focused brands, we execute localised strategies on local O2O platforms like Meituan and Taobao Flash Sale. These strategies include region-specific promotions and integrating O2O campaigns that seamlessly connect digital and physical consumer experiences. Additionally, we employ data-driven inventory allocation based on regional demand trends, ensuring that our brand owners can meet local consumer needs effectively.
- **Social media/ content driven channels:** We assist our brand owners in boosting their brand awareness across social media e-commerce channels and on content driven e-commerce platforms such as Douyin, WeChat Mini Programmes and RED (Xiaohongshu). We develop platform-specific content strategies to drive organic engagement, we collaborate with our brand owners in responding to comments on their social media accounts. We also integrate sales-related data from our brand owners’ social media accounts with our systems to conduct analysis on relevant data, enabling flash sales and regular promotions of branded products on social media.

RMB1,461.8 million, RMB1,411.4 million and RMB1,483.0 million, representing 84.8%, 83.1% and 84.4% of our revenue was related to our five largest e-commerce platforms ranked by revenue in each year during the Track Record Period, respectively.

BUSINESS

The tables below set out our five largest e-commerce platforms ranked by revenue in each year during the Track Record Period.

	Year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sales of goods						
<i>To-C</i>						
Tmall	935,609	54.3	855,949	50.4	931,455	53.0
A	15,684	0.9	6,005	0.4	3,624	0.2
B	55,735	3.2	52,094	3.1	76,725	4.4
C	18,778	1.1	31,129	1.8	33,335	1.9
O2O	—	0.0	—	0.0	—	—
Sub-total	1,025,806	59.5	945,177	55.7	1,045,139	59.5
<i>To-B</i>						
Tmall	320,005	18.6	378,231	22.3	310,018	17.6
A	45,289	2.6	26,469	1.5	35,342	2.0
B	69	0.0	80	0.0	—	—
C	—	0.0	—	0.0	—	—
O2O	—	0.0	—	0.0	—	—
Sub-total	365,363	21.2	404,780	23.8	345,360	19.6
Provision of services						
Tmall	30,858	1.8	20,034	1.2	41,007	2.3
A	9,840	0.6	11,678	0.7	17,007	1.0
B	17,607	1.0	12,940	0.8	10,638	0.6
C	246	0.0	1,400	0.1	2,758	0.2
O2O	12,090	0.7	15,341	0.9	21,121	1.2
Sub-total	70,641	4.1	61,393	3.7	92,531	5.3
Aggregate of top five e-commerce platforms	1,461,810	84.8	1,411,350	83.2	1,483,030	84.4
Total revenue	1,722,898	100.0	1,698,554	100.0	1,757,210	100.0

During the Track Record Period, a substantial portion of our revenue were related to our largest e-commerce platform ranked by revenue, i.e., Tmall. Since our inception, we have established a stable business relationship with Tmall, a leading e-commerce platform in China operated by Alibaba Group. As confirmed by CIC, the reliance on Tmall is not uncommon in the industry, as Tmall holds a dominant position in the Chinese e-commerce market, making it an essential channel for virtually all brand owners targeting Chinese consumers. Therefore, our presence on Tmall is a strategic necessity to effectively serve our brand owners. Our Directors believe that our relationship with Tmall is stable, underpinned by our proven track record of operating well-performing flagship stores and online stores on Tmall, and our deep expertise in navigating Tmall’s ecosystem. Our ability to deliver strong sales performance and branding impact for our brand owners aligns our success directly with the platform’s objectives, creating a mutually beneficial partnership. Furthermore, the reliance on Tmall is mitigated by our diversified multi-channel strategy. We actively maintain and expand our operations on other major platforms such as JD.com, Pinduoduo, and Douyin, as well as O2O and social commerce channels. This diversification, coupled with our core capability to seamlessly manage cross-channel operations for brand owners, ensures that our business operation is resilient. We do not anticipate any material adverse impact on our business led by potential changes in our relationship with a single e-commerce platform in the foreseeable future, and we believe that we possess the agility to reallocate resources and focus across other major channels to continue serving our brand owners effectively.

BUSINESS

OUR CUSTOMERS

During the Track Record Period, our customers primarily consisted of large-scale e-commerce platforms which purchased products from us under the to-B model, end consumers who purchased products from us under the to-C model, and brand owners which received services from us. Revenue from our respective five largest customers in each year during the Track Record Period was RMB434.0 million, RMB452.3 million and RMB387.0 million, respectively, representing 25.1%, 26.6% and 22.0% of our total revenue for that respective year. Revenue from our respective largest customer in each year during the Track Record Period was RMB321.1 million, RMB368.2 million and RMB296.9 million, respectively, representing 18.6%, 21.7% and 16.9% of our total revenue for that respective year. The tables below set out our five largest customers for each of the years during the Track Record Period.

For the year ended 31 December 2025

Name of the customer	Revenue	% of total revenue	Background of the Customer	Main products sold/ services provided	Credit terms	Years of commencing the business relationship
	(RMB'000)					
Customer A (also supplier B) (e-commerce platform)	296,914.3	16.9	Dual-primary listed on the Stock Exchange and the New York Stock Exchange, primarily engages in the operation of large-scale e-commerce platforms, based in Hangzhou, Zhejiang Province and covers the global market	Various types of products we purchased from our brand owners	On demand	2011
Customer B (distribution partner)	30,521.4	1.7	Primarily engages in import and export trade, based in Hong Kong and covers the Hong Kong and mainland China markets	Various types of products we purchased from our brand owners	Payment before delivery	2022
Customer D (distribution partner)	20,485.9	1.2	Primarily engages in the sale of food items, based in Huzhou, Zhejiang Province and covers surrounding areas	Various types of products we purchased from our brand owners	Payment before delivery	2021
Customer C (distribution partner)	20,159.7	1.1	Primarily engages in the sale of industrial products and trading, based in Shanghai and covers surrounding areas	Various types of products we purchased from our brand owners	Payment before delivery	2021
Customer E (distribution partner)	18,874.8	1.1	Primarily engages in e-commerce sales, based in Wuhu, Anhui Province and covers surrounding areas	Various types of products we purchased from our brand owners	Payment before delivery	2021
Total	386,956.1	22.0				

BUSINESS

For the year ended 31 December 2024

Name of the customer	Revenue	% of total revenue	Background of the Customer	Main products sold/ services provided	Credit terms	Years of commencing the business relationship
(RMB'000)						
Customer A (also supplier B) (e-commerce platform)	368,162.9	21.7	Dual-primary listed on the Stock Exchange and the New York Stock Exchange, primarily engages in the operation of large-scale e-commerce platforms, based in Hangzhou, Zhejiang Province and covers the global market	Various types of products we purchased from our brand owners	On demand	2011
Customer F (brand owner)	23,606.2	1.4	Dual-primary listed on the Stock Exchange and the New York Stock Exchange, primarily engages in the operation of large-scale catering brands, based in Shanghai and covers the national market	Various types of services we offer	Within 30 days upon issuance of invoice	2016
Customer G (distribution partner)	22,011.3	1.3	Primarily engages in the sale of food items, based in Shanghai and covers surrounding areas	Various types of products we purchased from our brand owners	Payment before delivery	2021
Customer B (distribution partner)	19,456.1	1.1	Primarily engages in import and export trade, based in Hong Kong and covers the Hong Kong and mainland China markets	Various types of products we purchased from our brand owners	Payment before delivery	2022
Customer H (brand owner)	19,088.0	1.1	With a parent company listed on the National Association of Securities Dealers Automated Quotations (“NASDAQ”) primarily engages in the sale of beverage items, based in Hong Kong and covers markets in the Asia Pacific region	Various types of services we offer	Within 30 to 60 days upon issuance of invoice	2022
Total	452,324.5	26.6				

BUSINESS

For the year ended 31 December 2023

Name of the customer	Revenue	% of total revenue	Background of the Customer	Main products sold/ services provided	Credit terms	Years of commencing the business relationship
(RMB'000)						
Customer A (also supplier B) (e-commerce platform)	321,061.8	18.6	Dual-primary listed on the Stock Exchange and the New York Stock Exchange, primarily engages in the operation of large-scale e-commerce platforms, based in Hangzhou, Zhejiang Province and covers the global market	Various types of products we purchased from our brand owners	On demand	2011
Customer I (distribution partner)	44,665.3	2.6	With a parent company listed on the NEEQ, primarily engages in the sales of internet e-commerce services, based in Guangzhou and covers the market in Guangdong Province, China	Various types of products we purchased from our brand owners	50% prepayment and the rest 50% paid within 3 working days upon receipt	2023
Customer J (distribution partner)	27,785.4	1.6	Primarily engages in the provision of comprehensive e-commerce operation services, based in Hong Kong and covers the global market	Various types of products we purchased from our brand owners	Payment before delivery	2020
Customer F (brand owner)	24,364.7	1.4	Dual-primary listed on the Stock Exchange and the New York Stock Exchange, primarily engages in the operation of large-scale catering brands, based in Shanghai and covers the national market	Various types of services we offer	Within 30 days upon issuance of invoice	2016
Customer D (distribution partner)	16,155.8	0.9	Primarily engages in the sale of food items, based in Huzhou, Zhejiang Province and covers surrounding areas	Various types of products we purchased from our brand owners	Payment before delivery	2021
Total	434,033.0	25.1				

During the Track Record Period, we did not experience any material disputes with our customers. As of the Latest Practicable Date, none of our Directors, their respective close associates and any Shareholder who, to the knowledge of our Directors, own more than 5% of the issued share capital of our Company have any interest in any of our five largest customers in each year during the Track Record Period.

BUSINESS

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily consisted of our brand owners from which we purchased goods, and e-commerce platforms from which we procured advertisement placement for our brand owners. Purchases from our respective five largest suppliers in each year during the Track Record Period were RMB1,068.7 million, RMB1,191.6 million and RMB1,079.9 million, respectively, representing 48.8%, 52.6% and 48.4% of our total purchases in that respective year. Purchases from our respective largest supplier were RMB449.0 million, RMB538.2 million and RMB418.7 million in each year during the Track Record Period, respectively, representing 20.5%, 23.8% and 18.8% of our total purchases in that respective year. Our purchases from suppliers include our purchases of services primarily from e-commerce platforms for advertisement placement, which are not accounted for in our costs of sales. The tables below set out our five largest suppliers for each of the year during the Track Record Period.

For the year ended 31 December 2025

Name of the supplier	Purchase amount (RMB'000)	% of total purchase amount	Background of the Supplier	Main products / services purchased	Credit terms	Years of commencing the business relationship
Supplier A	418,678.1	18.8	Listed on the NASDAQ Stock Market, primarily engages in the manufacturing of snacks and beverages, based in Chicago, the U.S. and covers the global market	Food and beverages products	Within 21 days upon issuance of invoice	2013
Supplier B (also Customer A)	228,456.2	10.2	Dual-primary listed on the Stock Exchange and the New York Stock Exchange, primarily engages in the operation of large-scale e-commerce platforms, based in Hangzhou, Zhejiang Province and covers the global market	Marketing services	Generally within 15 days upon completion of transaction (and within 90 days for certain specific categories)	2011
Supplier F	156,857.7	7.0	With a parent company listed on the SIX Swiss Exchange, primarily engages in the manufacturing and sales of food items, based in Shanghai and covers the national market	Food and beverages products	Payment after delivery	2024
Supplier E	150,774.2	6.8	With a parent company listed on the Tokyo Stock Exchange, primarily engages in the manufacturing and sales of food items, based in Shanghai and covers the national market	Food and beverages products	Within 29 days upon issuance of invoice	2018
Supplier H	125,163.8	5.6	Primarily engages in the trading of healthcare and nutritional products, based in Shanghai and covers surrounding areas	Health products	Payment before delivery	2021
Total	1,079,930.0	48.4				

BUSINESS

For the year ended 31 December 2024

Name of the supplier	Purchase amount	% of total purchase amount	Background of the Supplier	Main products / services purchased	Credit terms	Years of commencing the business relationship
	(RMB'000)					
Supplier A	538,170.7	23.8	Listed on the NASDAQ Stock Market, primarily engages in the manufacturing of snacks and beverages, based in Chicago, the U.S. and covers the global market	Food and beverages products	Within 21 days upon issuance of invoice	2013
Supplier B (also customer A)	226,081.4	10.0	Dual-primary listed on the Stock Exchange and the New York Stock Exchange, primarily engages in the operation of large-scale e-commerce platforms, based in Hangzhou, Zhejiang Province and covers the global market	Marketing services	Generally within 15 days upon completion of transaction (and within 90 days for certain specific categories)	2011
Supplier C	163,077.7	7.2	With a parent company listed on the New York Stock Exchange, primarily engages in the manufacturing of ophthalmic products and vision care products, based in Shanghai and covers the national market	Vision care products	Within 60 days upon issuance of invoice	2019
Supplier F	136,528.4	6.0	With a parent company listed on the SIX Swiss Exchange, primarily engages in the manufacturing and sales of food items, based in Shanghai and covers the national market	Food and beverages products	Payment after delivery	2024
Supplier E	127,697.2	5.6	With a parent company listed on the Tokyo Stock Exchange, primarily engages in the manufacturing and sales of food items, based in Shanghai and covers the national market	Food and beverages products	Within 29 days upon issuance of invoice	2018
Total	1,191,555.4	52.6				

BUSINESS

For the year ended 31 December 2023

Name of the supplier	Purchase amount	% of total purchase amount	Background of the Supplier	Main products / services purchased	Credit terms	Years of commencing the business relationship
	(RMB'000)					
Supplier A	449,045.0	20.5	Listed on the NASDAQ Stock Market, primarily engages in the manufacturing of snacks and beverage, based in Chicago, the U.S. and covers the global market	Food and beverages products	Within 21 days upon issuance of invoice	2013
Supplier B (also customer A)	235,889.9	10.8	Dual-primary listed on the Stock Exchange and the New York Stock Exchange, primarily engages in the operation of large-scale e-commerce platforms, based in Hangzhou, Zhejiang Province and covers the global market	Marketing services	Generally within 15 days upon completion of transaction (and within 90 days for certain specific categories)	2011
Supplier G	131,616.4	6.0	Listed on the Shenzhen Stock Exchange, primarily engages in the research and development, manufacturing and sales of pet food, based in Shandong Province and covers the national market	Pet supplies	Payment after delivery	2023
Boehringer Ingelheim Animal Health (China) Co., Ltd.	128,722.0	5.9	Primarily engages in the manufacturing and sales of animal health and biopharmaceutical products, based in Shanghai and covers the global market	Pet supplies	Within one month upon issuance of invoice	2018
Supplier D	123,460.1	5.6	Primarily engages in the manufacturing and sale of healthcare products based in California, the U.S. and covers the global market	Health products	Payment after delivery	2014
Total	1,068,733.4	48.8				

BUSINESS

During the Track Record Period, we did not experience any material disputes with suppliers, difficulties in the procurement, interruptions in our operations due to a shortage or delay of supplies or significant fluctuations in prices. We also expect to be able to maintain adequate sources of quality supplies in the future. As of the Latest Practicable Date, none of our Directors, their respective close associates and any Shareholder who, to the knowledge of our Directors, own more than 5% of the issued share capital of our Company have any interest in any of our five largest suppliers in each year during the Track Record Period.

OVERLAPPING CUSTOMERS AND SUPPLIERS

During the Track Record Period, we had overlapping customers and suppliers. This is mainly because (i) our brand owners are our suppliers when we procure goods from them for onward sales, and are our customers when we provide other services to them in exchange for service fees, and (ii) certain major e-commerce platforms to which we sell goods under to-B model is also our supplier for traffic acquisition. In terms of our engagement with brand owners, when we purchase goods from them, we enter into buy-sell agreements with brand owners. The key commercial terms were centred on pre-agreed procurement targets for defined periods and corresponding rebate structures. Our brand owners are obliged to supply us with qualified goods, and our primary obligation was to procure sufficient goods from them in a timely manner. When we provide services to brand owners, the relevant services agreement stipulates the specific digital retail solutions we are obliged to provide, and the consideration was typically fee-based, tied to certain pre-defined performance metrics. These two types of arrangements were not bundled. The agreements for sales of goods and provision of services were performed independently, and the negotiation, execution, and renewal of one type of agreement was not conditional upon the other. In addition, these agreements often pertained to different online channels or e-commerce platforms, which were normally managed under separate strategic plans of the brand owners.

In each year during the Track Record Period, the total revenue contributed by customers who were also our suppliers accounted for 19.9%, 23.1% and 19.2% of our total revenue, respectively. The cost of sales related to such revenue were RMB295.1 million, RMB343.1 million and RMB285.5 million in 2023, 2024 and 2025, respectively. The gross profit contributed by the customers which were also our suppliers was RMB48.1 million, RMB48.4 million and RMB51.1 million in 2023, 2024 and 2025, respectively.

The following table sets out the identity of our overlapping customers and suppliers, the percentage of revenue, cost of sales, gross profit margin for each of the years during the Track Record Period and nature of services to/ from each of them.

Name of the overlapping customers and suppliers	For the year ended 31 December 2023			For the year ended 31 December 2024			For the year ended 31 December 2025			Nature of services to or from the overlapping customers and suppliers
	% of the revenue	% of the cost of sales	Gross profit margin	% of the revenue	% of the cost of sales	Gross profit margin	% of the revenue	% of the cost of sales	Gross profit margin	
Customer A (also supplier B)	18.6	20.9	13.4	21.7	24.5	11.6	16.9	18.7	13.5	Various goods procure from us when we are the supplier, and various services we accept as customer, especially marketing services
Customer-Supplier J	0.7	0.8	12.6	0.7	0.8	10.8	0.8	0.9	11.9	Various goods procure from us when we are the supplier, and various services we accept as customer, especially marketing services
Others	0.6	0.5	36.3	0.7	0.5	38.5	1.4	1.2	36.8	Various services we offer as supplier, and various goods sold to us when we are the customer

BUSINESS

Note: the percentage of revenue, cost of sales and gross profit margin denote the amount of the transaction where we are the supplier. In these cases, we sold goods to supplier B and supplier J, and provided services to the “others” in the table above.

Our Directors confirm that all of the Group’s sales to and purchases from these overlapping customer-suppliers were conducted in the ordinary course of business under normal commercial terms and on arm’s length basis, and are common in the digital retail solutions industry in China, as advised by our industry consultant.

COMPETITION

We face competition from other brand digital retail solutions providers in China. We differentiate ourselves from our competitors through providing end-to-end solutions for established brands across industries, deeply embedding in platforms’ ecosystems to drive multi-channel brand growth, and utilising our refined digital intelligence operation system. According to CIC, the key success factors for China’s digital retail solutions providers include, among others, comprehensive category coverage, end-to-end integrated solution ecosystem, robust partnership network and multi-platform integration capabilities, and technological competence and innovation-driven growth. We strive to provide tailored solutions that enhance operational efficiency for our brand owners. We believe this creates a more agile and collaborative ecosystem, which enables brands to receive specialised support throughout the entire e-commerce value chain.

SEASONALITY

Our results of operations are subject to seasonal fluctuations. For example, our revenue is relatively higher during major promotion periods for e-commerce sales in China such as the 618 Mid Year campaign and Double 11 Day campaign, when consumers tend to do more shopping activities on digital retail platforms.

INFORMATION TECHNOLOGY SYSTEMS

We have established a multi-layer microservices technical architecture that provides a structured approach to building and maintaining our systems. The microservices technical architecture consists of four layers, namely, the basic infrastructure layer, the service layer, the presentation layer and the access layer. The four layers interact seamlessly, ensuring a cohesive and efficient system.

BUSINESS

Through our fully self-constructed gateway and server architecture, we are able to complete deployment, facilitating configurable management of our foundational systems. This approach provides a high degree of control and customisation in our IT operations. The following chart illustrates the layers in the technical architecture we have established.



BUSINESS

We have fully deployed four self-developed core business systems, underpinning underpins almost all aspects of our operations, such as supply chain management, operations, sales monitoring, warehousing, logistics and after-sales services. The details of our core business systems are set out below:

- **Order management system (“OMS”).** Our proprietary OMS enables the integration of fragmented data from multiple platform processing approximately 1.5 million orders daily, exceeding the industry average. The core functionalities of OMS include (i) multi-channel order centralised management, supporting unified access and automated processing of multi-platform orders to achieve real-time inventory sharing across brand stores; (ii) intelligent risk control and cost optimisation, automatically identifying abnormal orders to prevent promotional fraud while monitoring large-value orders and automatically matching optimal logistics solutions; (iii) inventory management, avoiding overselling through real-time inventory pre-allocation and intelligently distributing inventory during major promotions to prevent warehouse overload; (iv) dynamically reversible order workflow, supporting order status rollback before production to mitigate operational risks; and (v) multi-mechanism and multi-mode marketing campaign configuration, enabling fully configurable promotional strategies synchronised with platform rules to enhance traffic conversion.
- **Distribution management system.** The distribution management system caters to our business needs, allowing for comprehensive management of our distribution partners. With the distribution management system, we are able to adapt invoicing process to meet various needs, such as offering different payment terms, integrating with various payment platforms, or adjusting invoicing frequency based on distribution partners’ preferences, in an effort to enhance our invoicing efficiency. In addition, the system provides comprehensive oversight of our distribution network, enabling efficient management of partner qualifications and onboarding processes while maintaining complete historical transaction records. It offers visibility into order fulfilment and delivery status, coupled with robust financial controls including account balance monitoring, automated payment reconciliation, and collections tracking. By integrating these critical functions into a unified platform, the distribution management system drives operational efficiency on our transactions with distribution partners.
- **Warehouse management system (“WMS”).** The highly adaptable WMS is used to collect data concerning orders from multiple sales channels and perform order dispatch, after-sales support and other functions for orders across various industries. Its designed peak daily order processing capacity can exceed million-level orders per day. The WMS system, equipped with comprehensively configurable strategies, is highly adaptable to various business needs with customisable process configurations. By integrating intelligent algorithms and smart handheld terminals, it improves warehousing efficiency when we manage and monitor operations for self-operated and third-party warehousing. Beyond storage optimisation, the WMS further enhances in-warehouse operational efficiency through advanced analytics. It is able to analyse consumers’ ordering patterns within a certain period of time to determine optimal order picking routes intelligently, and group similar orders for batch processing automatically.
- **Business Integration Platform.** The business integration platform serves as a centralised platform that integrates various functionalities to enhance operational efficiency and data management. By conducting unified data definition, master data management, real-time inventory control, as well as sales, inventory and operational data reporting and analytics, the platform integrates multiple business processes including sales, procurement, and inventory management to meet our diverse business needs. We have also developed several other internal collaborative systems, including contract management and human resources management systems, which integrate seamlessly with office automation (“OA”) systems, improving our operational efficiency. As the technological foundation for business development, this platform enables rapid integration of new business operations and agile iteration to support the expansion of new business models and technical services.

BUSINESS

- **RPA Scheduling Platform.** Our self-developed RPA scheduling platform features visible processes and automatic workload balancing with round-the-clock operation. It supports over 200 high-frequency business scenarios including financial reconciliation, inventory synchronisation, data alignment, and external system connectivity, improving operational efficiency while reducing labour costs and mitigating operational risks. By incorporating rule engines and AI-powered anomaly detection, the platform enables full process automation with real-time risk interception, minimising manual intervention requirements. Through automated RPA technology, we helped our brand owners integrate data from major domestic and international sales platforms, including sales data, customer reviews, service data, and logistics information, while the system simultaneously handles operational safeguards like rapid backtracking during e-commerce operations, automatic verification across business stages, and intelligent abnormal data alerts to maintain a trustworthy e-commerce environment. In RPA process automation, we have accumulated extensive research and practical experience in data automation collection, cross-system automated interactions, and web automation. We have also developed a number of RPA-related technologies and application such as the RPA toolbox and scheduling centre plugins, which are now adopted across our business sectors and continuously optimised. These automated tools have evolved into a fully configurable cluster solution, enabling flexible modular deployment tailored to specific business requirements.

DIGITAL SOLUTIONS & INNOVATIVE APPLICATIONS

Building upon the multi-layer microservice architecture and core business systems, our digital solutions and innovative applications framework converts technical capabilities into tangible business value. The following digital solutions and applications span from infrastructure to commercial implementation.

Multi-Channel Consumer Digital Marketing

Our multi-channel CDP data mid-end project is able to reduce consumer data fragmentation by integrating brand-owned data with public platform resources, enabling precise unified consumer profiling and enhanced marketing effectiveness. While our brand owners may have accumulated multi-channel consumer data from e-commerce transactions, memberships, private domain mini-programmes, etc. and established CDP systems with multi-dimensional tags such as demographics and behavioural traits, they still face limitations in acquiring public platform profile data. We leverage brand-owned CDP encrypted desensitised data to segment consumers using core tags including age, gender, city tiers and RFM (a data-driven marketing framework that analyses customer value based on three quantitative factors including recency, frequency and monetary), then technically maps these groups to e-commerce platforms. By incorporating platform algorithms and data resources, we enrich the profiles with public-domain labels including purchase preferences and purchase intentions, creating a holistic private-public domain consumer view. This approach successfully activates data asset value, establishing both data foundation for brand owners’ multi-channel marketing and a new growth pathway for our digital solutions.

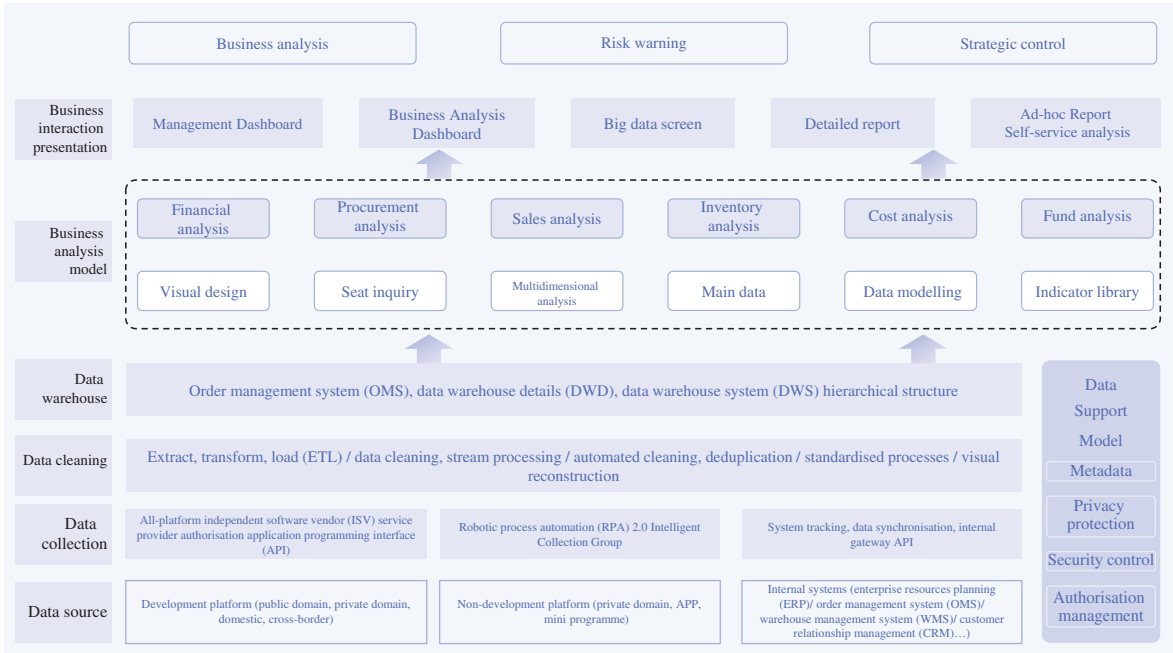
BI Data Analysis System

We have established a proprietary business intelligence (“BI”) data analysis system and reporting centre named “Smart Kaijie”. This system serves as the central hub for data-driven precision operations. Leveraging the “Smart Kaijie” BI system, we consolidate encrypted desensitised data from multiple e-commerce platforms, and support brands’ various operational decisions through big data analysis by applying intelligent cleansing and modelling to brands’ information flows, goods flows, and capital flows from an operational results perspective (i.e., to conduct analysis on conversion rate, profit margin, etc.), helping brands in optimising traffic conversion and customer management, and gaining insights into market trends to achieve precise marketing. Core advantages of the BI system lie in translating our industry understanding into data dimensions, with tailored monitoring and analytical metrics for different sectors. This industry-informed metric design equips BI system’s universal data tools with vertical-specific decision-making insights. Furthermore, the BI system achieves business-finance integration across the supply chain, finance and human resource functions, transforming business data into management insights to support dynamic resource allocation and risk control alerts.

BUSINESS

The core functions of the BI system include comprehensive data insights such as real-time monitoring of new versus returning customer trends, warehouse inventory movement analysis with SKU rankings, live stream session performance metrics (including viewership numbers), total shipment volume and cross-warehouse distribution trend comparisons, product status assessment (covering identification of slow-moving/obsolete stock, near-expiry/expired product distribution and valuation), logistics claims analysis and inventory value reporting, product traffic versus competitor benchmarking, as well as financial cost analysis and branch performance statistics.

This system is able to provide seamless access to certain internal and external systems and support informed decision-making. For example, we have automated the transmission of key operational metrics between our NCC (NC Cloud) financial system and the BI data analysis system, allowing for real-time data comparisons across various departments or business dimensions. In addition, we have implemented full integration between leading domestic third-party warehousing and logistics solution providers and our systems, optimising efficiency in warehousing and delivery operations. The following chart illustrates our BI data analytics capability framework.



RPA-Powered Promotion Risk Control

We have developed a configurable RPA cluster suite deeply integrated with the end-to-end system, comprising multiple customisable automation modules that serve as an internal data automation processing engine. Our strong e-commerce risk management capability addresses persistent transaction risks through two specialised RPA systems we developed, namely, a pre-event warning system that systematically gathers and analyses promotional mechanisms across platforms to identify potentially loss-causing settings, and a real-time monitoring system that scans incoming orders during promotions, conducts reverse-calculation through RPA, and automatically intervenes when anomalies are detected. This “e-commerce fulfilment risk control system based on process robotics” programme thus addresses persistent transaction risks in e-commerce by integrating RPA with big data analytics to establish an end-to-end risk management framework that safeguards both consumer rights and merchant operations.

Our core technological advantages in RPA are primarily reflected in data service management, unified gateway management, and automation capabilities, with the risk control system specifically focusing on price setting, inventory management, and order processing scenarios where RPA replaces manual operations to prevent errors like mispricing or quantity discrepancies, while big data modelling enables real-time transaction monitoring with risk early-warning, intelligent interception, and traceable incident resolution capabilities.

BUSINESS

Media Management System

We have developed the Gravity Star Pool (引力星池) livestream media management system to aggregate massive influencer resources across platforms, industries, and regions, empowering the livestream marketing ecosystem through big data to precisely match creators, products, and scenarios, accelerate new brand incubation, and enhance consumer conversion efficiency. The platform features three core functional systems, including “Smart Selection” (智選), “Smart Connection” (智連), and “Smart Effectiveness” (智效), enabling scientific dynamic evaluation of influencer marketing capabilities and end-to-end influencer collaboration management, ultimately driving efficiency across the influencer marketing value chain through data intelligence. Simultaneously, by leveraging product marketing data to help influencers analyse industry bestsellers, it enhances their marketing creativity and content production capabilities while systematising multi-party collaboration workflows, thereby boosting operational efficiency for influencers, brands, platforms and MCN agencies across the livestream economy ecosystem and fostering a sustainable livestream industry environment. We believe that the Gravity Star Pool livestream media management system is able to optimise user interaction, and provide brand owners with tools to effectively manage their media resources.

Membership Management System

We have developed a membership management system that collaborates with Alibaba’s data bank to help brand owners manage their membership resources. We have also launched a number of user operation-related products designed to enhance user engagement, including “Member Connect” to facilitate communication and connection with brand’s members, fostering loyalty and engagement, “Audience Segmentation” to help brands categorise their audience based on various criteria to formulate target marketing strategies, “Audience Assets” to provide insights into the assets and value of the brand’s audience group so that the brands are able to optimise their audience resource, and “Dashboards” which offers visual analytics and reporting tools to track user interactions, performance metrics and overall campaign effectiveness.

We have also invested in developing private domain marketing for brands. Our successful cases include certain app or WeChat malls we established for our brand owners, where we provided tailored development and expanding solutions to meet the private domain operation needs of our brand owners.

Application of AI Technology

We have built an intelligent AI framework that covers multiple operational environments and spans the entire commercial process, creating a complete smart closed loop from market insights to after-sales service through the integration of our industry expertise and AI technology. Distinguished from generic AI solutions, we have developed a differentiated AI application system based on our extensive insights into vertical industries and accumulation of historical data. In line with the “People, Goods and Place” model, our intelligent AI framework is designed to enhance employee capabilities through the deep integration of AI technologies with product offerings (“Goods”) and operational environments (“Place”), seamlessly connecting consumer needs and improving customer service (“People”), ensuring a holistic approach to AI deployment that enhances every stage of customer journey and every core aspect of our business operation.

Building on our own computing resources, we have locally deployed an enterprise-level multi-modal large model framework. Through model training and prompt engineering, we have developed internal corporate knowledge bases covering customer service know-how, internal policies, as well as legal and compliance content. Our solution integrates with self-developed business systems and internal OA systems to achieve differentiated AI application systems, enabling tailored AI implementation for internal organisational coordination, intelligent business process augmentation, and optimised customer service training programmes. Our multi-modal large model framework primarily supports the “People” aspect by matching consumer needs precisely, understanding consumer behaviour and profile, and enhancing consumer experience. It also supports the “Place” aspect by integrating with our operational systems, ensuring AI is embedded directly within the environments where business activities occur.

BUSINESS

Our AI business assistant (which was developed in May 2023) combines AI-powered business system local knowledge bases with business data. By embedding an intelligent Q&A bot directly into our business systems, we enable our staff to quickly navigate various sets of business data, and diagnose issues during operations to provide better customer service and support to our end consumers (the “People”). This allows instant access to complete life cycle of orders and enables natural language commands for business operations, reducing learning curves while improving operational efficiency and accuracy. This reduces operational friction and enhances accuracy, directly improving service delivery and internal workflows.

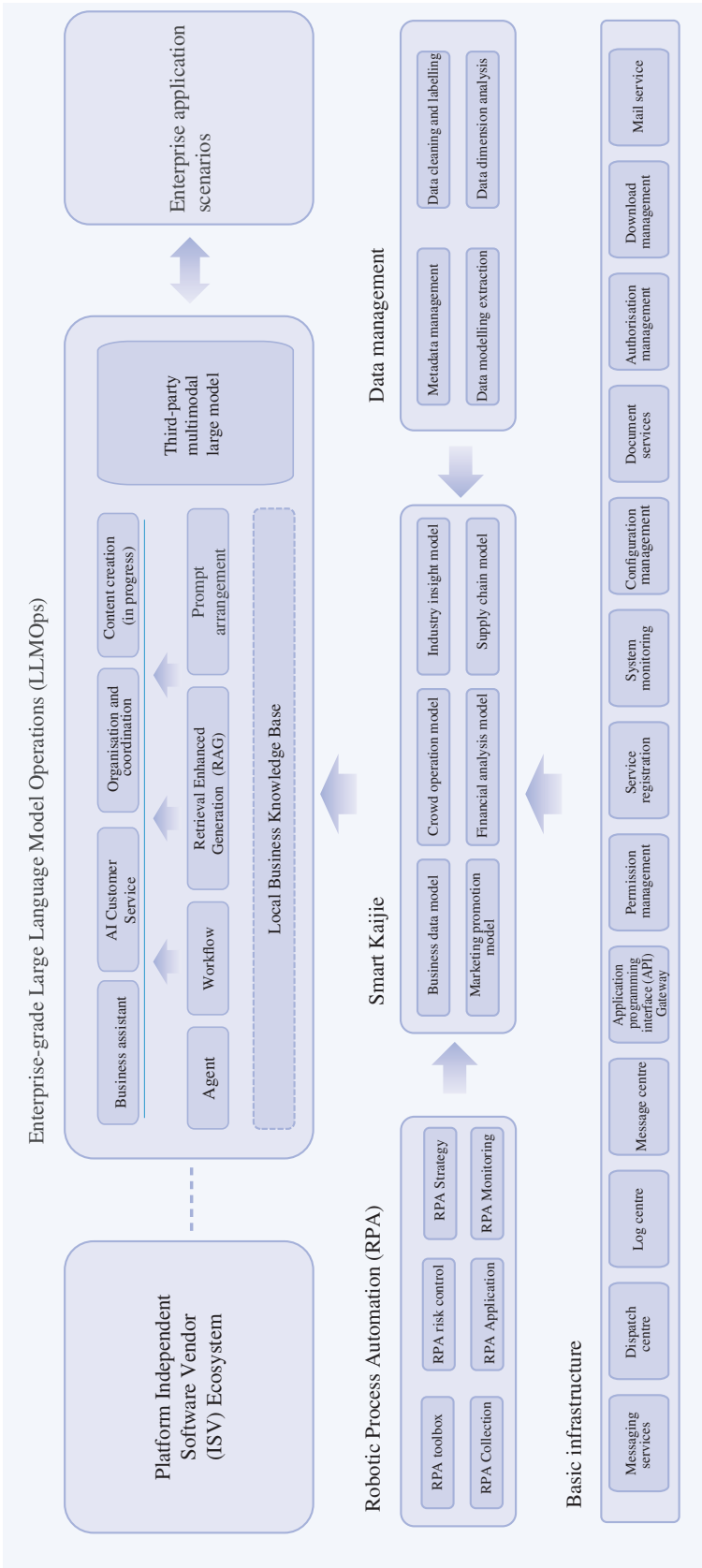
Our AI customer service assistant (which was developed in May 2023) utilises pre-training and fine-tuning technologies to fully address training needs for customer services staff. Through continuously optimised service response models, it improves the onboarding efficiency for customer service team and reduces customer inquiry resolution time. In the future, we plan to integrate AI with RPA technology to enable intelligent customer service agents. We ensure our frontline teams are equipped with intelligent, adaptive tools that enhance their responsiveness and customer engagement quality. This contributes to a better overall customer experience and operational excellence.

Our AI HR assistant (which was developed in September 2024) consolidates more than 600 HR policy documents into an interactive knowledge base that supports natural language queries. Its resume parsing function is able to extract key information such as skill tags and project experience from resumes for automated job matching. Our AI legal compliance assistant (which was developed in November 2024) automatically updates its knowledge bases. In contract reviews, it rapidly compares documents against built-in templates to identify terms that might be risky to mitigate legal risks exposure. Our compliance training knowledge base additionally serves to enhance employee understanding of legal risks. These AI applications focus on “Place” to enhance our compliance processes and optimise risk control within our operational environments, thereby strengthening our internal capabilities and governance.

In addition, we recognise that the technology of AIGC (AI generative content) is reconstructing creative production chains through multi-modal content. As such, we adopt generative AI technology to create differentiated marketing visual solutions for brand owners empowering brand owners in content creativity, production, and distribution to improve efficiency. Finally, by combining our AI capabilities accumulated from our rich experiences derived from working in various operational environments with offshore business innovations, we establish differentiated competitive advantages in our overseas digital retail solutions, empowering global business growth. Our productions cover product main image design, short video scripts, and multi-channel marketing materials. This directly relates to the “Goods” dimension, where AI enhances product presentation and marketing creativity, improving the attractiveness and market competitiveness of our brand owners’ offerings. The adoption of AIGC technology (which was developed in July 2023) reduces costs associated with material procurement and production, and enhances content relevance and promotional efficiency. We believe that our multi-channel visual management solutions are able to facilitate consistent brand and product presentation across all sales channels and enhance visual experiences for consumers in various application scenarios and ultimately reinforce brand equity, forge consumer connection and drive higher conversion rates. By optimising the diverse sales and marketing channels, the “Place” aspect, our AI solutions ensure consistent and engaging customer experiences across platforms, reinforcing brand equity and driving higher conversion rates. Our PRC Legal Advisers have confirmed, and the Sole Sponsor has concurred, that during the Track Record Period and up to the Latest Practicable Date, we had complied with the laws and regulations in relation to the Measures for the Identification of AI-Generated Synthetic Content in all material respects and were not subject to any administrative penalties imposed by regulatory authorities for violations of laws and regulations.

BUSINESS

The following chart illustrates the AI technology adopted in our business operations and the AI-related landscape we are establishing and improving.



BUSINESS

The core value of this full-process intelligent system lies in transforming industry expertise into machine-understandable decision logic, enabling our technological tools to comprehend business contexts with accuracy. This capability integrates all three elements “People, goods and place” to deliver context-aware AI solutions that are finely tuned to real-world business needs.

To ensure the optimal operation of our technology systems, we conduct frequent updates and iterations on them, and the core functions are typically upgraded and enhanced on a monthly basis. Our optimisation efforts are initially guided by user feedback and trends in the market. As we progress, our product managers play a pivotal role in pinpointing new and upgraded functions, to continuously improve user experience and align our system capabilities with real-world business needs. This ongoing refinement process focuses heavily on “People”, our users and customers, ensuring the AI systems evolve responsively to their needs and the changing business landscape, while also adapting to shifts in “Goods” and “Place” dynamics.

During the Track Record Period and as of the Latest Practicable Date, we had not acted in breach of applicable laws and regulations in relation to the use of AI technologies. Relevant AI laws and regulations primarily target services that utilise generative AI technologies to provide generated content such as text, images, audio, and video to the public within the territory of the PRC. Enterprises that research, develop, and apply generative AI technologies without offering such services to the domestic public are not subject to these regulations. See “Regulation Overview — Regulation on the Use of AI Technologies” for the details of the relevant laws and regulations of the use of AI technologies. According to the relevant AI laws and regulations, providers of generative AI services with public opinion attributes or social mobilisation capabilities must conduct security assessments in accordance with national regulations and fulfill the procedures for algorithm filing, modification, and cancellation of filing as stipulated in the “Internet Information Service Algorithm Recommendation Management Regulations” (《互聯網信息服務算法推薦管理規定》). Our AI technology is used internally within the Group and does not involve the provision of generated content such as text, images, audio, or video to the domestic public using AI technology. Our use of AI technology does not involve offering generative AI services with public opinion attributes or social mobilisation capabilities neither. Therefore, our PRC Legal Advisers are of the view that we are not subject to the regulatory scope of the relevant AI laws and regulations, and we are not required to undergo algorithm filing, modification, or cancellation procedures. Nevertheless, we shall comply with general legal obligations related to data security, personal information protection, and other areas. Our PRC Legal Advisers advised us that we have complied with all other applicable AI regulations in all material respects during the Track Record Period and up to the Latest Practicable Date.

Based on the telephone consultation conducted by our PRC legal advisers with the CAC on 3 November 2025, given that our current use of generative AI technology is limited to internal use and is not provided to the public, and does not possess public opinion attributes or social mobilisation capabilities, we are not required to perform filing procedures in accordance with the Interim Administrative Measures on Generative Artificial Intelligence Services (生成式人工智能服務管理暫行辦法) and the Internet Information Service Algorithm Recommendation Management Regulations (互聯網信息服務算法推薦管理規定).

Our rich experience and solid footprint in the e-commerce industry is evidenced by our attainment of ISV service provider qualifications from all major domestic e-commerce platforms. We have also obtained the Level 3 (Robust Level) DCMM certification for data management capability in 2023, recognising our strong capacity in data governance and service capability. We are the first digital retail solutions provider in the PRC to receive this level 3 certification. These qualifications highlight our strong capabilities as a trusted partner for businesses seeking to enhance their digital operations. These credentials demonstrate our ability to effectively manage and deploy AI technologies across the “People, Goods and Place” spectrum, reinforcing our position as a reliable and innovative partner in the digital economy.

RESEARCH AND DEVELOPMENT

We devote substantial resources to our research and development initiatives, concentrating on establishing a fully integrated intelligent e-commerce platform, to expand our technological footprint and assist our brand owners in achieving digital transformation. Our R&D expenses amounted to RMB14.4 million, RMB11.3 million and RMB11.4 million in 2023, 2024 and 2025, respectively.

BUSINESS

Our IT department consisted of six teams, namely, project, testing, operations, product, network, and data teams. We have also established an information security committee and a data governance committee to improve our management of data security and compliance. We had 39 professionals who focus on the design, development and operation of our technology platform as of 31 December 2025.

Our IT department focuses on e-commerce, supply chain, enterprise applications and digital marketing, continuously integrating business systems, optimising supply chain efficiency and building robust digital infrastructure. We believe that our strong IT capabilities enable us to shape the market by gradually developing and implementing artificial intelligence solutions in e-commerce industry, such as cloud computing and big data analysis tools. This allows us to cater to a wider range of brand owners and customers with an expanded variety of solutions.

In recent years, we have expanded our offerings to provide standalone data and IT solutions to our brand owners, which are charged separately. See “— Our Business Models — Our Solutions - Provision of Services — Data and IT Services” for details of the categories of data and IT services we provide.

CUSTOMER SERVICE

Our customer service team plays a vital role in supporting brands throughout the preparation and operation of their e-commerce platforms. We offer tailored solutions in terms of client services from the initial market entry stage of certain brands, helping our brand owners understand their market positioning, analyse competitive brands and market trends, and prepare pricing strategies taking into consideration the consumer demands. We assist our brand owners with continually adjusting marketing strategies based on customers’ feedback. To achieve this, our customer service representatives gather consumer insights and relay them to the operations, design, and marketing teams. This feedback loop enables us to optimise marketing strategies and enhance the overall user experience for customers. We develop our customer service team in a structured way, so that different sectors are assigned with different specialised customer services personnels, including those specialising in baby & kids, health products, beauty, and electronics. Each sector is supported by dedicated quality assurance, training, communication support, technical integration, and logistics teams, ensuring a well-coordinated response to customers’ needs.

We believe in the importance of real-time customer assistance. Relying on our customer services, our brand owners can be contacted by end consumers through various channels, such as online chat, phone calls or emails. Most inquiries we receive are related to product details, and we understand that an effective pre-sale customer service experience can encourage consumer purchases. Additionally, we assist our brand owners in providing post-sale services to address questions regarding returns and exchanges. Service hours are determined by the requirements of each e-commerce platform. For instance, Tmall mandates human-assisted customer service from 9 a.m. to 10 p.m., while JD.com offers such service from 8 a.m. to midnight. With our robotic support in place, customer service provided by our brand owners can be available 24 hours a day. Our robotic customer service responses are generated through a combination of automated scripts, pre-designed guided dialogues, and fixed templates. Our online supervisors are responsible for managing and training the AI systems for robotic responses across platforms.

All customer service representatives are required to complete training sessions and pass practical assessments. During training, experienced supervisors simulate various customer scenarios to evaluate representatives’ response accuracy, problem-solving skills, and service attitude. In addition, we leverage our technological expertise and utilise technology systems for quality control and customer interaction analysis. Our guidance system helps customer service representatives efficiently address customers’ needs, including providing quick-response templates and facilitating automating refund processes, significantly reducing the time required for manual tasks. Our intelligent monitoring systems allow us to assess both the content and emotional tone of customer interactions, ensuring a consistent level of service excellence. Additionally, our customer relationship management (“CRM”) initiatives facilitate member management, enabling us to effectively convert potential customers into loyal members through targeted engagement strategies. Our commitment to continuous improvement is reflected in our rigorous quality assurance processes. We conduct regular reviews of customer interactions and provide ongoing training to address any emerging challenges, primarily supported by an externally procured intelligent quality inspection system named “YuYi system” (語憶系統).

BUSINESS

As of 31 December 2025, we had a customer service team based in Changzhou, Jiangsu Province. We have developed our own online training platform for customer service team, which offers onboard training courses for new hires and ongoing skill enhancement opportunities for existing staff.

Complaint Handling

We have established a comprehensive complaint handling policy designed to ensure prompt, fair, and effective resolution of customer complaints across all channels. The policy covers all types of complaints, including those related to product quality, logistics, after-sales service, and promotional activities.

Upon receiving complaints through any channel, we promptly acknowledge and categorise the complaint, such as product quality, logistics, or order issues, and assign to the relevant team for investigation. Meanwhile we collect necessary evidence, liaise with logistics partners or internal teams as needed, and determine the appropriate remedy, such as refund, replacement, or compensation. Throughout the process, we maintain clear and empathetic communication, keeping the customer informed and documenting all actions taken. If a case remains unresolved or is particularly complex, it is escalated to supervisors, management or our brand owners for further review and decision. We implement our solutions promptly and ensure customer satisfaction. All complaints and their outcomes are recorded for analysis, with regular reviews to identify trends and improve our procedures, ensuring customers are entitled to fair remedies in line with our policies and demonstrating our commitment to continuous improvement in service standards.

During the Track Record Period and up to the Latest Practicable Date, we had not received any material complaints from our customers.

QUALITY CONTROL

Our quality control process is designed to ensure that all products meet the highest standards before reaching our customers and end consumers. Prior to the receipt and warehousing of goods purchased from our brand owners, our designated personnel conduct a thorough inspection and verification of the products’ external condition and expiry dates. For products requiring temperature and humidity control, we also assess the suitability of storage and distribution conditions. We have installed specialised temperature and humidity control equipment in our warehouses, complemented by monitoring systems that provide immediate alerts when levels deviate from standards. We utilise packaging materials with high thermal insulation properties. Products are packed alongside cooling agents (such as ice packs or dry ice) and delivered via refrigerated cold chain vehicles for final distribution. Upon satisfactory verification in accordance with our standards for assessment, the goods are formally signed in and entered into inventory. Should any issues arise, we promptly liaise with our brand owners to arrange for returns or exchanges.

As our brand owners complete product conformity inspections before shipment, we obtain their product qualification certificates to ensure quality assurance. This forms an integral part of our supplier performance evaluation. In the event that end consumers encounter product quality issues, they may seek compensation directly from either us or our brand owner. If we have assumed responsibility, we reserve the right to pursue recourse against the relevant brand owner.

BUSINESS

AWARDS AND RECOGNITIONS

We received awards and recognition relating to our solutions, technology and innovation as of 31 December 2025, significant examples of which are set out below.

Year	Award/ Recognition	Awarding Authority
2025	Outstanding Case in the Shanghai Enterprise Data Product Innovation Practice Casebook (上海市企業數據產品創新實踐案例集優秀案例)	Shanghai Municipal Center for Urban Digital Transformation Application Promotion, and Shanghai Institute of Smart City Development (上海市城市數字化轉型應用促進中心、上海智慧城市發展研究院)
2025	Five-Star Consumer Rights Protection Contact Point (五星級消費維權聯絡點)	Shanghai Municipal Administration for Market Regulation (上海市市場監督管理局)
2024	Shanghai Industrial Internet Model Platform (上海市產業互聯網示範平台)	Shanghai Municipal Commission of Economy and Informatisation (上海市經濟和信息化委員會)
2024	Top 10 Overseas Professional Service Provider (出海專業服務商) of 2024	Shanghai Online Shopping Association (上海市網購商會)
2024	12th Mawards: Gold Prize for Best E-Commerce Marketing Innovation (梅花創新獎最佳電商營銷創新獎金獎)	Mawards Committee (梅花創新獎組委會)
2023	Shanghai E-Commerce Model Enterprise (上海市電子商務示範企業)	Shanghai Municipal Commission of Commerce (上海市商務委員會)
2023	9th Jinshan District Chief Quality Award (金山區區長質量獎)	People’s Government of Jinshan District (上海市金山區人民政府)
2023	Four-Star Consumer Rights Protection Contact Point (四星級消費維權聯絡點)	Shanghai Administration for Market Regulation
2022	Shanghai High-Quality Big Data Service Provider (上海市優質大數據服務供應商)	Shanghai Municipal Commission of Economy and Informatisation (上海市經濟和信息化委員會)

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had 180 registered trademarks, 39 software copyrights, 20 copyrights for works and two patents in the PRC. As of the same date, we had 11 international trademarks. See “Statutory and General Information — B. Further Information about our Business — 2. Intellectual Property Rights” set out in Appendix VI to this document for details of our material intellectual property rights.

BUSINESS

The table below sets out the software copyrights that are material to our business operations.

No.	Software name	Registration Number	Registration Date
1.	E-commerce Fulfilment Real-time Risk Control Platform	2024SR0659791	15 May 2024
2.	RPA Data Intelligent Application Software	2024SR0623007	9 May 2024
3.	Kaijie OMS Order Management System	2021SR1968101	1 December 2021
4.	Kaijie Business Middle Platform Management System	2021SR1100815	26 July 2021
5.	MagKey Business Intelligence “Crowd Asset” Management Software	2021SR1100816	26 July 2021
6.	Kaijie WMS Warehouse Management System	2021SR1100814	26 July 2021
7.	Kaijie Distribution Management System	2021SR1093530	23 July 2021

We use our brand owners’ names, URLs, logos and other marks in connection with the operation and promotion of their e-commerce business. Our agreements with our brand owners generally grant us licences to use their intellectual property for this purpose. We adopt a proactive approach to manage the risks in relation to potential intellectual property infringements. We ensure that we obtain official authorisation whenever our business involves the use of third-party intellectual property, such as fonts, images and software. Additionally, when we work with brands that involve IP collaborative efforts, we thoroughly verify the IP authorisation chain in advance to prevent any infringement.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to infringement of intellectual property rights which would have a material adverse effect on our business. See “Risk Factors — Risks Relating to Our operations — We may not be able to adequately protect our intellectual property rights, and we may be subject to claims by third parties for intellectual property infringement or other allegations for relevant intellectual property infringement risks”.

EMPLOYEES

As of 31 December 2025, we had a total of 856 employees, all of whom were located in the PRC. The following table sets out the number of our employees by function as of 31 December 2025.

Function	Number of employees	% of Total
Operation	642	75.0
HR, PR, Legal, Finance and Administration	71	8.3
Marketing	64	7.5
Management	40	4.7
Information Technology	39	4.5
Total	856	100

Our business growth and development depend on our capacity to attract, retain and motivate competent employees. During the Track Record Period, we recruited our staff through various means including on-campus recruitment and experienced hire. We are devoted to offering fair and equal opportunities in all our employment practices and we have relevant policies and procedures in force to ensure workforce equality. In talent recruitment, we normally use structured interviews, supplemented by

BUSINESS

assessment tools such as personality tests and motivational factor assessments. As part of our retention strategy, we have developed a competitive compensation system that provides competitive salaries, extensive insurance packages and merit-based incentives based on individual and overall business performance.

In terms of training programmes and courses, new employees are required to complete onboarding training to familiarise themselves with our basic information, business procedures and industry compliance requirements. Depending on the role, additional training on basic operational procedures and system operations may be included. Our online learning initiatives encourage existing employees to participate in various online training courses tailored to their individual development needs, enhancing their technical or management skills, which align with our dual-track promotion paths. In addition to the online learning platform, we offer offline workshops, training programmes with external agencies, and university-enterprise joint projects. Tailored training programmes, including management trainee programmes, high-potential talent development plans, and core talent cultivation workshops, are designed to ensure talent retention and provide development pathways to our employees. The human resources department formulates a training timeline each year, planning on onboarding training for new hires and regular training sessions or specialised training for existing employees. We also conduct post-training assessment to evaluate the effectiveness of the relevant training programmes.

We provide social security insurance including pension insurance, unemployment insurance, work-related injury insurance medical insurance and maternity insurance for our employees. In addition, we provide supplementary commercial insurances including medical and health insurance, and employer’s liability insurance to some of our employees. We enter into standard labour contracts with our employees, which include confidentiality clauses. We currently do not enter into non-compete agreements with our senior management or our employees.

None of our Company or any of our subsidiaries have any labour union. We believe that we maintain a positive working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material labour disputes or recruitment strikes, which had a material effect on our business, financial condition or result of operations.

LICENCES, PERMITS AND CERTIFICATES

We are required to obtain various licences, permits and certifications for our operations, including those licences necessary to support our sales channels, such as operating licenses for food, beverage and alcohol products, special medical foods, medical device, and veterinary drugs. As of the Latest Practicable Date, we had obtained the requisite licences, approvals and permits from relevant authorities that are material to our operations in the PRC, approvals and permits were valid and remained in effect. We have also obtained certifications including level 3 security protection certification, information security management system certification, and quality management system certification.

No.	Licensed Entity	License	Validity Period	Issuing Authority
1	Our Company	Food business license (食品經營許可證)	3 Jan 2024 - 2 Jan 2029	Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
2	Our Company	Medical device business license (醫療器械經營許可證)	21 Apr 2025 - 20 Apr 2030	Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
3	Our Company	Class II medical device / business filing certificate (第二類醫療器械經營備案 憑證)		Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
4	Shanghai Kaichong	Veterinary drug business license (獸藥經營許可證)	20 Mar 2024 - 19 Mar 2029	Jinshan District Agricultural and Rural Committee, Shanghai (上海市金山區農業農村委員會)

BUSINESS

No.	Licensed Entity	License	Validity Period	Issuing Authority
5	Shanghai Kaimiao	Veterinary drug business license (獸藥經營許可證)	25 Mar 2026 - 24 Mar 2031	Jinshan District Agricultural and Rural Committee, Shanghai (上海市金山區農業農村委員會)
6	Shanghai Changkang	Medical device business license (醫療器械經營許可證)	25 Nov 2021 - 24 Nov 2026	Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
7	Shanghai Changkang	Food sales filing (食品銷售備案)	4 February 2026 - 3 February 2031	Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
8	Shanghai Jiakai	Food sales filing (食品銷售備案)	5 March 2026 - 4 March 2031	Songjiang District Market Supervision Administration, Shanghai (上海市松江區市場監督管理局)
9	Shanghai Jiakai	Class II medical device business filing certificate (第二類醫療器械經營備案憑證)	Long-term	Songjiang District Market Supervision Administration, Shanghai (上海市松江區市場監督管理局)
10	Shanghai Kaiming	Medical device business license (醫療器械經營許可證)	7 Mar 2024 - 6 Mar 2029	Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
11	Shanghai Kaiming	Class II medical device business filing certificate (第二類醫療器械經營備案憑證)	Long-term	Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
12	Shanghai Kaiming	Food sales filing (食品銷售備案)	Long-term	Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
13	Shanghai Xingkai	Food sales filing (食品銷售備案)	Long-term	Xuhui District Market Supervision Administration, Shanghai (上海市徐匯區市場監督管理局)
14	Shanghai Xingzhe	Food sales filing (食品銷售備案)	23 Aug 2024 - 22 Aug 2029	Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
15	Shanghai Kaihan	Food sales filing (食品銷售備案)	3 November 2023 - 2 November 2028	Jinshan District Market Supervision Administration, Shanghai (上海市金山區市場監督管理局)
16	Jiangsu Kaijie	Food sales filing (食品銷售備案)	Long-term	West Taihu Branch, Wujin District Market Supervision Administration, Changzhou (常州市武進區市場監督管理局西太湖分局)
17	Changzhou Jinshen	Food sales filing (食品銷售備案)	Long-term	West Taihu Branch, Wujin District Market Supervision Administration, Changzhou (常州市武進區市場監督管理局西太湖分局)
18	Beijing Kaijing	Food sales filing (食品銷售備案)	Long-term	Beijing Municipal Market Supervision Administration (北京市市場監督管理局)
19	JOJO (HK)	Western Medicine License (西藥牌照)	4 Feb 2026 - 3 Feb 2027	Pharmacy and Poisons Board (藥劑業及毒藥管理局)

BUSINESS

No.	Licensed Entity	License	Validity Period	Issuing Authority
20	JOJO (HK)	Chinese Proprietary Medicine Wholesaler License (中成藥批發商牌照)	3 May 2026 - 2 May 2028	Chinese Medicine Management Group (中藥業管理小組)
21	Keying Japan	Pharmaceutical Sales Business Permit (醫藥品販売業許可証)	2 Dec 2020 - 1 Dec 2026	Adachi Public Health Center, Adachi Ward (足立区足立保健所長)

Our Office of the Board Secretary is responsible for monitoring the validity status of our licences and permits and make timely applications for renewal to relevant government authorities. We had not experienced any material difficulty in obtaining or renewing the required licences, permits and certificates for our business operations during the Track Record Period and up to the Latest Practicable Date.

INSURANCE

We maintain (i) property insurance for inventory and fixed assets such as equipment, furniture and office facilities in our self-operated warehouses, (ii) professional liability insurance covering direct financial losses caused by accidental operational incidents within our business scope, (iii) international transportation insurance covering goods under cross-border import orders, (iv) public liability insurance covering personal injury or property damage occurring in all office areas and self-operated warehouses, and (v) cybersecurity and e-commerce liability insurance covering risks prevalent in digital environments. We also ensure that our outsourced warehouses have purchased necessary insurance before we enter into contracts with them.

We currently do not carry any business interruption or litigation insurance. We consider that the coverage from the insurance policies we maintain is adequate for our business operations and is in line with the industry norm. See “Risk Factors — Risks Related to Our Business — We may not have sufficient insurance coverage to fully cover our business risks, which could expose us to significant costs and business disruption”. During the Track Record Period and up to the Latest Practicable Date, we had not made, nor been the subject of, any material insurance claim. Our industry consultant is of the view, and the Sole Sponsor has concurred, that our insurance coverage is sufficient and in line with industry practice.

LAND AND PROPERTIES

As of the Latest Practicable Date, we owned three properties in the PRC with an aggregate GFA of 216.94 sq.m. in Shanghai. The GFA of each of the aforesaid owned properties is 93.62 sq.m., 62.63 sq.m. and 60.69 sq.m., respectively. As of the Latest Practicable Date, all such properties had been leased out.

As of the Latest Practicable Date, we leased 33 properties in Shanghai, Jiaxing, Changzhou, Beijing and Chengdu in the PRC, as well as in Tokyo, Japan, with an aggregate GFA of approximately 24,610.69 sq.m. The purposes of these leased properties are for office use, warehouses or registration places.

Pursuant to applicable PRC laws and regulations, for property lease agreements, lease registration must be completed with the local housing or urban-rural development authorities in the PRC. As of the Latest Practicable Date, we had not completed the relevant lease registrations for 23 of our leased properties, which was primarily due to the restriction on registering lease agreements for certain registration places and the difficulty of procuring some lessors’ cooperation to register such leases. These leased properties, with a total GFA of 6,926.11 sq.m. accounting for approximately 28.2% of the GFA of our leased properties in the PRC, are primarily for office, warehousing use and registration places.

According to the Urban Real Estate Administration Law of the PRC (《中華人民共和國城市房地產管理法》), the Commercial Building Leasing Administrative Measures (《商品房屋租賃管理辦法》) and other relevant laws and regulations, the relevant local governments may require the rectification of the non-registration of lease agreements within a certain period of time. If rectification is not made within the specified time, we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease agreement. However, the aforementioned laws and regulations do not stipulate that the competent

BUSINESS

authorities may require the eviction of the relevant premises leased under unregistered agreements. As of the Latest Practicable Date, we had not received any such request to rectify and register such lease agreements from the relevant government authorities, and no disputes or conflicts in relation to such lease agreements had arisen.

Article 706 of the Civil Code of the People’s Republic of China stipulates that the validity of a lease contract is not affected by the parties’ failure to complete registration and filing procedures in accordance with laws and administrative regulations. Therefore, scenarios such as the eviction, relocation, or early termination of a lease in relation to the relevant leased properties are contingent upon the mutual agreement between the lessor and the lessee regarding the leasing, and do not depend on whether the lease agreement has been registered and filed. As advised by our PRC Legal Advisers, the non-registration of such 23 leased properties would not affect the legal validity of the relevant lease contracts.

In accordance with the Urban Real Estate Administration Law of the PRC and the Commercial Building Leasing Administrative Measures, lease registration and filing require the joint participation of all parties to the property lease, including the lessor. In order to rectify the non-compliance, we commit to taking all reasonable and practical measures to request the cooperation of lessors of such 23 leased properties and properties to be leased in the future to complete the necessary registration.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, none of our historical non-registration of lease agreements had led to any fine or penalty being imposed on us, or affected the validity of the lease agreements. As advised by our PRC Legal Advisers, we may be required by relevant government authorities to complete the lease registration for such lease agreements to rectify the non-compliance within a prescribed time limit, failing which we may be subject to a fine from RMB1,000 to RMB10,000 per lease agreement. As such, our Directors estimate that the maximum fine may amount to RMB240,000. As further advised by our PRC Legal Advisers, the historical non-registration incidents will not affect the continuous validity of these lease agreements or have any material adverse impact on the continuous business operations of our Group. See “Risk Factors — Risks Relating to Our Operations — We may be subject to risks relating to our failure to complete lease registration for our leased properties”.

As of the Latest Practicable Date, the lessors for two of our 32 leased properties in the PRC had not provided valid title certificates or authorisations evidencing their rights to lease the properties. These leased properties, with a total GFA of 1,278 sq.m. accounting for approximately 5.2% of the GFA of our leased properties in the PRC, are office and registration place, respectively. Our Directors believe that the title defects of the relevant leased properties will not have any material adverse effect on our business and results of operations, given that (i) as advised by our PRC Legal Advisers, the title defects of our relevant leased properties will not have material adverse effect on our operation and financial position as the aforesaid two leased properties are merely used for administration and registered office purposes, hence, it could be relatively easier for us to find suitable replacements; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or administrative penalties from any PRC government authorities, nor had we received any notice of legal proceedings, claims or challenges from any third party in respect of the defects in these rights; (iii) these title defects of the relevant leased properties did not result in any increase or discount on the rents we contracted to pay; and (iv) if we become unable to continue to occupy and use the aforesaid two leased properties, we are entitled to claim against the lessor of the relevant leased property for our losses in accordance with the relevant PRC laws and regulations. See “Risk Factors — Risks Relating to Our Operations — Our right to lease the properties may be affected, which could cause disruption to our business”.

The following measures have been implemented under the lease agreement and registration management policy to ensure compliance with registration requirements: (i) segregation of duties is established across departments, where our administrative department collects and verifies all required documents such as the property ownership certificate and landlord ID; our legal department reviews lease terms to confirm our Company’s responsibility for registration; our finance department withholds rental payments and escalates issues to management if a valid registration certificate is not provided; and our internal control department conducts periodic audits to assess compliance; (ii) the registration process requires the administrative department to initiate registration within five business days of signing the lease,

BUSINESS

submit all necessary documents, including the lease agreement, business licenses, and property ownership certificate, and perform cross check procedures with our legal department. Once the registration certificate is obtained, copies will be archived and retained by both the legal and the finance department; (iii) additional measures include maintaining a lease registration ledger by our administrative department to track key details such as property address, contract amount, and registration status; approval of payment by the finance department only upon receipt of the registration certificate; inclusion of lease registration status as a standard internal audit item; a dual-check mechanism by responsible personnel using a standardised checklist, with legal department’s verification of key documents to ensure filing accuracy; automated alerts for contract expirations; and the requirement that any lease amendment triggers a registration update within 15 business days. This framework of preventative and detective controls is designed to address various risk aspects and prevent recurrence of non-compliant lease registrations.

According to Chapter 5 of the Listing Rules and section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance which require a valuation report with respect to all our Group’s interests in land or buildings, for the reason that we had no single property with a carrying amount of 15% or more of our total assets in the most recent audited consolidated balance sheet.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) MATTERS

Governance on Environmental, Health and Safety (“EHS”) Matters

Our EHS policies include general EHS risk assessment methodology and risk management measures for EHS. Specifically, for environmental matters, we have established Health, Safety, and Environmental Management Measures (《健康、安全和環境管理方法》), covering aspects including (i) procedures on green operation and waste management, (ii) measures on energy conservation and carbon management and (iii) safety management. For employee safety and welfare matters, we have established policies including Occupational Health and Safety Management Manual (《職業健康安全管理手冊》), Training Management Measure (《培訓管理辦法》) and Welfare Management Regulation (《福利管理規定》). These measures cover our management of (i) employee occupational health and safety, (ii) employee training, professional and personal development and (iii) employee benefits and welfares.

We believe that our EHS management system enables us to accurately and closely identify and monitor the actual and potential impacts of EHS related risks on our business, strategy and financial performance and incorporate considerations for these issues into our business, strategic and financial planning.

We have established an ESG Working Group, which is oversighted by our Board and consists of representatives from our Finance, Operation and HR functions. We aim to minimise our impact on the environment in our business operations and monitor and manage our use of resources, including energy, water and other materials. Our ESG Working Group holds regular meetings to discuss ESG-related matters and receives reports from relevant departments, and submits reports to our Board for evaluation on a regular basis. Our Board reviews risks and opportunities relating to sustainability jointly with the ESG Working Group and approves ESG-related business strategies. Upon discussion and assessment, our Directors make resolutions on ESG-related issues raised by the ESG Working Group, formulate work plans and assign relevant tasks for follow-ups by the relevant departments and working units.

BUSINESS

Our ESG Working Group is responsible for assisting us to establish effective strategies and measures to identify, assess, manage and mitigate ESG and climate-related risks, including but not limited to:

- reviewing and evaluating ESG reports of comparable companies in the digital retail industry to ensure timely identification of all ESG-related risks;
- discussing with the management from time to time to ensure that all material ESG areas are identified and reported;
- discussing key ESG principles and practices with key stakeholders to ensure that important aspects are covered;
- formulating specific ESG risk management approaches and quantified performance indicators so as to identify and consider ESG risks and opportunities and separate ESG risks and opportunities from other business risks and opportunities;
- setting targets for environmental key performance indicators (“KPIs”), including emissions, pollution and other impacts on the environment, so as to reduce emissions and consumption of resources; and
- advising our Board on ESG reports, strategies, initiatives and objectives, and engaging with independent third-party advisers as our ESG adviser (the “**ESG Advisers**”) to assess our ESG-related risks and provide professional advices to our Board from time to time.

We are also committed to complying with ESG reporting requirements upon [REDACTED].

Potential ESG-related Risks

As a digital retail solutions provider, we recognise that our operations have environmental impacts through energy consumption, waste generation, and carbon emissions. We have made efforts towards environmental protection and energy efficiency.

We may be exposed to climate-related risks, which can be divided into two categories, namely, physical and transition risks. We define physical risks as risks related to the physical impacts as a result of climate change. Transition risk refers to the medium- and long-term financial risk associated with the shift towards a lower-carbon economy which can be prompted by, for example, changes in climate-related policies and regulations, technological changes, social trends or a change in market sentiment. Our operational costs may rise due to changes in climate-related policy and sustainable practice mandates. The ESG-related risks and the actual and potential impact of such risks on our business, strategy and financial performance are summarised below:

Type of Risk			Potential Impact
Physical risk	Acute risk	Frequent occurrence of typhoons, floods, droughts, snowstorms and other extreme weather	• Adverse impact on our employees’ commuting • Interruption of normal business activities
	Chronic risk	Rising average temperature	• Increased energy consumption in warehouses and offices resulting in higher energy costs • Decreased employee productivity and increased labour costs

BUSINESS

Type of Risk			Potential Impact
Transition risk	Policy and legal risk	Industry low-carbon policy requirements and tightening regulatory requirements	• Pressure on carbon costs • Government’s quotas allocation on carbon emission and pressure on carbon costs
		Litigation risk	• Litigation risk brought from the interruption of supply chain, resulting in our failure to perform future contracts on time
	Market and technology risk	Costs for transition to low-carbon emission technology	• Increased cost on upgrading facilities
		Changes in customer behaviour and preferences	• Loss of future orders and decreased future revenue resulting from insufficient disclosure of carbon neutrality goals and data • Demand from downstream corporate customers to upstream suppliers to formulate carbon-neutral strategic goals
	Reputational risk	Negative publicity	• Negative publicity on our reputation resulting from our inability to respond to shareholders’ expectation caused by insufficient disclosure on the reduction targets and information on emission

In view of the nature of our business, to the best knowledge of our Directors, the climate change will not have any major impact on our business operation. In the case of extreme weather conditions, we will take some necessary actions respond to the relevant government notices, make contingency plans in addition to the insurance contributed by our Group to ensure the safety of our staff. In the case of acute physical risks such as direct damage to assets and indirect impacts from supply chain disruption as a result of extreme weather events, we will make corresponding contingency and disaster preparedness plans, and we believe that we have the ability to deal with climate crisis. During the Track Record Period, we had not experienced any material impact on our business operations, strategies or financial performance as a result of environmental, social and climate-related issues.

Our Group will conduct a risk assessment at least once a year to cover the current and potential risks that we may face, including but not limited to, the risks arising from the ESG aspects and strategic risk around disruptive forces such as climate change. Our Board will assess or engage an external expert to evaluate the risks and review our existing strategy, target and internal controls, and necessary improvement will be implemented to mitigate the risks. Our Board, our ESG Working Group and our EHS manager will maintain oversight of our approach to risk management, including climate-related risks and risks monitored as part of the standard operating processes to ensure the appropriate mitigations are in place of the regular management reviews.

The decisions on the reduction, transfer, acceptance or control of the risks are affected by various factors such as government regulation and availability of energy-saving supplies. We will incorporate climate-related issues, including the analysis on physical and transition risks, into our risk assessment process and risk appetite setting. We will also assess the risks and opportunities in our strategic and financial planning process if such risks and opportunities are deemed to be material. Upon reviewing the environmental, social and climate-related risks and our performance in response to such risks each year, we may update our ESG strategies as appropriate.

Environmental Protection

With an aim to reduce negative impacts on the environment through our commitment to energy saving and sustainable development. We have adopted internal policies for environmental risk prevention to ensure our compliance with the requirements of the applicable national, industrial and local standards, laws, regulations and policies on resource consumption, hazardous waste disposals and emissions.

BUSINESS

Metrics and Targets

We strictly comply with the standards, metrics and targets established by relevant PRC environmental laws and regulations to evaluate and manage the environmental impact of our business activities. We have also set various goals to reduce our environmental impacts, and we continue to take significant steps toward these targets.

We rely on various metrics to measure the impact of environmental risks, which we believe align with industry standards. Such metrics are the amount of greenhouse gas (“GHG”) emissions, consumed resources including electricity and water, and the amount of hazardous waste. The following table sets out key environmental metrics of our business operations.

					For the four months ended 30 April 2026
		For the year ended 31 December			
	Unit	2023	2024	2025	
Emissions					
GHG emissions ⁽¹⁾					
	Tonnes of carbon dioxide equivalent (“tCO ₂ e”)				
Total (Scopes 1, 2)		656.18	589.46	586.37	164.92
Total (Scopes 1, 2, 3)	tCO ₂ e	768.63	708.65	693.34	196.48
(i) Direct emissions (Scope 1)	tCO ₂ e	—	—	—	—
(ii) Energy indirect emissions (Scope 2)	tCO ₂ e	656.18	589.46	586.37	164.92
(iii) Other indirect emissions (Scope 3) ⁽²⁾	tCO ₂ e	112.45	119.19	106.97	31.56
Total (Scopes 1, 2) intensity	tCO ₂ e / Employee	0.75	0.71	0.69	0.19
Total (Scopes 1, 2, 3) intensity	tCO ₂ e / Employee	0.88	0.86	0.81	0.23
Use of Resources					
Energy					
Total	MWh	1,057.50	949.97	945.00	265.79
(iv) Purchased electricity	MWh	1,057.50	949.97	945.00	267.79
Intensity	MWh/ Employee	1.21	1.15	1.10	0.31
Water					
Total	m ³	7,085.17	6,470.35	5,908.99	1,697.02
Intensity	m ³ / Employee	8.11	7.83	6.90	1.95
Waste					
Non-hazardous waste					
Total	Tonnes	234.11	301.78	159.53	44.78
Intensity	Tonnes/ Employee	0.27	0.37	0.19	0.05
Hazardous waste					
Total	Tonnes	0.45	0.37	0.15	0.05
Intensity	kg/ Employee	0.51	0.45	0.18	0.06

Notes:

(1) The calculation of GHG emissions made reference to the GHG Protocol published by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). Due to the business nature of the Group, there are no Scope 1 (Direct) emissions. Scope 2 (Energy Indirect) emissions cover GHG emissions of indirect energy resulted from purchased electricity consumed by our operations, while Scope 3 (Other Indirect) emissions occur in our Group’s value chain.

(2) The Scope 3 emissions include those arising from Category 6: business travel.

BUSINESS

We have also set various goals that will be reviewed on an annual basis based on respective historical consumption during the Track Record Period, and the consideration on future business expansion to reduce our environmental impacts, and we continue to take significant steps toward these targets:

- **GHG emissions.** We have related procedures in place to actively responding to the “carbon peaking and carbon neutrality” goal. In addition, we intend to reduce the level of our per employee GHG emission by approximately 5% by the end of 2030, through strengthening the use of energy-saving and environmental-friendly technologies such as automated power-off systems, increasing the proportion of low-carbon energy used in our operation.
- **Electricity consumption.** We have monitored our electricity consumption levels and implemented measures to improve energy efficiency during the Track Record Period. We intend to reduce the level of our per employee electricity consumption by approximately 5% by the end of 2030 through actively promoting energy conservation and consumption reduction in our daily operations. For example, we plan to encourage the purchase and use of energy-efficient electronic equipment in our office premises, including the choice of lighting and other electrical appliances used. We will ensure lights are switched off when not in use either manually or through automatic sensors, and request employees switching off certain power-consuming equipment or setting up automatic power shutdown for certain systems and devices when they are not in use.
- **Water consumption.** We have monitored our water consumption levels and implemented measures to promote water conservation during the Track Record Period. Our water resources are mainly used for daily use in offices. We intend to reduce the level of our per employee water consumption by approximately 5% by the end of 2030 through posting slogans on saving water in our office to encourage employees to save water when working in the office and increasing the use of cooling tower recirculated water in our operation.
- **Hazardous waste discharge.** We have monitored our hazardous waste discharge levels on a periodic basis during the Track Record Period. For any potential hazardous wastes we produce from our business operations, we engage qualified third parties for the disposal of hazardous materials and wastes. We intend to reduce the level of our per employee hazardous waste discharge by approximately 5% by the end of 2030 through regularly monitoring and assessing sources of hazardous waste generation and replacing or optimising processes, projects, materials and equipment that tend to unnecessarily generate such waste.
- **Waste disposal.** We have procedures in place for waste management to ensure compliant waste disposal and reduce environmental impact. The wastes we produce include but not limited to, cardboard, plastic packaging waste, adhesive tape and other paper packaging waste, which will be discarded into bins separately, to indicate the applicable waste disposal procedures. We intend to reduce the level of our per employee non-hazardous waste disposal by approximately 5% by the end of 2030 through regularly monitoring and assessing sources of waste generation.

Our initiatives to meet environmental targets are expected to yield both financial and non-financial impacts. Financially, our installation of energy-efficient technologies and waste management may increase cost. Non-financially, implementing these initiatives may increase employee engagement in sustainability practices, which strengthen their sustainability awareness and our reputation as a responsible business.

Measures on Minimising Impact on Environment

We have adopted various measures in each stage of our operation to minimise the impact of our business operations the environment, including but not limited to:

- In our daily operation: (i) encourage our employees to turn off lights and water supplies, equipment, and other electronic devices when the devices are not in operation and before they leave the premises, (ii) purchase and use of energy-efficient electronic equipment, (iii) conduct

BUSINESS

regular inspection and maintenance of equipment in order to check for abnormal conditions, and make prompt report to avoid potential damages, (iv) encouraging our employees to avoid printing hard copies whenever possible, and (v) conducting regular training for employee to increase the awareness of environmental protection;

- In procurement and logistics stage: (i) collaborate with suppliers to source packaging materials that meet environmental protection standards; (ii) promote the use of green packaging materials, such as biodegradable cardboards and eco-friendly bags, to minimise the use of traditional packaging materials like plastic foam; (iii) collaborate with logistic providers to shorten the package delivery distance from warehouses, thereby reducing the carbon footprint of the logistics; and
- In terms of warehousing: (i) optimise storage facilities by using energy-efficient lighting to reduce energy consumption, (ii) implement packaging optimisation strategies to reduce the amount of packaging materials and waste disposal, and (iii) recycle the packaging materials and potential packaging wastes such as cardboard and papers, whenever possible, to reduce the amount of resource used.

At the same time, we strive to cultivate a corporate culture of environmental protection and work closely with our business partners to build an environment-friendly ecosystem. We are committed to improving the environmental performance of our entire value chain, including office operations, supplier selection, warehousing management, logistics practices and packaging etc. For instance, we select environmentally friendly materials or streamline packaging processes according to client’s request to enhance packaging efficiency in goods delivery arrangement.

Employee Health and Occupational Safety

We have established an occupational health and safety management manual in accordance with the applicable laws and regulations. The manual outlines the overall safety management objectives and responsibilities, aiming to improve the occupational health and safety conditions in the workplace for our employees.

Our dedicated team responsible for health and safety matters conducts regular inspections in our workplace. In the event of emergencies includes but is not limited to natural disasters, public health events, safety incidents, social security events, and other emergencies that may have a significant impact on the Group and our employees, we will activate our emergency response plan to ensure the safety of our employees. We conduct safety education training session periodically, and organise safety drills to enhance employees’ safety management awareness and understanding on workplace safety practices and emergency response procedures.

We have established safety guidelines that our employees must strictly adhere to, and we provide our production staff with sufficient safety equipment. We routinely assess our office equipment and supplies to ensure their safety for our operations. Additionally, we conduct regular training sessions for employees to enhance their understanding and knowledge of safety procedures and accident prevention. During the Track Record Period, we did not experience any material accidents resulting in personal injury or property damage, nor did we face any material claims, lawsuits, penalties or disciplinary actions due to any material accidents.

Employee Diversity and Development

We are dedicated to promoting diversity, fairness and inclusivity within our working environment, offering equal opportunities and fair treatment to all our employees. Our recruitment, training, and corporate culture initiatives actively promote these values. We also support employees with special needs and uphold strict non-discrimination principles in hiring, ensuring decisions are based on candidates’ abilities and potential, without bias toward age, gender, or other protected characteristics. We have

BUSINESS

implemented employment policies, such as Compensation and Benefits Policy (《薪酬和福利制度》), Labor Management Policy (《勞動管理制度》), covering topics including but not limited to benefit, dismissal, equal opportunity and anti-discrimination, to enforce aforementioned principles in our operation. As of 30 April 2026, women represented 67% of our workforce.

We adhere to the relevant labour standards, laws and regulations in the relevant jurisdictions. Save as disclosed in “Business — Legal Proceedings and Compliance”, we are not aware of any material incidence of non-compliance related to labour right during the Track Record Period and up to the Latest Practicable Date.

We recognise the importance of training and career development to our employees, offering systematic training programmes and courses. We have established Training Management Measures (《培訓管理辦法》) and offer onboarding and skills training. The training courses cover various topics, such as e-commerce, marketing, design and leadership. We also encourage personalised development path based on individual interests and strengths, providing diverse career paths and promotion opportunities, as well as employee motivation schemes to encourage employees’ engagement and creativity.

Anti-corruption

We adhere to the principles of integrity and compliant development, striving to be transparent and fair during our operation. We have implemented internal policies related to anti-corruption, anti-bribery and anti-deception, including but not limited to, Conflict of Interest Management Policy (《利益衝突管理制度》), Daily Management Policy (《日常管理制度》) and Computer Network Usage Management Policy (《計算機網絡使用管理規定》). If we discover that our employee have committed commercial bribery, we reserve the right to terminate the employment contract.

Community Investment

We value social responsibilities and are committed to contributing to the communities by supporting elderly, children and vulnerable groups in the community, as well as frontline staff in local medical institutions.

DATA PRIVACY AND PROTECTION

Data privacy protection and cyber security are top priorities for us. We have developed strong cybersecurity technology and practices that safeguard our systems and data and have established a dedicated information security team to supervise our data protection and data security, ensure compliance with applicable laws and regulations and ensure we are meeting the expectations of consumers and our brand owners.

Internal Control Measures on Customers’ Data Privacy and Security under To-C Model

During the Track Record Period, we primarily store and conduct analysis on business operation-related data, such as order related data from ultimate consumers placed on major e-commerce platforms including Tmall and JD. com, which does not involve personal information-related data. Such data is processed and integrated into our order management system (OMS), and subsequently consolidated and transferred to our data warehouse for further business analysis. We do not directly handle or store decrypted personal information of consumers in our daily operations.

The following table sets out details of the data collection practice in our business operation.

BUSINESS

	To-C		To-B
	Online Stores on Both Domestic E-commerce Platforms and Cross-border E-commerce Platforms (Primarily Tmall Global)	Online Stores on Cross-border E-commerce Platforms (Other than Tmall Global)	Various E-commerce Platforms
Order data (name, number and quantity of the products)	Collected	Not collected	Not collected
Encrypted & anonymised personal information (recipient name, address, phone number)	Collected	Not collected	Not collected
Complete personal information (recipient name, address, phone number)	Can only be viewed after decryption, not collected	Can only be viewed after decryption, not collected	Cannot be viewed or collected
Transmission method for personal information used in delivery (recipient name, address, phone number)	Platforms provides directly to third-party logistics providers in encrypted format	Platforms provides directly to third-party logistics providers in encrypted format	Not applicable
Consent obtained prior to collection? <i>(note)</i>	Yes	Yes	Not applicable
Information storage location	Transmitted from the e-commerce platforms to the Order Management System (OMS), then consolidated into an encrypted database	Not applicable	Not applicable

Note: the consent is obtained from end customers when they register as users on e-commerce platforms. Such consent is collected by the e-commerce platforms, captured in the form of users clicking “Agree” to the platforms’ user agreement and privacy policy, which covers the subsequent data processing activities conducted by relevant third parties, including our Group, operating on the platforms. Furthermore, the ecommerce platforms mandate that third parties operating on them rigorously prioritise data security and user privacy. This is enforced through specific initiatives, such as data protection pledges, the requirement to enter into security protocols prepared by the platforms and to maintain a regularly updated security score assigned by the platform above a specified threshold.

Throughout the data integration process with brand owners’ ERP or SCM systems, we strictly adhere to privacy protection principles. Sensitive personal information (e.g., contact details and specific addresses) from orders is isolated and will not be integrated with the brand owners’ systems. These highly flexible integration solutions support customised configurations tailored to each brand owner’s IT architecture and business workflows, delivering secure and cost-effective digital collaboration.

In limited circumstances when we need access to certain types of personal information of the customers, such as their telephone numbers when we conduct our after-sale services, all such activities are conducted under strictly controlled conditions with comprehensive oversight measures in place. First of all, we can only obtain access to personal information by decrypting such information in the system of the e-commerce platforms. For example, Alibaba requires all service providers to operate on its Tmall Cloud server platform, which functions as an internal local area network for Alibaba. It exerts control over the server, which prohibits unauthorised downloads. When customers’ information are accessed or retrieved, a decryption operation must be conducted. The decryption operation is only conducted when necessary and for a specific business purpose, such as when our clients need to contact customers for after-sale services. Alibaba has adopted a set of data security measures to protect customers’ personal information security and mitigate the risks of information leakage, including (i) logging and monitoring each of our decryption operation, allowing operation actions to be traced back to the specific individual operator, (ii) limiting the volume of decrypted data within a certain ratio out of the daily transaction volume, (iii) imposing

BUSINESS

restrictions so that both encryption and decryption operations must be conducted on Alibaba Cloud. In other words, the data remains in an encrypted format when it is accessed out of Alibaba Cloud, even when it is downloaded to local device; and (iv) keeping customers’ personal information encrypted by default, and restricting decryption of customers’ personal information to two methods, one is to conduct decryption operation on the Alibaba platform, and the other is to operate system calls through a decryption interface for batch processing. Secondly, we adopt measures to adhere to such policies, for example, we do not provide access to our clients to locally stored personal information data, and we strictly prohibit batch processing for decryption operations. In addition, only our staff from the operations centre or the customer service team who are authorised with the access to the brand’s main account on relevant platforms, are able to perform data decryption operations. Tmall, JD.com and other e-commerce platforms we collaborate with have implemented similar measures to protect personal information of the customers, and we have consistently comply with the relevant policies, as well as established corresponding measures to support these initiatives.

When third-party logistics solution providers are involved, the relevant e-commerce platforms provide personal information (including customers’ names, phone numbers and residential addresses) in an encrypted format to them to streamline logistics and distribution processes. The provision of such information is essential for the effective management of warehousing, transportation and other logistics services. The printing components provided by such logistics solution providers are able to decrypt the encrypted information in the following way: the phone numbers are typically anonymised or partially masked, and all other contact information is consolidated into a QR code, so that the personal information of customers can be further protected. We do not handle or store any decrypted personal information throughout this process under our to-C model.

Based on the “Regulations on Promoting and Regulating Cross-Border Data Flows” (《促進和規範數據跨境流動規定》) issued and implemented by the Cyberspace Administration of China on 22 March 2024, which aims to further regulate and facilitate lawful and orderly cross-border data flows, and establishes a framework based on the implementation of systems such as security assessments for cross-border data transfers, standard contracts for outbound personal information, and personal information protection certification, our PRC Legal Advisers are of the opinion that data transfers from China to locations outside China constitute cross-border data transfer activities as defined by relevant PRC laws and regulations. Although we can remotely access information stored outside of China and we may transfer the personal information collected and generated outside of mainland China to mainland China for business analysis, we do not transfer data collected and generated during operations within mainland China to outside of China. We also do not allow foreign institutions, organisations or individuals to access, retrieve, download or export data stored within mainland China. During the Track Record Period and up to the Latest Practicable Date, we had not engaged in any cross-border data transfer activities (including the transfer of non-sensitive personal information). Over the past a couple of years, we have been conducting our cross-border ecommerce business in the following way: we purchase goods of foreign origin (the “**Cross-border Products**”) from overseas brand owners and store them in our overseas warehouses or bonded warehouses. Our overseas subsidiaries establish and operate stores on cross-border online platforms, and list and sell the Cross-border Products in these stores. When consumers in mainland China place orders in these stores, under the to-C model, we deliver the Cross-border Products to these consumers by picking the goods from bonded warehouses, handling customs clearance procedures, and engaging logistics service providers in mainland China to arrange transportation. Under the to-B model, we sell the Cross-border Products in bulk to e-commerce platforms or the distribution partners prior to customs clearance procedures. As this process involves cross-border business operations such as customs declaration and clearance, the fulfillment services for these Cross-border Products are contracted by us to well-known professional overseas cross-border supply chain suppliers within China, which are responsible for tasks such as inventory management and shipping. Order information is obtained directly by the aforementioned domestic suppliers, and we are not involved in the collection, storage, access, or processing of orders or personal information. This ensures that our business practices do not involve cross-border data transfer activities outlined in the relevant PRC regulations, as confirmed by our PRC Legal Advisers. In addition, we enter into data security protection agreements with our business partners which are

BUSINESS

headquartered overseas to ensure compliance with relevant requirements. During the Track Record Period and up to the Latest Practicable Date, our PRC Legal Advisers confirm that we had complied with cross-border data transfer, data security and personal information protection laws and regulations in the jurisdictions where we operate in all material respects.

Information System Risk Management

Our multi-layer security infrastructure provides comprehensive data security infrastructure for continuous monitoring and system protection throughout all platforms. In addition, we have developed a series of internal management policies and operating procedures for data protection and personal information protection, and have implemented corresponding technical measures to prevent data security incidents such as data leakage. We have obtained level 3 information system security protection (信息系統安全等級保護三級) certificate.

We have established internal policies to identify the responsibilities for protecting personal information within our Group, as well as the basic security requirements for personal information processing.

We have implemented a number of measures to maintain system security, including anomaly detection alerts at business level and operation alerts at user level, regular account clean-up and management, dual-line backup for our data centres. We require each of our employee to enter into confidentiality agreement with us and undertake not to disclose confidential information to external parties. At the hardware level, we have established firewalls and deployed security systems on desktop terminals, which we believe effectively provide virus protection, and facilitate remote software management.

Additionally, we leverage a combination of Alibaba Cloud and local data centres for data storage and processing. We have implemented backup management protocols for our cloud platforms. These include tailored local and offsite backup mechanisms, strategically deployed based on business requirements, to mitigate risks of user data loss or leakage. Most of our business production systems are deployed on Alibaba Cloud, and our local data centres primarily support the establishment and maintenance of data warehouse, storage and our NCC (NC Cloud) financial system, as well as internal testing environment. We have also established a remote data centre at our operations hub in Changzhou, Jiangsu to enhance data security and ensure backup storage. All access to or processing of user data is subject to assessment and approval protocols, ensuring that only authorised and legitimate requests are executed. During the Track Record Period, all the data collected by us were stored within the PRC only.

In terms of database management, we have adopted the database management service (DMS) unified configuration management platform. All operational personnel are required to perform database modifications, queries, or anomaly handling through this platform, ensuring that every action is logged in detail and can be traced back. The advantages of this platform include maintaining operation traces and allowing reverting any changes made to the database back to a previous state, prevent data loss or errors caused by operational mistakes. To further mitigate data loss or leakage risks, we back up data and perform recovery testing regularly.

We enforce strict authorisation controls for each operator to enhance data security and access management. We classify data based on its sensitivity and the level of security required. The most sensitive, core-level data is accessible only to highly authorised personnel, requires identity authentication and encrypted transmission, and is securely stored. In addition, each authorisation has a defined time limit and is restricted in the amount of data accessible. We conduct routine security configuration assessments on all databases and servers, regularly manage log protocols with defined procedures.

Our information security management team has compiled an Information Management Protocol which includes a function allocation table that clearly defines the responsibilities for password management, password control protocols and password usage strategies. This manual has been developed in accordance with ISO/IEC 27001:2013 “Information technology — Security techniques — Information security

BUSINESS

management systems — Requirements” and with reference to ISO/IEC 27002:2013 “Information Technology — Security Techniques — Code of Practice for Information Security Controls”, and has incorporated industry-specific information security characteristics. The manual was reviewed by our management and approved for release by our general manager.

Our PRC Legal Advisers conducted a telephonic consultation (the “**Consultation**”) on 8 April 2025 with the China Cybersecurity Review, Certification and Market Regulation Big Data Centre (中國網絡安全審查認證和市場監管大數據中心) (the “**Centre**”). The Centre is authorised by the Cybersecurity Review Office of the CAC to accept public consultation and cybersecurity review submissions and is the competent authority to provide views and interpretation relating to the MCR. Article 2 and Article 7 of the MCR stipulates that enterprises which are (i) critical information infrastructure operators purchasing network products and services, or online platform operators carrying out data processing activities, which impact or may impact national security, shall undergo cybersecurity review (Article 2); and (ii) online platform operators possessing the personal information of over one million users that intend to list abroad must declare a cybersecurity review to the Cybersecurity Review Office (Article 7). Based on the Consultation, and as advised by our PRC Legal Advisers, our Directors believe that as long as there is no material change to our current business and no further rules are introduced and no significant changes to the enforcement of the MCR by governmental authorities, cybersecurity review under the Article 2 and Article 7 of the MCR shall not be applicable to us. As of the Latest Practicable Date, we have not been designated as a “critical information infrastructure operator” by the department responsible for the protection of critical information infrastructure in accordance with the Regulations on the Security Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》), nor have we received any form of notice from the relevant industry or supervisory authorities requiring us to undergo the cybersecurity review. Our proposed [REDACTED] venue is Hong Kong, China. Based on the Consultation, a [REDACTED] in Hong Kong does not constitute “listing abroad” as stipulated in Article 7 of the MCR.

During the Track Record Period and up to the Latest Practicable Date, we had complied with applicable data security and personal information protection laws and regulations in all material aspects.

During the Track Record Period and up to the Latest Practicable Date, we had not been subject to regulatory investigations, administrative penalties or public notifications related to data security and personal information protection, and we have not experienced any significant data security incidents related to theft, leakage, damage or loss of data or personal information.

As such, our Directors and PRC Legal Advisers are of the view that, during the Track Record Period and up to the Latest Practicable Date, we had adhered to all material aspects of the currently effective and applicable PRC laws and regulations concerning privacy and personal data protection.

Additionally, the internal control consultant has reviewed the abovementioned internal policies and procedures related to data privacy protection, system maintenance and data management, particularly those relating to the safeguarding of personal information in connection with operation-related data collected and/or processed by us. Based on the review and testing of IT general control policies and procedures, including the implementation of firewalls to protect against unauthorised access and hacking activities, network security management, anti-virus protocols, regular server backups in the local office with remote backup redundancy, and comprehensive account and password management where access to main computers and servers is restricted to a limited number of authorised employees only, our internal control consultant has concluded that no significant internal control deficiency was found.

BUSINESS

LEGAL PROCEEDINGS AND COMPLIANCE

Legal Proceedings

We may from time to time become a party to various litigation, arbitration or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, there were no unresolved litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material and adverse effect on our business, financial condition or results of operations.

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any material incidents of non-compliance. Our Directors are of the view, and our PRC Legal Adviser have confirmed, and the Sole Sponsor has concurred, 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. Our Directors are of the view, and the Sole Sponsor has concurred, that we had complied, in all material respects, with all relevant laws and regulations in jurisdictions where we conduct our business during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period and up to the Latest Practicable Date, we had made social insurance and housing provident fund contributions for all our employees in full.

Foreign Investment Restrictions

As of the Latest Practicable Date, the business scope and actual operations of our Company and our PRC subsidiaries did not involve any business prohibited for foreign investment under the “Special Administrative Measures (Negative List) for Foreign Investment Access (2024 Edition)” (《外商投資准入特別管理措施(負面清單)(2024年版)》), the “**Negative List**”).

The business scope of our Company and our PRC subsidiaries Shanghai Kaihan and Beijing Kaijing include “market research”, in that they had been engaged in conducting market research activities (not involving radio and television audience rating surveys) for brand owners as of the Latest Practicable Date. According to the Negative List, the business of “market research” is restricted to joint ventures, and in addition, radio and television audience rating surveys must be controlled by the Chinese party. Given that there are four Shareholders of our Company who are not going to participate in the H-share full circulation we have applied for, and considering that our Company, Shanghai Kaihan and Beijing Kaijing do not actually engage in market research business involving radio and television audience rating surveys, our PRC Legal Advisers are of the view that the inclusion of “market research” in the Company’s business scope before and after our proposed [REDACTED] and the implementation of the H-share full circulation does not violate the restrictions on foreign investment stipulated in the Negative List. During the Track Record Period and up to the Latest Practicable Date, and before and after the proposed [REDACTED] and the implementation of H-share full circulation, our Company and our PRC subsidiaries had complied with foreign investment access policy requirements.

We confirm and undertake that we will ensure that our business scope and that of our PRC subsidiaries will continue to comply with the requirements in the Negative List after the [REDACTED]. Should we intend to engage in businesses within the restricted categories for foreign investment in the future, we will conduct prudent analysis and ensure full compliance with the relevant foreign investment access policy requirements as a prerequisite.

To ensure continual compliance and avoid engaging in business activities prohibited by the Negative List, we have established a Foreign Investment Management System (《對外投資管理制度》), which includes guidelines for compiling the Feasibility Study Report (《可行性研究報告》) for foreign investment projects (the “Guide”). The Guide outlines a three-stage process: (i) project initiation (項目立項) (“Stage 1”); (ii) project feasibility demonstration (項目可行性論證) (“Stage 2”); and (iii) project decision-making (項目決策) (“Stage 3”).

BUSINESS

In Stage 2, a thorough investigation, research, and evaluation must be conducted to compile the Feasibility Study Report. This verification procedure ensures that all investment activities strictly comply with relevant PRC laws, regulations, and regulatory requirements, and that we shall not participate in business areas explicitly prohibited under the Negative List.

In Stage 3, the General Manager’s Office coordinates with relevant departments to review the Feasibility Study Report and provide an investment recommendation. Once approved by the General Manager’s Office, the project is submitted for final approval to our General Manager, Board of Directors, or Shareholders’ Meeting, as stipulated by the relevant authorisation framework.

Furthermore, the Foreign Investment Management System explicitly prohibits subsidiaries from making independent investment decisions without obtaining prior approval from the Company. The standardised procedures governing the three stages of the Feasibility Study Report help mitigate the risk of investment decision-making errors by providing an objective, research-based foundation for informed decisions. The segregation of duties inherent in the process establishes a cross-check mechanism between business departments and decision-making levels, and the written report ensures traceability throughout the decision-making process.

The legal and regulatory verification measures embedded in Stage 2 integrate compliance risk control directly into the investment evaluation process. Adherence to requirements such as those outlined in the Negative List helps mitigate legal and reputational risks associated with investing in prohibited sectors. The project decision-making and approval authority system establishes a structured authorisation framework, requiring approvals from appropriate levels (General Manager, Board of Directors, or Shareholders’ Meeting). The review process led by the General Manager’s Office provides an independent assessment of the Feasibility Study Report, enhancing the rigor of investment evaluation.

Additionally, the restriction preventing subsidiaries from making independent investment decisions without approval ensures that the parent company maintains effective control over the group’s overall investment strategy and risk exposure, thereby preventing potential misalignment or uncontrolled risks arising from autonomous subsidiary actions.

In conclusion, by mandating feasibility studies, legal verification, and a multi-tiered approval system, the integrated controls effectively ensure regulatory compliance in investment decision-making, with due consideration given to the Negative List.

INTERNAL CONTROL AND RISK MANAGEMENT

We are exposed to various risks during our operations. We have established risk management systems with relevant policies and procedures that we believe are appropriate for our business operations. Our policies and procedures relate to various processes including sales performance across multiple platforms, supply chain, inventory management, human resources, fixed assets management, treasury and cash management, financial statements, and information disclosure and IT.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the [REDACTED], we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an Audit Committee to review and supervise our financial reporting process and internal control systems. The Audit Committee reports directly to the Board of Directors. Its responsibilities include making recommendations to our Directors on the appointment and removal of external auditors, reviewing our financial statements and overseeing our financial reporting and internal audit, overseeing our risk management and internal control procedures, and performing other duties as assigned by our Directors. For the qualifications and experience of the committee members, see “Directors, Supervisors and Senior Management”;
- establish an internal audit department under the Audit Committee, which is responsible for overseeing settlement and audit on logistics as well as internal auditing;

BUSINESS

- adopt various policies to ensure compliance with the Listing Rules, including, but not limited to, aspects related to continuing obligations on corporate governance standards, controls on connected party transactions, requirements for major acquisitions and disposals (i.e. notifiable transactions) and disclosure obligation under rules on inside information etc.;
- provide anti-corruption and anti-bribery compliance training periodically to our senior management and employees, and integrity training courses to new employees as part of their orientation programme, to enhance their knowledge of and compliance with applicable laws and regulations, and include relevant policies against non-compliance in employee handbooks. In addition, all of our employees and business partners are required to sign a commitment letter regarding integrity and honesty prior to their onboarding;
- organise training sessions for our Directors, supervisors and senior management in respect of the relevant requirements of the Listing Rules;
- maintains an intellectual property compliance framework that includes established usage guidelines with consistently updated authorised content lists, enforced policies against the use of unauthorised third-party asset, and regular IT audits covering, among others, software compliance and security vulnerabilities;
- establish a set of emergency procedures in the event of major quality-related issues; and
- provide enhanced training programmes on quality assurance and product safety procedures.

FINANCIAL INFORMATION

You should read the following discussion in conjunction with the consolidated financial statements of our Group included in the Accountants’ Report and the notes thereto included in Appendix I to this document, and the selected historical financial information and operating data included elsewhere in this document. The consolidated financial statements of our Group have been prepared in accordance with IFRS.

Our historical results do not necessarily indicate results expected for any future periods. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set out under “Risk Factors” and elsewhere in this document.

OVERVIEW

We are a digital retail solutions provider in China, dedicated to offering end-to-end and multi-channel digital retail solutions for established brands. Based on the specific needs and product characteristics of each brand owner, we adopt differentiated collaboration models to provide comprehensive and tailored digital retail solutions, including brand positioning, consultation of product development, retail operations, channel management, marketing and promotion, order fulfilment, as well as data and IT services. As part of our provision of end-to-end digital retail solutions, typically, we purchase products from brand owners and we sell these products to end consumers, e-commerce platforms or distribution partners. We also record revenue from the provision of services by providing the following services to our brand owners, including (i) traffic acquisition and branding services, (ii) e-commerce store operation services, (iii) brand value enhancement services, and/or (iv) data and IT services. In 2023, 2024 and 2025, we recorded total revenue of RMB1,722.9 million, RMB1,698.6 million and RMB1,757.2 million, respectively.

BASIS OF PREPARATION

Our Company was incorporated in the PRC as a company with limited liabilities in July 2010. In September 2015, we were converted into a joint stock company with limited liability.

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, we have consistently applied the accounting policies which conform with IFRS accounting standards, which are effective for our accounting period beginning on 1 January 2022, throughout the Track Record Period. See Note 2 as set out in Appendix I to this document for details on application of new and amendments to IFRS accounting standards that are adopted by us.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, financial position and results of operations have been, or may expected to be in the future, significantly affected by a number of factors, many of which may be beyond our control. A discussion of certain of the key factors is set out below.

The Growth of Digital Retail Solutions Market in China

We believe that the overall growth of China’s digital retail solutions industry has significantly impacted, and will continue to significantly impact our revenue growth. According to CIC, China’s overall digital retail penetration rate has been steadily increasing over the years, rising from 22.9% in 2021 to 29.5% in 2025. Meanwhile, the market size for digital retail solutions in China continued to grow, increasing from RMB1.4 trillion in 2021 to RMB2.2 trillion in 2025 in terms of GMV at a CAGR of 12.3%. Our GMV was RMB10,002.0 million, RMB13,459.0 million and RMB15,061.6 million in 2023, 2024 and 2025, respectively. Our revenue amounted to RMB1,722.9 million, RMB1,698.6 million and RMB1,757.2 million in 2023, 2024 and 2025, respectively.

According to CIC, the market size for digital retail solutions in China is expected to increase to RMB3.8 trillion in 2030. We believe that we are well positioned to capture the expected growth within China’s digital retail solutions market with our end-to-end capabilities and extensive service compatibility.

FINANCIAL INFORMATION

See “Industry Overview — China’s Digital Retail Solution Market” for further details on the expected growth of the digital retail solutions market in China, and “Risk Factors — Risks Related to Our Business and Industry — If the digital retail market in China does not grow, or grows more slowly than we expect, demand for our solutions could be adversely affected” for risks related to the market we operate in.

Success of Our Brand Owners and Our Ability to Retain and Attract Them

As our success is substantially dependent upon the success of our existing and future brand owners, our financial performance is closely tied to the size and engagement of our brand owner network. Sustaining and expanding this base is essential for maintaining and growing our revenue streams from sales of goods and provision of services. See “Our success is tied to the business needs and performance of existing and future brand owners that we serve. If the complexities and challenges faced by brand owners seeking to sell online diminish, or if they choose to enhance their in-house e-commerce capabilities of their own accord instead of utilising our solutions, demand for our solutions could be adversely affected”, “If we are unable to retain our existing brand owners, our results of operations could be materially and adversely affected”, and “If the ramp-up of operations for newly-added brand owners does not meet our expectations, our results of operations and financial condition may be materially and adversely impacted” in “Risk Factors — Risks Related to our Business and Industry” for risks relating to success of our brand owners and our relationship with them.

Since our inception, we have served more than 200 brands, including over 100 international brands. Our brand owners cover food & beverage, beauty & personal care, baby & kids, pop toys, pets, health, and outdoor sports industries as well as chain enterprises and our ability to attract new brand owners is crucial for ongoing growth and stability. Leveraging our rich experience in providing end-to-end solutions to established brands across industries, our capability of deeply embedding in platforms ecosystems to drive multi-channel brand growth, our digital intelligence which underpins a refined operation system, and our seasoned management and professional team with strategic insight and extensive industry experience, we believe that we are boosting brand owners commercial efficiency and business outcomes through the consistent delivery of sustainable commercial value to them. For risks relating to success of our brand owners and our relationship with them, see “Business — Our Strengths” for our competitive strengths and “Business — Our Strategies — Continuously Expand into Emerging Industries and Broaden Brand Coverage” for our strategies on maintaining and expanding our brand owner base.

Our Ability to Drive GMV and Revenue, along with Our Product Mix and Pricing Strategies

Our GMV was RMB10,002.0 million, RMB13,459.0 million and RMB15,061.6 million in 2023, 2024 and 2025, respectively. Our revenue amounted RMB1,722.9 million, RMB1,698.6 million and RMB1,757.2 million in 2023, 2024 and 2025, respectively. See “— Results of Operations” for details. To drive GMV and revenue growth, our business goals shall include, among others, enhance traffic to brand owners’ authorised flagship stores and other brand stores operated by us, improve conversion rates, increase average order values, cultivate customer loyalty, deliver exceptional shopping experiences, and broaden our product assortment.

Our revenue as a percentage of our GMV and our profitability could vary depending on the mix of our revenue from the sale of products and the provision of services, respectively, and brand owners’ category mix during certain time period. This could have an impact on our profitability.

Increases in GMV also depend on our strategies on managing product pricing under sale of goods and determining service fees charged to brand owners. The dynamic market environment encourages us to continuously refine our pricing strategies to remain competitive and profitable. See “ — Description of Selected Components of Consolidated Statements of Profit or Loss and Other Comprehensive Income — Revenue”, “Business — Our Business Model — Our Solutions - Sale of Goods — Pricing for Sale of Goods” and “Business — Our Business Model — Our Solutions - Provision of Services — Pricing for Provision of Services” for details of our pricing mechanism.

FINANCIAL INFORMATION

Our Ability to Effectively Operate on E-Commerce Platforms and Other Channels

We have developed multi-channel service capabilities to help our brand owners operate across various sales channels while achieving optimal operational efficiency. Based on our long-term engagement with major digital retail platforms, we have established an multi-channel network covering over 10 core platforms including Tmall, JD.com, Douyin and Pinduoduo to provide multi-channel digital retail solutions to our brand owners through professional teams. We believe that our multi-channel service capabilities differentiate us from our competitors and help us maintain long-term trusted relationships with our brand owners.

Our future growth depends on our ability to enhance cooperation with e-commerce platforms, and social media / content driven channels, such as Douyin, WeChat Mini Programmes and RED (Xiaohongshu), as well as O2O platforms like Meituan and Taobao Flash Sale. Strengthening these partnerships will support our short-term operations and long-term growth. If we fail to effectively operate on these platforms, our ability to serve brand owners on multiples platforms and channels will be affected. See “Risk Factors — Risks related to Our Business and Industry — If we fail to effectively operate on e-commerce platforms and channels or adapt ourselves to emerging e-commerce platforms and channels, or if e-commerce platforms and channels otherwise curtail or inhibit our ability to integrate our solutions with their channels, our solutions would be less appealing to existing and potential brand owners” for relevant risks involved.

Our Investment in Improving Technology Systems

Strong digital intelligence capabilities underpin our offering of quality operation services. These capabilities enhance our ability to retain and attract brand owners, expand service offerings, and drive revenue. Levering our digital intelligence capabilities, we have developed multi-layer microservice architecture and several core business systems. Building upon the microservice architecture and our business systems, our digital solutions and innovative applications framework converts technical capabilities into tangible business value, and completes the value chain from infrastructure to commercial implementation. See “Business — Information Technology Systems” and “Business — Digital Solutions and Innovative Applications” for details.

Cost-efficient investments in technology systems will also play a key role in our operational efficiency. We devote substantial resources to our research and development initiatives, concentrating on establishing a fully integrated intelligent e-commerce platform, to expand our technological footprint assist our brand owners in achieving digital transformation. Our research and development expenses amounted to RMB14.4 million, RMB11.3 million and RMB11.4 million in 2023, 2024 and 2025, respectively. Continuous innovation and development of internal technology applications that meet the customised needs of brand owners and the technical requirements of external e-commerce platforms will ensure we remain competitive and adaptable to new market conditions.

Scalability, Cost Efficiency, and Working Capital Management

Our expansion will result in substantial demands on our management, operational, technological, financial and other resources. Controlling costs, optimising working capital, and leveraging economies of scale to secure favourable terms with suppliers, platforms, and service providers are vital to sustaining profitability. However, rapid growth may also increase the risk of talent attraction, as heightened workloads and organisational changes could strain employee retention. See “Risk Factors — Risks Related to Our Operations — If we are unable to recruit, train and retain qualified personnel or sufficient workforce while controlling our labour costs, our business may be materially and adversely affected”. Proactive measures, such as competitive compensation, career development opportunities, and a supportive workplace culture, will be critical to mitigating this risk. Additionally, advanced analytics to forecast inventory turnover and sales trends will enhance operational efficiency.

FINANCIAL INFORMATION

Development in Applicable Laws and Regulations

Our business operations are influenced by the evolving legal and regulatory landscape governing the e-commerce and digital retail sector in China and in the overseas jurisdictions we operate. We are subject to a complex framework of laws and regulations, including those related to e-commerce compliance, digital retail solutions governance, consumer protection, and data security and cybersecurity etc. Staying abreast of and adapting to these regulatory changes ensures our operations remain compliant and can continue to thrive. See “Risk Factors — Risks Related to Doing Business in the PRC — We are subject to laws that are applicable to retailers, including advertising and promotion laws and consumer protection laws that could require us to modify our current business practices and incur increased costs” and “Risk Factors — Risks Related to Doing Business in the PRC — Failure to comply with E-Commerce Law may have a material adverse impact on our business, financial conditions and results of operation” for relevant risks and uncertainties.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments related to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and operational results. Our management continuously evaluates such estimates, assumptions and judgments based on past experience and other factors, including industry practices and expectations of future events that are deemed to be reasonable under the circumstances. See Notes 3 and 4 of the Accountants’ Report set out in Appendix I to this document for further details. There has not been any material deviation from our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Revenue from Contracts with Customers

Sales of Goods

Our revenue generated from selling products is recognised on a gross basis, because (i) we, rather than the brand owner, are primarily responsible for fulfilling the promise to provide the specified goods; (ii) we bear the inventory risk; and (iii) we have discretion in determining the product price.

Under to-C model, the control of the goods transfers when the end consumers manually confirm receipt of goods within the period stipulated by the e-commerce platform (typically being seven days upon delivery by logistics service providers); or when the e-commerce platform automatically acknowledges receipt of the order after the stipulated period (typically being ten days for domestic online stores (and 20 days for cross-border online stores) after the goods are shipped). The advance payment made by customers will only be transferred from the platform’s designated escrow account to our authorised flagship store’s and other brand store’s fund account with the relevant authorised flagship store and other brand store after the order is confirmed as received.

Under to-B model, the control of the goods transfers when the relevant e-commerce platform, as our customer, issues documents (e.g., settlement statements) evidencing transfer of control over goods, or when the goods are delivered to the designated locations or transferred to the specified carriers. In determining the transaction price, we consider the effects of variable consideration (e.g., rebate and discount) and estimate the amount of consideration to which we will be entitled using the expected value method, which better predicts the amount of consideration to which we will be entitled. We typically require advance payment from our distribution partners before delivery. The transaction price received is recognised as a contract liability until the goods are delivered to our distribution partners.

FINANCIAL INFORMATION

Provision of Services

We also record revenue from the provision of services by providing the following services to our brand owners, including (i) traffic acquisition and branding services, (ii) e-commerce store operation services, (iii) brand value enhancement services, and/or (iv) data and IT services. We collect service fees or incentives from these services. Revenue from the provision of services is recognised over time as the customer simultaneously receives and consumes the benefits provided by our performance as we perform. Alternatively, revenue is recognised at point of time as the customers receive the goods.

Over Time Revenue Recognition: Measurement of Progress towards Complete Satisfaction of a Performance Obligation

Revenue from the provision of services is recognised over time when the customer simultaneously receives and consumes the benefits of our performance, or at a point in time upon the delivery of the service to the customer.

RESULTS OF OPERATIONS

The following table sets out a summary of our consolidated statements of comprehensive income for the years indicated both in absolute amount and as a percentage of our total revenue.

	Year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Revenue	1,722,898	100	1,698,554	100	1,757,210	100
Cost of sales	(1,328,139)	(77.1)	(1,328,401)	(78.2)	(1,370,274)	(78.0)
Gross profit	394,759	22.9	370,153	21.8	386,936	22.0
Other income	21,475	1.2	15,153	0.9	13,559	0.8
Impairment losses under expected credit loss (“ECL”) model, net of reversal	(967)	(0.1)	(169)	(0.0)	927	0.1
Other gains and losses	2,970	0.2	2,088	0.1	2,401	0.1
Selling and marketing expenses	(227,977)	(13.2)	(219,042)	(12.9)	(228,138)	(13.0)
Administrative expenses	(75,413)	(4.4)	(70,557)	(4.2)	(64,725)	(3.7)
Research and development expenses	(14,360)	(0.8)	(11,250)	(0.7)	(11,413)	(0.6)
Share of results of associates	504	0.0	(432)	(0.0)	(290)	(0.0)
[REDACTED]	—	—	—	—	[REDACTED]	[REDACTED]
Finance costs	(9,774)	(0.6)	(7,534)	(0.4)	(6,839)	(0.4)
Profit before tax	91,217	5.3	78,410	4.6	79,011	4.5
Income tax expense	(23,627)	(1.4)	(17,976)	(1.1)	(18,151)	(1.0)
Profit for the year	<u>67,590</u>	<u>3.9</u>	<u>60,434</u>	<u>3.6</u>	<u>60,860</u>	<u>3.5</u>

Non-IFRS Measure

To supplement our consolidated financial statements that are presented in accordance with IFRS, we also use adjusted profit for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure), as additional financial measures, which are not required by, or presented in accordance with IFRS. We believe that these non-IFRS measures facilitate comparisons of operating performance from period to period by eliminating potential impact of certain items. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated financial statements in the same manner as they help our management. However, our presentation of adjusted profit for the year (a non-IFRS measure) and adjusted net margin (a non-IFRS measure) may not be comparable to similar item measures presented by other companies. The use of these non-IFRS measures has limitations as an analytical tool, and you should not consider them in isolation from, or as substitute for analysis of, our

FINANCIAL INFORMATION

consolidated financial statements or financial condition as reported under IFRS. We define adjusted profit for the year (a non-IFRS measure) as profit for the year adjusted for [REDACTED]. We define adjusted net margin (a non-IFRS measure) as adjusted profit for the year (a non-IFRS measure) as a percentage of our total revenue, which is set out in “— Key Financial Ratios” in this section.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Reconciliation of net profit to adjusted profit (non-IFRS measure)			
Profit for the year	67,590	60,434	60,860
Add:			
[REDACTED]	—	—	[REDACTED]
Adjusted profit (non-IFRS measure)	<u>67,590</u>	<u>60,434</u>	<u>74,267</u>

Our adjusted profit for the period (a non-IFRS measure) increased from RMB60.4 million in the year ended 31 December 2024 to RMB74.3 million in the year ended 31 December 2025, primarily due to improved profitability.

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

Based on the specific needs and product characteristics of each brand owner, we adopt differentiated collaboration models to provide comprehensive and tailored digital retail solutions.

According to CIC, digital retail solutions providers have a variety of revenue models to monetise their solutions provided to brand owners. Typically, they either procure products from brand owners at a reduced cost and generate revenue from the sales of goods, or record service fees received as revenue from the provision of services. In FMCG industry, it is common for brand owners to select digital retail solutions providers that have a deep understanding of their products and the capability to conduct onward sales. Consequently, digital retail solutions providers primarily focusing on FMCG industry would typically generate a majority of their revenue from the sales of goods which enables them to increase brand stickiness, according to CIC. As part of our provision of end-to-end digital retail solutions, generally, we purchase products from brand owners and we sell these products to end consumers, e-commerce platforms or distribution partners, and generate revenue from the sales of goods.

Our ability to provide comprehensive digital retail solutions across multiple platforms help brand owners reach consumers more efficiently, and they seek to leverage our strengths to achieve improved sales performance. Through conducting onward sale of our brand owners’ products with our comprehensive digital retail solutions capability, we believe we are better positioned to maintain stability and stickiness of our relationship with brand owners and expand our offering of solutions to them, in particular those in the FMCG industry. We also record revenue from the provision of services by providing the following services to our brand owners, including (i) traffic acquisition and branding services, (ii) e-commerce store operation services, (iii) brand value enhancement services, and/or (iv) data and IT services. The service fees we receive are recorded as revenue from the provision of services.

See “Business — Our Business Model” and “— Material Accounting Policies and Estimates — Revenue from Contracts with Customers” for further details on revenue recognition and pricing mechanisms for our business lines of sales of goods and provision of services.

FINANCIAL INFORMATION

The following table sets out a breakdown of our revenue in absolute amounts and as a percentage of our total revenue for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sales of goods						
To-C	1,030,981	59.8	973,948	57.3	1,060,438	60.3
To-B	556,655	32.3	582,433	34.3	540,795	30.8
<i>E-commerce platforms</i>	334,966	19.4	381,869	22.5	314,331	17.9
<i>Distribution partners</i>	221,689	12.9	200,564	11.8	226,464	12.9
<i>Sub-total</i>	1,587,636	92.1	1,556,381	91.6	1,601,233	91.1
Provision of services						
<i>Sub-total</i>	135,262	7.9	142,173	8.4	155,977	8.9
Total	1,722,898	100.0	1,698,554	100.0	1,757,210	100.0

The following table sets out a breakdown of our revenue by types of goods or services in absolute amounts and as a percentage of revenue for the years indicated.

Revenue	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sales of Goods	1,587,636	92.1	1,556,381	91.6	1,601,233	91.1
Consumer goods brands						
<i>Food & beverage</i>	562,927	32.6	650,170	38.4	643,763	36.6
<i>Health</i>	350,356	20.3	394,657	23.2	406,141	23.1
<i>Pets</i>	283,326	16.4	207,977	12.2	196,793	11.2
<i>Beauty & personal care</i>	169,873	9.9	122,018	7.2	165,115	9.4
<i>Baby & kids</i>	152,868	8.9	127,954	7.5	102,409	5.8
<i>Pop toys</i>	65,369	3.8	53,439	3.1	87,012	5.0
<i>Other categories (note)</i>	2,917	0.2	166	0.0	—	0.0
Provision of Services	135,262	7.9	142,173	8.4	155,977	8.9
Retail chain brands	50,986	3.0	57,833	3.4	58,063	3.3
Outdoor sports	1,890	0.1	18,642	1.1	20,598	1.2
Other categories <i>(note)</i>	82,386	4.8	65,698	3.9	77,316	4.4
Total	1,722,898	100.0	1,698,554	100.0	1,757,210	100.0

Note: “Other categories” under sales of goods include various other categories of products we purchased from our brand owners; and “other categories” under provision of services primarily include services covering retail e-commerce store operations, brand value enhancement and data and IT services under sales of goods, as well as home appliances.

FINANCIAL INFORMATION

Revenue from the food & beverage sector increased in the Track Record Period, primarily contributed by revenue growth throughout the three years from the goods we sold from the Brand Owner A as described in “Business — Our Business Model — Our Solutions: Sales of Goods — Case Study: Our Comprehensive Solutions Provided to a Brand Owner”, and a major food brand newly partnered with us in 2024. Revenue from the health sector increased during the Track Record Period, primarily contributed by revenue growth from a brand owner specialised in medical devices, which expanded its operation to Tmall Supermarket in 2023 and further extended to AliHealth in 2024.

Revenue from the pet sector decreased during the Track Record Period, as we optimised our brand portfolio and terminated our cooperation with a major pet brand in 2023 as we consider the renewed terms it proposed to be unfavourable, resulting in no sales in connection with this brand in the last couple of months in 2023 and the full year of 2024, as compared to the revenue generated in the first couple of months in 2023 before the termination of collaboration. Revenue contributed by the aforesaid pet brand was RMB68.0 million, nil and nil in 2023, 2024 and 2025, respectively.

Revenue from baby & kids sector decreased during the Track Record Period, as the declining birth rate caused more intensified competition among baby & kids brands, resulting in less sales under the to-C model. Revenue from beauty & personal care sector decreased in 2024, as we optimised the channels we operated for brand owners and terminated the operation on Douyin for a major beauty brand as the renewed terms on Douyin proposed by such brand was relatively unfavourable.

Cost of Sales

Our cost of sales consists of (i) procurement costs, representing our payment to brand owners or authorised distributors for purchasing goods to be sold to end consumers, or e-commerce platforms or distribution partners; (ii) labour costs, representing costs related to our staff; (iii) logistics costs, representing the cost to acquire logistics services from third parties to deliver the goods ; and (iv) service costs, which are primarily third-party vendor fees and costs for our IT implementation services provided to our brand owners (e.g., annual fees for BI analysis tools). We receive certain incentive-based rebates that are tied to purchase target or sales target agreed in the agreements with our brand owners. The rebates are initially recorded as a debit to other receivable and a credit to inventory at the point when we reach the stipulated purchase target or sales target. When the inventory to which the rebate relates is sold, the corresponding rebates are recorded as deduction from cost of sales for sale of goods. The amount of sales rebates received from our brand owners in each year during the Track Record Period was RMB123.4 million, RMB129.0 million and RMB175.5 million, respectively, for the years ended 31 December 2023, 2024 and 2025, respectively. No rebates have been given to our distribution partners in each year during the Track Record Period. Our procurement costs constituted a significant majority of our costs of sales during the Track Record Period.

The following table sets out a breakdown of our cost of sales in absolute amounts and as a percentage of our total cost of sales for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>	<i>RMB'000</i>	<i>%</i>
Sale of goods						
To-C	752,617	56.7	723,038	54.4	791,871	57.8
To-B	491,738	37.0	517,017	38.9	479,757	35.0
<i>Sub-total</i>	1,244,355	93.7	1,240,055	93.3	1,271,628	92.8
Provision of services						
<i>Sub-total</i>	83,784	6.3	88,346	6.7	98,646	7.2
Total	1,328,139	100.0	1,328,401	100.0	1,370,274	100.0

FINANCIAL INFORMATION

The following table sets out a breakdown of our cost of sales by nature in absolute amounts and as a percentage of revenue for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Procurement costs	1,186,861	89.4	1,187,338	89.4	1,211,263	88.4
Labour costs	76,525	5.8	76,542	5.7	86,123	6.3
Logistics costs	57,494	4.3	52,717	4.0	60,365	4.4
Service costs	7,259	0.5	11,804	0.9	12,523	0.9
Total	<u>1,328,139</u>	<u>100.0</u>	<u>1,328,401</u>	<u>100.0</u>	<u>1,370,274</u>	<u>100.0</u>

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets out a breakdown of our gross profit by sale of goods or provision of services in absolute amounts, or gross profit margin, for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	<i>(RMB'000)</i>	<i>(%)</i>	<i>(RMB'000)</i>	<i>(%)</i>	<i>(RMB'000)</i>	<i>(%)</i>
Sales of goods						
To-C	278,364	27.0	250,910	25.8	268,567	25.3
To-B	64,917	11.7	65,416	11.2	61,038	11.3
<i>Sub-total</i>	343,281	21.6	316,326	20.3	329,605	20.6
Provision of services						
<i>Sub-total</i>	51,478	38.1	53,827	37.9	57,331	36.8
Total	<u>394,759</u>	<u>22.9</u>	<u>370,153</u>	<u>21.8</u>	<u>386,936</u>	<u>22.0</u>

FINANCIAL INFORMATION

The following table sets out the gross profit and gross profit margin breakdown by type of goods and services for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Sale of Goods	343,281	21.6	316,326	20.3	329,605	20.6
Food & beverage	63,557	11.3	53,386	8.2	70,561	11.0
Health	80,485	23.0	95,621	24.2	94,470	23.3
Pets	77,172	27.2	68,339	32.9	59,962	30.5
Beauty & personal care	73,848	43.5	44,754	36.7	50,088	30.3
Baby & kids	33,246	21.7	40,409	31.6	31,845	31.1
Pop toys	14,391	22.0	13,776	25.8	22,679	26.1
Other categories	582	20.0	41	24.7	—	—
Provision of services	51,478	38.1	53,827	37.9	57,331	36.8
Retail chain brands	21,028	41.2	24,068	41.6	23,050	39.7
Outdoor sports	620	32.8	7,696	41.3	8,464	41.1
Others	29,830	36.2	22,063	33.6	25,817	33.4
Total	394,759	22.9	370,153	21.8	386,936	22.0

During the Track Record Period, we had a gross profit of RMB394.8 million, RMB370.2 million and RMB386.9 million in 2023, 2024 and 2025, respectively. Our gross profit margin was 22.9%, 21.8% and 22.0% in 2023, 2024 and 2025.

Our gross profit increased by 4.5% from RMB370.2 million in 2024 to RMB386.9 million in 2025. Gross profit from to-C business increased by 7.0% from RMB250.9 million in 2024 to RMB268.6 million in 2025, and that for to-B business decreased by 6.7% from RMB65.4 million in 2024 to RMB61.0 million in 2025. Gross profit from services increased by 6.5% from RMB53.8 million in 2024 to RMB57.3 million in 2025. Our gross profit margin remained relatively stable at 21.8% in 2024 and 22.0% in 2025, with gross profit margin for to-C business remained relatively stable at 25.8% in 2024 and 25.3% in 2025, and that for to-B business also remained relatively stable at 11.2% in 2024 and 11.3% in 2025. Gross profit margin for provision of services decreased from 37.9% in 2024 to 36.8% in 2025, primarily attributable to the strategic pricing adopted for certain newly acquired brand owners, for which we offered more competitive rates to establish business relationships.

Our gross profit margin decreased from 22.9% in 2023 to 21.8% in 2024, with gross profit margin for to-C business decreased from 27.0% in 2023 to 25.8% in 2024, and gross profit margin for to-B business decreased from 11.7% in 2023 to 11.2% in 2024. Gross profit margin for provision of services remained relatively stable at 38.1% in 2023 and 37.9% in 2024. The decrease in gross profit margin from 2023 to 2024 was primarily due to the decline in our to-C and to-B business gross profit margin. During the year, we strategically decided to boost market penetration for food products which typically had a relatively lower profit margin, because such strategy allows us to quickly sell food products at large volumes, achieving faster inventory turnover and reducing inventory risks. The lower profit margin for food products is primarily attributable to the nature of the products, which mainly consist of snacks. These items generally have low unit values and are often sold in bundled sets to drive volume. Additionally, many of these products carry strong seasonal characteristics and require elaborate, diversified gift-style packaging, leading to relatively higher costs. As a result, the overall gross profit margin for this category remains lower than that of other product types. The increased sales volume and turnover also helps to maintain our gross profit level from sales of such products. In 2023, a pet brand owner proposed unfavourable renewed terms which would result in substantial decrease in our net profit, should we continue our cooperation with

FINANCIAL INFORMATION

it. To avoid a decline in our profit margin, we terminated our cooperation with such brand owner, which led to an increase in profit margin in the pets category in 2024. The overall profit margin still recorded a decline in 2024, impacted by the relatively low margin in the food products which accounted for a relatively high portion of revenue in the same year.

Other Income

Our other income primarily consists of (i) bank interest income and (ii) government grants, mainly representing government subsidies with no unfulfilled conditions that we received from local governments in the PRC to support our e-commerce operation development. We had other income of RMB21.5 million, RMB15.2 million and RMB13.6 million in 2023, 2024 and 2025, respectively. The following table sets out a breakdown of our other income in absolute amounts and as a percentage of total other income for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Bank interest income	2,945	13.7	3,829	25.3	3,053	22.5
Government grants — income related ^(Note)	18,060	84.2	11,070	73.0	10,259	75.7
Rental income	266	1.2	254	1.7	247	1.8
Extra deduction of value-added tax	204	0.9	—	—	—	—
Total	21,475	100.0	15,153	100.0	13,559	100.0

Note: During the Track Record Period, the unconditional government grants were accounted for as immediate financial support, with no future costs, and were not related to any assets of our Group, and the conditional government grants were contingent upon certain technical performance benchmarks or financial targets achieved by us, and were all satisfied during the respective years.

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under the expected credit loss model (“ECL”), net of reversal, consist of impairment losses recognised, or impairment losses reversal on trade and other receivables. We recorded an impairment loss recognised of RMB1.0 million and RMB0.2 million in 2023 and 2024, respectively. We also recorded an impairment loss reversal of RMB0.9 million in 2025.

Other Gains and Losses

Our other gains and losses primarily consist of (i) net foreign exchange profit arising from RMB-foreign currency conversions in transactions with certain suppliers where foreign currency was used for settlement; and (ii) gain from changes in fair value of financial asserts at FVTPL in connection with the wealth management products we purchased from major PRC commercial banks with non-guaranteed expected rates of return. The primary objectives of our wealth management practice are to safeguard capital security and ensure liquidity. Our investments are restricted to low-risk, high-liquidity financial products or deposit instruments. We recorded net gains of RMB3.0 million, RMB2.1 million and RMB2.4 million in 2023, 2024 and 2025, respectively.

FINANCIAL INFORMATION

The following table sets out a breakdown of our other gains and losses in absolute amounts and as a percentage of total other gains and losses for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Net foreign exchange gains (losses)	1,471	49.5	(1,438)	(68.9)	(2,388)	(99.5)
Gain from changes in fair value of wealth management products	1,655	55.8	2,507	120.1	3,369	140.3
(Loss) gain on disposal of property and equipment	(11)	(0.4)	55	2.6	15	0.6
Net gain on termination of right-of-use assets and lease liabilities	—	—	537	25.7	172	7.2
Fair value gain on derivative financial instruments	—	—	—	—	1,553	64.7
Others	(145)	(4.9)	427	20.5	(320)	(13.3)
Total	2,970	100.0	2,088	100.0	2,401	100.0

Selling and Marketing Expenses

Our selling expenses primarily include (i) labour costs incurred for in-house operational, as well as sales and marketing staff, and customer services and supply chain services procured from third parties, (ii) platform fees, representing (a) the transaction service fees charged by e-commerce platforms, as we utilised the platforms' software and services such as seller return protection services when we sell goods on such platforms, typically under to-C model. E-commerce platforms generally charge such fees directly to us once a transaction is completed upon end consumers' confirmation of receipt of the order, calculated as a fixed percentage of the final actual transaction value of the relevant order. In addition to standard service fees, category-specific fees may apply at varying rates depending on the category of the products we sold; and (b) our payments to e-commerce platforms for advertisement placement, promotional tools or products, promotional activities such as limited group-buying deals, Billion-Dollar Subsidies and other marketing activities launched by e-commerce platforms; and (iii) depreciation and amortisation primarily related to our leased warehouses in the PRC.

The following table sets out a breakdown of our selling and marketing expenses by nature in absolute amounts and as a percentage of total selling and marketing expenses for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Labour costs	129,650	57.0	120,142	54.8	111,199	48.8
Platform fees ⁽¹⁾	73,446	32.2	81,797	37.3	99,498	43.6
Depreciation and amortisation	12,621	5.5	5,749	2.6	3,075	1.3
Business & travel expenses	6,403	2.8	7,537	3.4	8,829	3.9
Cross-border warehousing fees	1,919	0.8	1,346	0.6	3,018	1.3
Others ⁽²⁾	3,938	1.7	2,471	1.1	2,519	1.1
Total	227,977	100.0	219,042	100.0	228,138	100.0

FINANCIAL INFORMATION

Notes:

- (1) The aggregate platform fees of the five largest e-commerce platforms in terms of revenue derived from to-C sales in 2023, 2024 and 2025 amounted to RMB40.6 million, RMB41.3 million and RMB43.1 million, respectively.
- (2) “Others” include bank transaction service charges and other miscellaneous expenses.

Administrative Expenses

Our administrative expenses primarily consist of (i) labour costs incurred by our administrative staff in relation to administrative activities; (ii) depreciation and amortisation primarily include depreciation of right-of-use assets related to the long-term lease for our Shanghai headquarter office space; (iii) business and travelling expenses associated with administrative activities; (iv) leasing expenses and property management fees associated with short-term lease for our office spaces in cities other than Shanghai; (v) information and technology fees primarily consisted of cloud service subscriptions, software licensing fees, and development/operational maintenance costs to support our business operations; and (vi) professional fees, representing service fees paid to third-party professionals during our daily operations in relation to professional service and administrative activities such as audit, legal consultation, trainings and recruitment.

The following table sets out a breakdown of our administrative expenses in absolute amounts and as a percentage of total administrative expenses for the years indicated.

	As of 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Labour costs	44,499	58.9	39,951	56.6	40,357	62.3
Depreciation and amortisation	13,432	17.8	11,637	16.5	8,473	13.1
Business & travel expenses	4,588	6.1	4,685	6.6	4,225	6.5
Information and technology fees	3,214	4.3	2,998	4.2	4,196	6.5
Leasing expenses and property management fees	4,625	6.1	4,970	7.0	3,464	5.4
Professional fees	2,753	3.7	4,592	6.5	2,628	4.1
Others	2,302	3.1	1,724	2.4	1,382	2.1
Total	75,413	100.0	70,557	100.0	64,725	100.0

Research and Development Expenses

Our research and development expenses consist of employee expenses incurred for research and development staff. We recorded research and development expenses of RMB14.4 million, RMB11.3 million and RMB11.4 million in 2023, 2024 and 2025, respectively.

Share of Result of Associates

Share of results of associates represents the profit or loss from the operating results of our associates. During the Track Record Period, we were directly or indirectly interested in seven associates, the operating results of which were not within our control. We recorded share profit of RMB0.5 million in 2023 and share loss of approximately RMB0.4 million in 2024. We also recorded a share loss of RMB0.3 million in 2025.

FINANCIAL INFORMATION

Finance Costs

Our finance costs primarily include (i) interest on bank borrowings; and (ii) interest on lease liabilities. The following table sets out a breakdown of our finance costs in absolute amounts and as a percentage of total finance costs for the years indicated.

	For the year ended 31 December					
	2023		2024		2025	
	RMB'000	%	RMB'000	%	RMB'000	%
Interest on bank borrowings	8,748	89.5	6,690	88.8	6,377	93.2
Interest on lease liabilities	1,026	10.5	844	11.2	462	6.8
Total	9,774	100.0	7,534	100.0	6,839	100.0

Income Tax Expenses

We are subject to income tax on an entity basis on profits arising in, or derived from, tax jurisdictions in which members of our Group are domiciled and operate.

Hong Kong

Under the two-tiered profits tax rate regime of Hong Kong profits tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rate regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong profits tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

China

Under the “EIT Law” and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% during the Track Record Period, except as disclosed below.

During the Track Record Period, several subsidiaries in the PRC qualified small-scale and low-profit enterprises under the EIT Law enjoyed a lower effectively applicable EIT rate of 5%.

Other Jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions where our subsidiaries operate and generate income.

YEAR TO YEAR COMPARISON OF RESULTS OF OPERATIONS

Year Ended 31 December 2025 Compared to Year Ended 31 December 2024

Revenue

Our revenue increased by 3.5% from RMB1,698.6 million in 2024 to RMB1,757.2 million in 2025:

- **Sales of goods:** Revenue generated from sales of goods increased by 2.9% from RMB1,556.4 million in 2024 to RMB1,601.2 million in 2025. In respect of sales from to-C business, revenue increased by 8.9% from RMB973.9 million in 2024 to RMB1,060.4 million in 2025. Such increase was primarily due to (i) we strengthened targeted collaborations with KOLs, which drove sales growth in beauty & personal care products; and (ii) the continued popularity of IP from toy brand owners attracted a broader consumer base, leading to increase in revenue from

FINANCIAL INFORMATION

pop toys. In respect of sales from to-B business, revenue decreased by 7.1% from RMB582.4 million in 2024 to RMB540.8 million in 2025. Such decrease was primarily because we strategically reduced sales on platforms for the aforesaid food brand during certain period of time to minimise exposure from intense competition from similar products, resulting in reduced orders in relation to such brand and consequently led to a decline in our overall to-B business revenue for the year.

- **Provision of services:** Revenue from the provision of services increased by 9.7% from RMB142.2 million in 2024 to RMB156.0 million in 2025, primarily attributable to our enhanced customer acquisition efforts, which successfully attracted a number of new brand owners during the year, primarily contributing to the increase in revenue from e-commerce store operation services and brand value enhancement services.

Cost of Sales

Our cost of sales increased from RMB1,328.4 million in 2024 to RMB1,370.3 million in 2025. For to-C business, cost of sales increased by 9.5% from RMB723.0 million in the 2024 to RMB791.9 million in 2025. For to-B business, cost of sales decreased by 7.2% from RMB517.0 million in 2024 to RMB479.8 million in 2025. The cost of sales from provision of services increased by 11.7% from RMB88.3 million in 2024 to RMB98.6 million in 2025. The change of cost of sales in each business line was in line with the change in the revenue for the respective business lines in the respective period.

Gross Profit and Gross Profit Margin

Our gross profit increased by 4.5% from RMB370.2 million in 2024 to RMB386.9 million in 2025. Gross profit from to-C business increased by 7.0% from RMB250.9 million in 2024 to RMB268.6 million in 2025. Gross profit from to-B business decreased by 6.7% from RMB65.4 million in 2024 to RMB61.0 million in 2025. Gross profit from services increased by 6.5% from RMB53.8 million in 2024 to RMB57.3 million in 2025.

Our gross profit margin remained relatively stable at 21.8% in 2024 and 22.0% in 2025, with gross profit margin for to-C business remained relatively stable at 25.8% in 2024 and 25.3% in 2025, and that for to-B business also remained relatively stable at 11.2% in 2024 and 11.3% in 2025. Gross profit margin for provision of services decreased from 37.9% in 2024 to 36.8% in 2025, primarily attributable to the strategic pricing adopted for certain newly acquired brand owners, for which we offered more competitive rates to establish business relationships.

Other Income

Our other income decreased from RMB15.2 million in 2024 and RMB13.6 million in 2025, primarily driven by (i) a decrease in government grants of RMB0.8 million; and (ii) a decrease in interest income of RMB0.8 million, which resulted from both a reduction in our cash balances and a lower prevailing interest rate.

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under ECL model, net of reversal, increased from an impairment loss recognised at RMB0.2 million in 2024 to a net reversal of impairment loss recognised at RMB0.9 million in 2025, primarily due to a higher proportion of trade receivables from brand owners with better credit ratings and hence lower credit risks in 2025.

Other Gains and Losses

Our other gains remained relatively stable at RMB2.1 million in 2024 and RMB2.4 million in 2025, respectively.

FINANCIAL INFORMATION

Selling and Marketing Expenses

Our selling and marketing expenses increased from RMB219.0 million in 2024 to RMB228.1 million in 2025, due to an increase in platform fees of RMB17.7 million, including (i) increase in transaction service fees charged by e-commerce platforms, which was consistent with the revenue growth of our to-C business, and (ii) increase in our payments to e-commerce platforms for advertisement and promotion services.

Administrative Expenses

Our administrative expenses decreased by 8.4% from RMB70.6 million in 2024 to RMB64.7 million in 2025, primarily due to a decrease in depreciation and amortisation costs of RMB3.2 million mainly resulting from downsizing our Shanghai office space to align with reduced headcount requirements, and the lower unit rental price pursuant to the new lease agreement for such space entered into in the second half of 2025.

Research and Development Expenses

Our research and development expenses remained relatively stable at RMB11.3 million in 2024 and RMB11.4 million in 2025.

Share of Results of Associates

Our share of results of associates decreased by 25.0% from a loss of RMB0.4 million in 2024 to a loss of RMB0.3 million in 2025, due to the combined effects of operating losses incurred by our associates.

Finance Costs

Our finance costs decreased by 9.3% from RMB7.5 million in 2024 to RMB6.8 million in 2025, primarily due to a decrease on interest on lease liabilities of RMB0.4 million and a decrease on interest on bank borrowings of RMB0.3 million.

Income Tax Expense

Our income tax expense remained relatively stable at RMB18.0 million in 2024 and RMB18.2 million in 2025.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 0.7% from RMB60.4 million in 2024 to RMB60.9 million in 2025.

Year Ended 31 December 2024 Compared to Year Ended 31 December 2023

Revenue

Our revenue decreased by 1.4% from RMB1,722.9 million in 2023 to RMB1,698.6 million in 2024:

- **Sales of goods:** Revenue generated from sales of goods decreased by 2.0% from RMB1,587.6 million in 2023 to RMB1,556.4 million in 2024. In respect of sales from to-C business, revenue decreased by 5.5% from RMB1,031.0 million in 2023 to RMB973.9 million in 2024. Such decrease was primarily due to (i) we optimised our brand portfolio and terminated our cooperation with a major pet brand in 2023 as we consider the renewed terms it proposed to be unfavourable, resulting in no sales in connection with this brand in 2024 as compared to the revenue generated during the first couple of months in 2023 before the termination of collaboration; and (ii) we optimised the channels we operated for brand owners and terminated the operation on Douyin for a major beauty brand as the renewed terms on Douyin proposed by such brand was relatively unfavourable, which also led to a decrease in revenue; partially offset by increase in sales from the food products. In respect of sales from to-B business, revenue increased by 4.6% from RMB556.7 million in 2023 to RMB582.4 million in 2024, primarily due to the combined effect of the increase brought by a food brand newly introduced in 2024, and increased sales on new channels for existing brands.

FINANCIAL INFORMATION

- **Provision of services:** Revenue from the provision of services increased by 5.1% from RMB135.3 million in 2023 to RMB142.2 million in 2024 primarily because (i) we deepened our cooperation with a major beverage brand and expanded our operations for it on multi channels in 2024, and (ii) our creative design services recorded a rapid growth in 2024, as we have expanded our services offerings from basic e-commerce platform page design, packaging and gift box design, and short video ads for traffic campaigns to include the production and design of creative marketing videos.

Cost of Sales

Our cost of sales remained stable at RMB1,328.1 million in 2023 and RMB1,328.4 million in 2024. For to-C business, cost of sales decreased by 3.9% from RMB752.6 million in 2023 to RMB723.0 million in 2024. For to-B business, cost of sales increased by 5.1% from RMB491.7 million in 2023 to RMB517.0 million in 2024. The cost of sales from provision of services increased by 5.4% from RMB83.8 million in 2023 to RMB88.3 million in 2024. The change of cost of sales in each business line was in line with the change in the revenue for the respective business lines from 2023 to 2024.

Gross Profit and Gross Profit Margin

Our gross profit decreased by 6.2% from RMB394.8 million in 2023 to RMB370.2 million in 2024. Gross profit from to-C business decreased by 9.9% from RMB278.4 million in 2023 to RMB250.9 million in 2024. Gross profit from to-B business increased by 0.8% from RMB64.9 million in 2023 to RMB65.4 million in 2024. Gross profit from provision of services increased by 4.5% from RMB51.5 million in 2023 to RMB53.8 million in 2024.

Our gross profit margin decreased from 22.9% in 2023 to 21.8% in 2024, with gross profit margin for to-C business decreased from 27.0% in 2023 to 25.8% in 2024, and gross profit margin for to-B business decreased from 11.7% in 2023 to 11.2% in 2024. Gross profit margin for provision of services remained relatively stable at 38.1% in 2023 and 37.9% in 2024. The decrease in gross profit margin from 2023 to 2024 was primarily due to the decline in our to-C and to-B business gross profit margin. During the year, we strategically decided to boost market penetration for food products which typically had a relatively lower profit margin, because such strategy allows us to quickly sell food products at large volumes, achieving faster inventory turnover and reducing inventory risks. The lower profit margin for food products is primarily attributable to the nature of the products, which mainly consist of snacks. These items generally have low unit values and are often sold in bundled sets to drive volume. Additionally, many of these products carry strong seasonal characteristics and require elaborate, diversified gift-style packaging, leading to relatively higher costs. As a result, the overall gross profit margin for this category remains lower than that of other product types. The increased sales volume and turnover also helps to maintain our gross profit level from sales of such products. In 2023, a pet brand owner proposed unfavourable renewed terms which would result in substantial decrease in our net profit, should we continue our cooperation with it. To avoid a decline in our profit margin, we terminated our cooperation with such brand owner. The benefit from terminating the low-margin pet brand in 2023 was offset and outweighed in 2024 by our strategic shift in sales mix toward lower-margin food products, which diluted the overall gross profit margin in 2024.

Other Income

Our other income decreased by 29.4% from RMB21.5 million in 2023 to RMB15.2 million in 2024, as we received less government grants during the year.

Impairment Losses under ECL Model, Net of Reversal

Our impairment losses under ECL model, net of reversal, decreased by 82.5% from an impairment loss recognised at RMB1.0 million in 2023 to an impairment loss recognised at RMB0.2 million in 2024, primarily because in 2024 we had higher proportion of brand owners with better credit rating from which we had trade receivables.

FINANCIAL INFORMATION

Other Gains

Our other gains decreased by 29.7% from RMB3.0 million in 2023 to RMB2.1 million in 2024, primarily due to a decrease in net foreign exchange profit of RMB2.9 million arising from RMB-foreign currency conversions in transactions with certain suppliers in 2024 where foreign currency was used for settlement. Such decrease was offset by a gain from changes in fair value of financial assets at FVTPL of RMB0.9 million in connection with the income from our wealth management products.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 3.9% from RMB228.0 million in 2023 to RMB219.0 million in 2024, primarily due to (i) a decrease in labour costs of RMB9.5 million as a result of our strategic optimisation of the sales and marketing workforce structure; and (ii) a decrease in depreciation and amortisation costs of RMB6.9 million, reflecting lower warehousing costs, led by smaller self-operated warehousing areas we leased as we optimised our inventory levels, and benefited from decreased market rates for leasing warehousing spaces during the year. Such decrease was partially offset by an increase in platform fees of RMB8.4 million in our advertisement placement to stabilise sales, and we made initial investments in market mapping with new brand owners during the early collaboration phase in the year.

Administrative Expenses

Our administrative expenses decreased by 6.4% from RMB75.4 million in 2023 to RMB70.6 million in 2024, primarily due to a decrease in (i) labour costs of RMB4.5 million as a result of our strategic optimisation of the administrative workforce structure, and (ii) depreciation and amortisation costs of RMB1.8 million resulting from downsizing our Shanghai office space to align with reduced headcount requirements.

Research and Development Expenses

Our research and development expenses decreased by 21.7% from RMB14.4 million in 2023 to RMB11.3 million in 2024, due to strategic workforce optimisation following adjustments to our R&D projects.

Share of Results of Associates

Our share of results of associates decreased by 185.7% from RMB0.5 million in 2023 to a loss of RMB0.4 million in 2024, due to the combined effects of operating losses incurred by our associates.

Finance Costs

Our finance costs decreased by 22.9% from RMB9.8 million in 2023 to RMB7.5 million in 2024, primarily due to a decrease on interest on bank borrowings of RMB2.1 million and a decrease on interest on lease liabilities of RMB0.2 million.

Income Tax Expense

Our income tax expense decreased by 23.9% from RMB23.6 million in 2023 to RMB18.0 million in 2024, as a result in a decrease in profit before tax during the year.

Profit for the Year

As a result of the foregoing, our profit for the year decreased by 10.6% from RMB67.6 million in 2023 to RMB60.4 million in 2024.

FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Current Assets and Liabilities

The following table sets out our current assets and liabilities as of the dates indicated.

	As of 31 December			As of 30 April
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current assets				
Inventories	469,958	450,982	413,877	471,500
Trade and other receivables	366,546	443,865	428,440	465,813
Tax recoverable	1,568	2,880	3,291	2,278
Financial assets at fair value through profit or loss (“FVTPL”)	116,510	152,700	149,052	72,550
Time deposits	—	14,377	21,086	34,314
Restricted bank deposits	4,157	7,818	8,827	21
Cash and cash equivalents	286,747	228,756	248,915	230,062
Total current assets	1,245,486	1,301,378	1,273,488	1,276,538
Current liabilities				
Trade, bills and other payables	252,528	315,887	257,820	209,760
Tax liabilities	15,553	12,876	11,456	1,416
Bank borrowings	189,933	177,977	179,592	234,593
Lease liabilities	21,243	9,546	8,631	8,557
Contract liabilities	24,715	18,704	22,548	16,542
Total current liabilities	503,972	534,990	480,047	470,868
Net current assets	741,514	766,388	793,441	805,670

Our net assets increased from RMB793.4 million as of 31 December 2025 to RMB805.7 million as of 30 April 2026, primarily due to (i) an increase in inventories of RMB57.6 million, (ii) an increase in trade, bills and other payables of RMB48.1 million, and (iii) an increase in trade and other receivables of RMB37.4 million, partially offset by a decrease in financial assets at FVTPL of RMB76.5 million and an increase in bank borrowings of RMB55.0 million.

Our net current assets increased from RMB766.4 million as of 31 December 2024 to RMB793.4 million as of 31 December 2025, primarily due to (i) an increase in cash and cash equivalents of RMB20.2 million, (ii) an increase in time deposits of RMB6.7 million, and (iii) a decrease in trade, bills and other payables of RMB58.1 million.

Our net current assets increased from RMB741.5 million as of 31 December 2023 to RMB766.4 million as of 31 December 2024, primarily due to (i) an increase in trade and other receivables of RMB77.3 million, (ii) an increase in financial assets at fair value through profit or loss of RMB36.2 million, and (iii) a decrease in bank borrowings of RMB12.0 million.

FINANCIAL INFORMATION

Inventories

Our inventories consisted of finished goods. Our inventories amounted to RMB470.0 million as of 31 December 2023. Our inventories decreased to RMB451.0 million as of 31 December 2024, and further to RMB413.9 million as of 31 December 2025. Such decrease reflected our optimised strategic inventory management which reduced absolute inventory levels despite an increasing brand assortment. This approach supported growing sales volumes and expanded partnerships with brands under our business line for sales of goods while keeping prudent inventory control measures to mitigate operational risks.

The following table sets out the breakdown of inventory by types of goods for the years indicated.

	For the year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Food & beverage	113,095	138,812	139,337
Health	76,923	82,018	92,973
Pets	129,981	109,906	96,296
Baby & kids	48,912	41,877	27,547
Beauty & personal care	68,202	46,023	30,533
Pop toys	30,298	29,831	25,424
Outdoor sports	55	10	4
Other categories	2,492	2,505	1,763
Total	469,958	450,982	413,877

Our inventory turnover days were 142.1 days, 139.6 days and 128.5 days in 2023, 2024 and 2025. Inventory turnover days for a given period are equal to the average inventory balances as of the beginning and the end of the period divided by total procurement costs during the period and multiplied by the number of days during the period (i.e., the actual number of days in a given year for calculating turnover days in such year or 90 days for calculating turnover days in a given quarter). The following table sets out the ageing analysis of our inventories as at the dates indicated.

	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Within six months	273,615	347,945	335,902
Six months to one year	147,495	53,785	36,298
Over one year	48,848	49,252	41,677
Total	469,958	450,982	413,877

We assess impairment to inventories from time to time during the Track Record Period and may make provision to write down our inventories to their net realisable value if they become expired or damaged, or their prices go down, and their net realisable value substantially decreases. During the Track Record Period, we made provision for impairment at each balance sheet date, primarily considering (i) the carrying value of the products in stock; (ii) the selling prices of relevant products; and (iii) the estimated selling costs. The following table sets out the amount of provision for impairment as at the dates indicated.

FINANCIAL INFORMATION

	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Provision for impairment	6,908	7,862	9,277
Inventory written off	10,756	10,310	7,383

During the Track Record Period, there were no impairment issues for inventories. Our average inventory turnover days during the Track Record Period has consistently been around 140 days. Moreover, market price fluctuations have been minimal, and no significant inventory impairment has been identified.

RMB223.3 million, or 53.9%, of our inventories as of 31 December 2025 had been delivered or consumed as of 30 April 2026.

Trade and Other Receivables

Our trade and other receivables primarily consisted of (i) advance payments on behalf of suppliers which are platform fees we paid to e-commerce platforms or outsourcing service fees we paid to third-party vendors which are going to be claimed from our brand owners later, (ii) rebate receivable from suppliers as incentives paid by brand owners to us based on pre-defined performance metrics, (iii) trade receivables from contracts with customers, and (iv) prepaid expenses which are primarily deposits with platforms like Alimama for future advertisement placement. The following table sets out our trade and other receivables as of the dates indicated.

	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables			
- Third parties	75,917	55,519	52,092
Less: allowance for credit losses	(949)	(783)	(826)
	<u>74,968</u>	<u>54,736</u>	<u>51,266</u>
Advance payments on behalf of suppliers	125,956	131,345	150,524
Rebate receivable from brand owners	98,967	161,343	133,119
Prepaid expenses	30,958	65,172	61,835
Deferred issue costs	—	—	2,272
Deductible valued-added tax (“VAT”)	20,704	19,382	16,244
Deposits	15,495	14,188	13,403
Other receivables	3,031	1,248	2,311
Less: allowance for credit losses	(3,533)	(3,549)	(2,534)
	<u>291,578</u>	<u>389,129</u>	<u>377,174</u>
Total	<u>366,546</u>	<u>443,865</u>	<u>428,440</u>

We determine credit limits or credit periods for our distribution partners based on a number of factors, including their registered capital amount and financial condition of the distribution partners, sales volume, and our cooperation track record. Typically, the maximum credit limit granted would not significantly higher than their amount of their registered capital to minimise potential risk exposures. Trade receivables are generally settled in accordance with the terms of the respective contracts. The following table sets out an aged analysis of trade receivables, net of impairment loss allowance, presented based on invoice dates.

FINANCIAL INFORMATION

	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0 day to 1 year	71,805	53,223	51,061
1 year to 2 years	3,073	1,064	205
2 years to 3 years	90	449	—
	74,968	54,736	51,266

As of 31 December 2023, 2024 and 2025, our trade and other receivables amounted to RMB366.5 million, RMB443.9 million and RMB428.4 million, respectively. The increase in trade and other receivables from 2023 to 2024 primarily resulted from collaborations with additional brand owners and sales channels, which created more business scenarios that required advances we paid on behalf of brand owners recorded as trade receivables. The decrease in trade and other receivables in 2025 was driven by our improved operational efficiency and faster receivables collection, leading to an increase in accounts receivable turnover ratio.

Our trade receivables turnover days were 37.5 days, 32.7 days and 27.8 days in 2023, 2024 and 2025. Trade receivables turnover days for a given period are equal to the average trade receivables balances as of the beginning and the end of the period divided by revenue from to-B model under sales of goods and provision of services during the period and multiplied by the number of days during the period (i.e., the actual number of days in a given year for calculating turnover days in such year or 90 days for calculating turnover days in a given quarter), as no trade receivables were recorded from to-C model during the Track Record Period.

RMB47.2 million, or 90.6%, of our trade receivables as of 31 December 2025 had been settled as of 30 April 2026.

Contract Liabilities

Our contract liabilities during the Track Record Period primarily consisted of deposits for pre-sold trendy toys from consumers, advance payments for goods from distribution partners, and prepaid service fees from brand owners. Our contract liabilities amounted to RMB24.7 million, RMB18.7 million and RMB22.5 million as of 31 December 2023, 2024 and 2025, respectively. Contract liabilities decreased from 31 December 2023 to 31 December 2024, mainly attributable to a decrease in advance payments from distribution partners, which was in line with the decrease in the revenue related to our distribution partners. Contract liabilities increased from 31 December 2024 to 31 December 2025, primarily driven by an increase in advance payments for goods from distribution partners.

RMB16.7 million, or 74.3%, of our contract liabilities as of 31 December 2025 had been recognised as revenue as of 30 April 2026.

Financial Assets at Fair Value Through Profit or Loss (“FVTPL”)

Our financial assets at FVTPL recorded as current assets primarily represent structured deposits and banking financial products, i.e. the investment products we purchase at major commercial banks.

Our financial assets at FVTPL increased from RMB116.5 million as of 31 December 2023 to RMB152.7 million as of 31 December 2024 mainly as a result of our purchase of investment products at major commercial banks. Our financial assets at FVTPL remained relatively stable at RMB149.1 million as of 31 December 2025, primarily because certain investment products we purchased matured as of 31 December 2025.

Under our investment policy on the purchase of such financial assets, we employ a comprehensive set of internal policies and guidelines to manage our investments in order to monitor the investment risks associated with our portfolio of financial assets. According to our internal capital management policy, payments for investment operations shall be processed following the relevant approval authority. It is

FINANCIAL INFORMATION

strictly prohibited to invest in high-risk ventures such as stocks or futures without following the prescribed procedures. Additionally, under our investment policy, we monitor the levels of idle cash and bank balances and use idle cash to increase our returns based on our working capital requirements at the relevant time. Under our internal control policies, our board of Directors sets the general guidance for the purchase of financial assets at the beginning of each financial year.

Our finance department is responsible for making decisions to purchase financial assets as outlined in the guidance, as well as managing and monitoring the risks associated with our portfolio of financial assets. We also periodically evaluate the fair value of our financial assets. This assessment includes measuring fair value, assessing profitability and considering risk conditions related to our investments. If any issues or problems are identified during the evaluation, they should be promptly reported to our board of Directors along with details of the corrective actions taken. Our management, including our finance department, has extensive experience in managing the financial aspects of our operations. Our investment strategy related to such products focuses on minimising financial risks, including market, credit and liquidity risk, while generating desirable investment returns.

Upon the [REDACTED], we intend to continue our purchase of structured deposits and banking financial products strictly in accordance with our internal control policy and our Articles of Association. After the [REDACTED], our investments in financial assets at fair value through profit or loss will be subject to compliance with Chapter 14 of the Listing Rules. Our finance department will ensure that all investment decisions adhere to the relevant provisions of the Listing Rules. Our investment strategies upon the [REDACTED] will emphasis our focus on minimising financial risks while generating desirable investment returns.

Trade, Bills and Other Payables

Our trade, bills and other payables primarily consisted of (i) trade payables to third parties; (ii) accrued payroll and welfare in connection with the our employee compensation; and (iii) bills payables to third parties representing our payables settled by bills. The following table sets out a breakdown of our trade, bills and other payables as of the dates indicated.

	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables			
- Third parties	183,798	224,498	162,393
- Related party	962	642	642
Bills payables ^(note)			
- Third parties	6,145	27,800	34,962
	190,905	252,940	197,997
Accrued payroll and welfare	45,374	42,336	44,888
Other taxes payables	10,649	11,015	9,401
Payable for promotion expenses	4,159	4,755	—
Receipts on behalf of other sellers or brand owners	884	3,669	479
Accrued [REDACTED]	—	—	[REDACTED]
Deposit	118	722	268
Other payables	439	450	321
	61,623	62,947	59,823
Total	252,528	315,887	257,820

FINANCIAL INFORMATION

Note: During the Track Record Period, we used bills to settle with certain independent third-party vendors such as logistics providers, domiciled in the PRC in the normal course of our business, as we prioritise cash allocation for major promotional campaigns, as bills are able to defer actual cash outflows while preserving liquidity. Our suppliers received the payment from the issuing banks on the maturity date of the bills, and we continue to recognise the amount as trade payables until we settlement the amount with the banks on the settlement date of the bills. Our PRC Legal Advisers have confirmed that during the Track Record Period, we were in compliance with laws and regulations in relation to the use of bills to settle balances with third-party vendors in all material respects and were not subject to any administrative penalties imposed by regulatory authorities for violations of laws and regulations pertaining to use of bills relevant PRC laws and regulations.

Our trade, bills and other payables increased from RMB252.5 million as of 31 December 2023 to RMB315.9 million as of 31 December 2024, reflecting the longer credit term selected brand owners provided to us upon negotiation or our provision of bank guarantee for better cash flow at the year end of 2024. Our trade, bills and other payables decreased to RMB257.8 million as of 31 December 2025, reflecting a decrease in trade payables as we strategically had fewer inventory purchases in the year.

When we sell goods to better align with brand owners’ inventory preparation cycles, we typically make advance payments to our brand owners for purchase orders. During the preparation periods for major promotional campaigns such as the 618 Mid Year campaign or the Double 11 Day campaign, we may negotiate with select brand owners or provide bank guarantees to secure a credit term up to three months to benefit our cash flow. Normally approaching the year end we would record relatively large amount of trade payables due to increased purchase using credit terms in preparation for the Chinese New Year.

The following table sets out an aged analysis of trade and bills payables presented based on invoice dates.

	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0 day to 1 year	184,006	245,869	192,401
1 year to 2 years	4,582	3,783	1,899
2 years to 3 years	2,317	1,912	2,001
Over 3 years	—	1,376	1,696
	<u>190,905</u>	<u>252,940</u>	<u>197,997</u>

Our trade and bills payables turnover days were 54.7 days, 60.1 days and 59.9 days in 2023, 2024 and 2025. Trade and bills payables turnover days for a given period are equal to the average trade and bills payables balances as of the beginning and the end of the period divided by total cost of sales during the period and multiplied by the number of days during the period (i.e., the actual number of days in a given year for calculating turnover days in such year or 90 days for calculating turnover days in a given quarter).

RMB145.3 million, or 89.1%, of our trade and bills payables as of 31 December 2025 had been settled as of 30 April 2026.

FINANCIAL INFORMATION

Non-current Assets and Liabilities

The following table sets out our non-current assets and liabilities as of the dates indicated.

	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Non-current assets			
Property and equipment	2,277	2,171	2,292
Right-of-use assets	32,755	14,312	14,015
Investment properties	15,130	14,768	14,406
Intangible assets	442	375	308
Interests in associates	8,357	8,596	8,306
Equity instruments at FVTOCI	1,782	1,800	—
Other non-current assets	3,921	3,078	2,892
Deferred tax assets	6,191	7,531	5,078
Total non-current assets	70,855	52,631	47,297
Non-current liabilities			
Deferred tax liabilities	195	212	5
Lease liabilities	12,219	5,360	6,787
Total non-current liabilities	12,414	5,572	6,792
Net non-current assets	58,441	47,059	40,505

Right-of-use Assets

Our right-of-use assets are mainly associated with leased buildings. Our right-of-use assets decreased from RMB32.8 million as of 31 December 2023 to RMB14.3 million as of 31 December 2024, primarily because of the amortisation of right-of-use assets according to the terms of lease agreements for the relevant offices and warehouses. Our right-of-use assets decreased to RMB14.0 million as of 31 December 2025, primarily because of the amortisation of right-of-use assets according to the terms of lease agreement for the relevant offices.

Deferred Tax Assets

Our deferred tax assets are mainly related to deductible temporary differences and tax losses recognised. Our deferred tax assets were RMB6.2 million as of 31 December 2023, RMB7.5 million as of 31 December 2024, and RMB5.1 million as of 31 December 2025.

Lease Liabilities

Our lease liabilities are in connection with the properties we leased primarily for warehousing and office use. Our lease liabilities decreased from RMB12.2 million as of 31 December 2023 to RMB5.4 million as of 31 December 2024, as we settled the payment for certain long-term warehouse leases in 2024. Our lease liabilities increased to RMB6.8 million as of 31 December 2025, as we renewed our lease agreements for our Shanghai office space in the second half of 2025.

FINANCIAL INFORMATION

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

We have historically funded our cash requirements principally from bank borrowings, cash from operations and equity financings. Our cash and cash equivalents generally consist of bank deposits.

We believe that our current levels of cash balances, cash flows from operations and existing credit facilities will be sufficient to meet our anticipated cash needs to fund our operations for at least the next 12 months. In addition, our cash flows from operations could be affected by our payment terms with our brand owners. Furthermore, we may need additional cash resources in the future if we experience changes in business conditions or other developments. We may also need additional cash resources in the future if we find and wish to pursue opportunities for investment, acquisition, capital expenditure or similar actions. If we determine that our cash requirements exceed the amount of cash and cash equivalents we have on hand, we may seek to issue debt or equity securities or obtain additional credit facilities.

Cash Flow

The following table sets out a summary of our cash flows for the years indicated.

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Operating activities			
Profit before tax	91,217	78,410	79,011
Adjustments for:			
Share of results of associates	(504)	432	290
Depreciation of property and equipment	2,387	1,392	1,147
Depreciation of right-of-use assets	23,598	15,927	10,334
Depreciation of investment properties	362	362	362
Amortisation of intangible assets	67	67	67
Finance costs	9,774	7,534	6,839
Interest income	(2,945)	(3,829)	(3,053)
Loss (gain) on disposal of property and equipment	11	(55)	(15)
Net gain on termination of right-of-use assets and lease liabilities	—	(537)	(172)
Gain on fair value changes of wealth management products	(1,655)	(2,507)	(3,369)
Fair value gain on derivative financial instruments	—	—	(1,553)
Net foreign exchange (gains) losses	(1,471)	1,438	2,388
Impairment losses of trade and other receivables under ECL model, net of reversal	967	169	(927)
Write-down of inventories, net of reversal	6,908	7,862	9,277
Operating cash flows before movements in working capital	128,716	106,665	100,626
(Increase) decrease in other non-current assets	(1,166)	843	186
(Increase) decrease in inventories	(9,800)	11,114	27,828
Decrease (increase) in trade and other receivables	409	(77,488)	16,352
(Decrease) increase in contract liabilities	(889)	(6,011)	3,844
(Decrease) increase in trade, bills and other payables	(17,002)	63,360	(56,497)

FINANCIAL INFORMATION

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash generated from operations	100,268	98,483	92,339
Interest received	2,945	3,829	3,053
Income tax paid	(31,432)	(23,298)	(17,546)
Net cash from operating activities	71,781	79,014	77,846
Investing Activities			
Proceeds from disposals of property and equipment	112	85	53
Purchases of property and equipment	(398)	(1,316)	(1,306)
Withdrawal of financial assets at FVTPL	674,375	1,226,453	1,016,561
Placement of financial assets at FVTPL	(702,120)	(1,260,136)	(1,007,991)
Proceeds on disposal of equity instruments at FVTOCI	—	—	1,088
Gross cash outflows from foreign exchange swap contracts	—	—	(25,000)
Gross cash inflows from foreign exchange swap contracts	—	—	25,000
Placement of time deposits	—	(39,537)	(7,029)
Withdraw of time deposits	—	25,160	—
Acquisition of investment in an associate	—	(1,000)	—
Dividends received from an associate	—	328	—
Placement of restricted bank deposits	(4,157)	(7,818)	(8,827)
Withdrawal of restricted bank deposits	13,591	4,157	7,818
Net cash (used in) from investing activities	(18,597)	(53,624)	367
Financing activities			
Dividends paid	—	(28,531)	(37,699)
Interest paid	(9,774)	(7,534)	(6,839)
Capital injections from non-controlling shareholders	6,000	—	1,050
Repayments of lease liabilities	(23,652)	(15,504)	(9,353)
Repayments of bank borrowings	(450,735)	(399,614)	(437,333)
Acquisition of partial interest of subsidiaries	(600)	—	(2,320)
New bank loans raised	433,284	387,658	438,948
Payment of accrued issue cost	—	—	(1,570)
Dividends paid to non-controlling interests	(193)	—	—
Payments on repurchase of shares	(35,554)	(17,930)	—
Net cash used in financing activities	(81,224)	(81,455)	(55,116)
Net (decrease) increase in cash and cash equivalents	(28,040)	(56,065)	23,097
Cash and cash equivalents at beginning of the year	313,427	286,747	228,756
Effect of foreign exchange rate changes	1,360	(1,926)	(2,938)
Cash and cash equivalents at end of the year	286,747	228,756	248,915

FINANCIAL INFORMATION

Net Cash from Operating Activities

During the Track Record Period, our cash flows generated from and used in operating activities primarily comprises our profit for the year adjusted by (i) changes in non-cash items, such as depreciation of right-of-use assets and finance costs; and (ii) changes in working capital, such as trade, bills and other payables, and trade and other receivables.

In 2025, our net cash generated from operating activities was RMB77.8 million, which was primarily attributable to our profit before tax for the period of RMB79.0 million, as adjusted by (i) the add-back of non-cash items, primarily comprising depreciation of right-of-use assets of RMB10.3 million and write-down of inventories, net of reversal, of RMB9.3 million; and (ii) changes in working capital, which primarily comprised a decrease in trade, bills and other payables of RMB56.5 million.

In 2024, our net cash generated from operating activities was RMB79.0 million, which was primarily attributable to our profit before tax for the year of RMB78.4 million, as adjusted by (i) the add-back of non-cash items, primarily comprising depreciation of right-of-use assets of RMB15.9 million and write-down of inventories, net of reversal, of RMB7.9 million; and (ii) changes in working capital, which primarily comprised an increase in trade and other receivables of RMB77.5 million.

In 2023, our net cash generated from operating activities was RMB71.8 million, which was primarily attributable to our profit before tax for the year of RMB91.2 million, as adjusted by (i) the add-back of non-cash items, primarily comprising depreciation of right-of-use assets of RMB23.6 million, and finance costs, of RMB9.8 million; and (ii) changes in working capital, which primarily comprised a decrease in trade, bills and other payables of RMB17.0 million, and an increase in inventories of RMB9.8 million.

Net Cash From (Used in) Investing Activities

During the Track Record Period, our cash flows generated from investing activities primarily reflected our withdrawal of financial assets at FVTPL when the wealth management products we purchased matured. Our cash flows used in investing activities primarily reflected placement of financial assets at FVTPL when we purchased new wealth management products.

In 2025, our net cash generated from investing activities was RMB0.4 million, which was primarily attributable to withdrawal of financial assets at FVTPL of RMB1,016.6 million and withdrawal of restricted bank deposits of RMB7.8 million, and offset by the placement of financial assets at FVTPL of RMB1,008.0 million.

In 2024, our net cash used in investing activities was RMB53.6 million, which was primarily attributable to placement of financial assets at FVTPL of RMB1,260.1 million and withdrawal of restricted bank deposits of RMB4.2 million, and partially offset by the withdrawal of financial assets at FVTPL of RMB1,226.5 million.

In 2023, our net cash used in investing activities was RMB18.6 million, which was primarily attributable to placement of financial assets at FVTPL of RMB702.1 million and withdrawal of restricted bank deposits of RMB13.6 million, and partially offset by the withdrawal of financial assets at FVTPL of RMB674.4 million.

Net Cash (Used in) from Financing Activities

During the Track Record Period, our cash flows generated from financing activities primarily reflected our new bank borrowings. Our cash flows used in financing activities primarily reflected our repayments to existing bank borrowings and lease liabilities.

In 2025, our net cash used in financing activities was RMB55.1 million, which was primarily attributable to repayment of bank borrowings of RMB437.3 million and dividends paid of RMB37.7 million, partially offset by new bank borrowings raised of RMB438.9 million.

FINANCIAL INFORMATION

In 2024, our net cash used in financing activities was RMB79.0 million, which was primarily attributable to repayments of bank borrowings of RMB399.6 million, partially offset by new bank loans raised of RMB387.7 million.

In 2023, our net cash used in financing activities was RMB81.2 million, which was primarily attributable to repayments of bank borrowings of RMB450.7 million, partially offset by new bank loans raised of RMB433.3 million.

INDEBTEDNESS

The following table sets out the details of our indebtedness as of the dates indicated.

	As of 31 December			As of 30 April
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)
Current liabilities				
Bank borrowings	189,933	177,977	179,592	234,593
Lease liabilities	21,243	9,546	8,631	8,557
Non-current liabilities				
Lease liabilities	12,219	5,360	6,787	3,403
Total	223,395	192,883	195,010	246,553

Bank Borrowings

We had bank borrowings of RMB189.9 million, RMB178.0 million and RMB179.6 million as of 31 December 2023, 2024 and 2025, respectively. Our bank borrowings primarily comprised bank loans with effective interest rates ranging from 1.2% to 5.0% during the Track Record Period, which are all repayable within one year. See Note 27 of the Accountants' Report in Appendix I to this document.

As of 30 April 2026, our committed unutilised banking facilities was RMB327.2 million. All of our bank borrowings as of 30 April 2026 were unsecured and guaranteed. As of 30 April 2026, being our indebtedness statement date, we did not have any other debt securities issued and outstanding or authorised or otherwise created but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities. We currently do not have any plans for material external debt financing. Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt, and there was no breach of any covenant during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or breach of covenants during the Track Record Period and up to the Latest Practicable Date. After due and careful consideration, our Directors further confirm that there had been no material change in our indebtedness since 30 April 2026 and up to the date of this document.

Lease Liabilities

Our current and non-current lease liabilities amounted to RMB33.5 million, RMB14.9 million and RMB15.4 million as of 31 December 2023, 2024 and 2025, respectively. During the Track Record Period, our lease liabilities were mainly related to our leased properties primarily used for offices, warehouses or registration places for some of our subsidiaries. See “Business — Land and Properties” for details.

FINANCIAL INFORMATION

CONTINGENT LIABILITIES

We did not have any material contingent liabilities during the Track Record Period and up to the Latest Practicable Date.

CAPITAL EXPENDITURES

Our capital expenditures paid in 2023, 2024 and 2025 were RMB0.4 million, RMB1.3 million and RMB1.3 million, respectively, mainly representing expenses related to office renovation, and purchases of computer devices and related equipment. We funded our capital expenditure requirements mainly from operating cash, bank borrowings and equity financing.

We expect that our capital expenditures in 2026 will primarily consist of payments for property and equipment, which is in line with our business growth. We intend to fund our future capital expenditures and long-term investments with operating cash, bank borrowings and equity financing.

RELATED PARTY TRANSACTIONS

During the Track Record Period, we had entered into certain related party transactions, which mainly included purchase from related parties representing promotional services we procured. For details, see Note 36 to the Accountants’ Report in Appendix I to this document.

These related party transactions were conducted on normal commercial terms in accordance with terms as agreed between us and the respective related parties. Our Directors confirm that all material related party transactions during the Track Record Period were conducted on an arm’s length basis, and would not distort our results of operations over the Track Record Period or make our historical results over the Track Record Period not reflective of our expectations for our future performance.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios as of the balance sheet dates indicated.

	As of 31 December		
	2023	2024	2025
Gross profit margin ⁽¹⁾ (%)	22.9	21.8	22.0
Net profit margin ⁽²⁾ (%)	3.9	3.6	3.5
Adjusted net margin (a non-IFRS measure) ⁽³⁾ (%)	3.9	3.6	4.2
Gearing ratio ⁽⁴⁾	0.3	0.2	0.2
Current ratio ⁽⁵⁾	2.5	2.4	2.7
Quick ratio ⁽⁶⁾	1.5	1.6	1.8

Notes:

- (1) Gross profit margin equals gross (loss)/profit divided by revenue for the year and multiplied by 100%.
- (2) Net profit margin equals net (loss)/profit divided by revenue for the year and multiplied by 100%.
- (3) Adjusted net margin (a non-IFRS measure) is calculated as adjusted profit for the year (a non-IFRS measure) divided by revenue for the corresponding year and multiplied by 100%.
- (4) Gearing ratio equals total interest-bearing debt (including interest-bearing bank borrowings and lease liabilities) divided by total equity.
- (5) Current ratio equals total current assets divided by total current liabilities.
- (6) Quick ratio equals total current assets less inventories divided by total current liabilities.

See “— Consolidated Statements of Financial Position — Current Assets and Liabilities” in this section for details of changes in our current assets and current liabilities over the Track Record Period.

FINANCIAL INFORMATION

FINANCIAL RISKS

Currency Risk

Currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Foreign exchange risk is the risk of loss resulting from fluctuations in foreign currency exchange rates. Most of our revenue and expenses are denominated in Renminbi, while some of our cash and cash equivalents, restricted cash, time deposits and investments products are denominated in United States Dollars, Japanese Yen or Hong Kong dollars. We mainly pay our suppliers that are located in the PRC in Renminbi. The foreign exchange risk we are facing mainly comes from movements in RMB against United States Dollars, Japanese Yen or Hong Kong dollars.

During the Track Record Period, we had net foreign exchange gain of RMB1.5 million in 2023, and net foreign exchange loss of RMB1.4 million in 2024 and RMB 2.4 million in 2025, due to exchange rate fluctuations which generated unrealised foreign exchange gains on our foreign currency-denominated trade balances, and RMB-foreign currency conversions in transactions with certain suppliers where foreign currency was used for settlement.

Interest Rate Risk

We are exposed to fair value interest rate risk in relation to fixed-rate cash and cash equivalents, bank borrowings and lease liabilities. We are also exposed to cash flow interest rate risk in relation to fixed-rate cash and cash equivalents, and bank borrowings. See Notes 27, 28 and 35 of the Accountants’ Report in Appendix I to this document for further details.

We currently do not have an interest rate hedging policy. Our management monitors interest rate risk exposure and will consider hedging significant interest rate exposure should the need arise. We believe we do not have a material interest rate risk exposure.

Credit Risk

Credit risk refers to the risk that our counterparties default on their contractual obligations resulting in financial losses to us. Our credit risk exposures are primarily attributable to trade and other receivables, time deposits, restricted bank deposits and bank balances. See Note 35 of the Accountants’ Report in Appendix I to this document for further details.

We do not hold any collateral or other credit enhancements to cover the credit risks associated with our financial assets. In order to minimise the credit risk, our management has delegated a team responsible for the determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, we review the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, our management considers that our credit risk is significantly reduced.

In addition to the measures described above, we monitor all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, we will measure the impairment loss allowance based on lifetime expected credit loss (ECL) approach rather than the 12-month ECL approach. We believe that we are not exposed to unusual risks as these banks have high credit quality. We have not experienced any losses on deposits of cash and cash equivalents.

Our customers are generally premium brands with proven track records, and our customers pay for our product sales through a network of third-party payment service providers. We have not experienced significant bad debts with respect to our accounts receivable. We believe we have no significant concentration of credit risk on trade and other receivables, with exposure spread over a large number of counterparties and customers.

FINANCIAL INFORMATION

Liquidity Risk

To manage liquidity risk, we monitor and maintain a level of cash and cash equivalents deemed adequate by our management to finance our operations and mitigate the effects of fluctuations in cash flows. We regularly review our major funding positions to ensure that we have adequate financial resources in meeting our financial obligations. Our management monitors rolling forecasts of our liquidity reserve on the basis of expected cash flow.

Prudent liquidity risk management includes maintaining sufficient cash and cash equivalents and the ability to apply for credit facilities if necessary. See Note 35 to the Accountants’ Report set out in Appendix I to this document for details.

WORKING CAPITAL SUFFICIENCY

Taking into account the financial resources available to us, including our cash and cash equivalents on hand, the available banking facilities and the estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

DIVIDEND AND OUR DIVIDEND POLICY

During the Track Record Period, we declared and paid two dividends in 2024 of RMB9.7 million and RMB18.8 million respectively, and declared and paid two dividends in 2025 of RMB28.3 million and RMB9.4 million respectively. See Note 13 of the Accountants’ Report in Appendix I to this document for details of our dividends. Based on our dividend policy adopted in May 2025, we do not have a fixed dividend distribution ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to shareholders’ approval, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. We will continue to evaluate our dividend policy in light of our financial condition and the prevailing economic environment, and update the same when necessary. The amount of the distribution that we have declared and made in the past do not indicate the dividends that we may pay in the future. Any declaration and payment as well as the amount of dividend will be subject to the requirements of our constitutional documents and applicable laws and regulations.

As advised by our PRC Legal Advisers, no dividend shall be declared or payable except out of our profits and reserves lawfully available for distribution. Any future net profit that we make will have to be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such fund has reached more than 50% of our registered capital. Our Shareholders in a general meeting may approve any declaration of dividends recommended by our Board.

DISTRIBUTABLE RESERVES

As of 31 December 2025, we did not have any distributable reserves.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, there were no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FINANCIAL INFORMATION

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED]. Assuming an [REDACTED] of HK\$[REDACTED] per Share (being the [REDACTED] of the indicative [REDACTED] stated in this document), the [REDACTED] which are payable by us are estimated to amount in aggregate to be approximately RMB[REDACTED] million (equivalent to approximately HK\$[REDACTED] million), accounting for approximately [REDACTED]% of the [REDACTED] from the [REDACTED].

The total [REDACTED] consist of (i) approximately RMB[REDACTED] million [REDACTED] fees (including [REDACTED] commission, incentive fee, SFC transaction levy, [REDACTED] trading fee and AFRC transaction levy), and (ii) approximately RMB[REDACTED] million non-[REDACTED] fees mainly comprising (a) fees paid to legal adviser(s) and accountant(s) of approximately RMB[REDACTED] million, and (b) other fees and expenses and fees paid to other professional parties of approximately RMB[REDACTED] million. Among the total [REDACTED], RMB[REDACTED] million had been recognised in profit or loss during the Track Record Period, RMB[REDACTED] million is expected to be charged to profit or loss, and approximately RMB[REDACTED] million directly attributable to the issue of the Shares is expected to be deducted from equity upon the completion of the [REDACTED]. Our total [REDACTED] are estimated to account for [REDACTED]% of the [REDACTED] of the [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] ADJUSTED NET TANGIBLE ASSETS

See “Unaudited [REDACTED] Financial Information” in Appendix II to this document for further details of our unaudited [REDACTED] statement of adjusted consolidated net tangible assets.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period and as of the Latest Practicable Date, we had no off-balance sheet arrangements.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, having performed reasonable due diligence on our Group, there has been no material adverse change in our financial or trading position or prospects since 31 December 2025 and up to the date of this document.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

As of the Latest Practicable Date, our Company was held directly as to approximately 22.48% by Mr. Xu, 11.13% by Shanghai Keytier, 8.66% by Mr. You Minyong, 8.03% by Mr. Han, 7.69% by Shanghai Kaipeng, 6.61% by Mr. Xu Zhiwen, 3.18% by Shanghai Kaixian, 2.02% by Shanghai Lanhao and 1.13% by Shanghai Kaiao. Shanghai Keytier, Shanghai Kaipeng, Shanghai Kaixian, Shanghai Lanhao and Shanghai Kaiao (collectively the “**Controlled Entities**”) are limited partnerships controlled by either Mr. Xu or Mr. Han, among which, (i) Shanghai Keytier is a limited partnership whose general partner is Shanghai Chuyuan, which is owned as to 80% by Mr. Xu; (ii) Shanghai Kaipeng is a limited partnership whose general partner is Shanghai Haozhong, which is owned as to 99% by Mr. Xu; and (iii) Shanghai Kaixian, Shanghai Lanhao and Shanghai Kaiao are limited partnerships whose general partner is Mr. Han.

As of the Latest Practicable Date, the partnership interest in Shanghai Keytier is as follows.

Partner Name	Partnership percentage in Shanghai Keytier (%)
General Partner	
Shanghai Chuyuan	1.0000
Limited Partners	
Mr. Xu	28.5398
Mr. Yang Qiuming (楊秋明)	23.3035
Mr. Li Fei (李飛)	18.6429
Mr. Han	15.7642
Mr. Shi Chonghua (石崇華) ⁽¹⁾	3.4955
Mr. Bao Shengwei (包聖為)	3.4270
Ms. Li Nan (李楠)	2.0570
Mr. Yang Yang (楊洋)	1.7135
Mr. Yu Yang (俞洋)	1.3708
Ms. Wu Pin (吳嬪)	0.3428
Ms. Liu Meng (劉孟)	0.3428
In total	100

Note:

- (1) Mr. Shi Chonghua is a substantial shareholder of Changzhou Jinshen, an insignificant subsidiary of our Company and therefore an Independent Third Party of our Group.
- (2) Shanghai Keytier is a shareholding platform consisting of external investors and employees of our Company, which was established to acquire Shares of our Company from a minority Shareholder before our quotation on the NEEQ. The external investors became acquainted with our Group through the introduction by mutual friends of our Controlling Shareholders. Save for Mr. Xu, Mr. Han, Ms. Liu Meng and Mr. Bao Shengwei, the limited partners of Shanghai Keytier are Independent Third Parties. Save for Mr. Yang Qiuming, Mr. Shi Chonghua and Mr. Yu Yang, the limited partners are current employees of the Company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the partnership interest in Shanghai Kaipeng is as follows.

Partner Name	Partnership percentage in Shanghai Kaipeng (%)
General Partner	
Shanghai Haozhong	0.5000
Limited Partners	
Mr. Xu	4.1000
Mr. Han	2.3571
Mr. Bao Shengwei (包聖為)	2.1607
Ms. Li Nan (李楠)	3.1429
Mr. Yang Yang (楊洋)	0.7857
Mr. You Minyong (遊敏勇)	80.0000
Mr. Jiang Mingjie (姜銘傑)	2.1607
Ms. Cui Min (崔敏)	0.7857
Ms. Wu Wenting (吳雯婷)	0.7857
Mr. Pan Yong (潘勇)	0.7857
Ms. Shi Ying (石瑩) ⁽¹⁾	0.5893
Mr. Zhang Xiaoqian (張笑乾)	0.4714
Ms. Lv Chunxuan (呂春璿)	0.3929
Mr. Yu Qiang (于強)	0.5380
Ms. Chen Wen (陳雯)	0.3062
Mr. Zhang Weidong (張煒東)	0.1380
In total	100

Note:

- (1) Ms. Shi Ying is a director of Changzhou Jinshen and also an employee of our Company.
- (2) Shanghai Kaipeng is an employee shareholding platform consisting of mid-level management personnel (those who are subordinate to the management and are responsible for supporting the business and operation) of our Company, which was established to acquire Shares of our Company from a minority Shareholders upon its exit during our quotation on the NEEQ. Save for Mr. Xu, Mr. Han, Ms. Cui Min, Mr. You Minyong, Mr. Bao Shengwei and Ms. Shi Ying, the limited partners of Shanghai Kaipeng are Independent Third Parties. All the limited partners are current employees of the Company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the partnership interest in Shanghai Kaixian is as follows.

Partner Name	Partnership percentage in Shanghai Kaixian (%)
General Partner	
Mr. Han	5.5794
Limited Partners	
Mr. Xu	1.2220
Shanghai Chuyuan	1.0000
Mr. Bao Shengwei (包聖為)	23.6408
Ms. Li Nan (李楠)	5.2010
Mr. Yang Yang (楊洋)	11.8202
Ms. Wu Pin (吳嬪)	9.4562
Ms. Liu Meng (劉孟)	8.9836
Mr. Jiang Mingjie (姜銘傑)	16.5484
Ms. Cui Min (崔敏)	16.5484
In total	100

Note: Shanghai Kaixian is an employee shareholding platform established at the early stage of our Company, consisting the earliest group of employees of our Company. Save for Mr. Xu, Ms. Liu Meng, Mr. Bao Shengwei and Ms. Cui Min, the limited partners of Shanghai Kaixian are Independent Third Parties. Save for Shanghai Chuyuan, the limited partners are current employees of the Company.

As of the Latest Practicable Date, the partnership interest in Shanghai Lanhao is as follows.

Partner Name	Partnership percentage in Shanghai Lanhao (%)
General Partner	
Mr. Han	26.50
Limited Partners	
Mr. Xu	29.00
Shanghai Haozhong	0.50
Mr. Bao Shengwei (包聖為)	5.00
Ms. Li Nan (李楠)	7.5126
Mr. Yang Yang (楊洋)	5.00
Ms. Wu Pin (吳嬪)	5.00
Ms. Liu Meng (劉孟)	6.8103
Mr. Jiang Mingjie (姜銘傑)	5.00
Ms. Cui Min (崔敏)	2.00
Ms. Shi Ying (石瑩)	3.8386
Mr. Zhang Xiaoqian (張笑乾)	3.00
Ms. Zhao Li (趙莉)	0.8386
In total	100

Note: Shanghai Lanhao is an employee shareholding platform consisting of management (those who are responsible for the overall direction) of our Company, which was established to repurchase Shares of our Company from minority Shareholders when our Company ceased its quotation on the NEEQ. Save for Mr. Xu, Ms. Liu Meng, Ms. Cui Min, Mr. Bao Shengwei and Ms. Shi Ying, the limited partners of Shanghai Lanhao are Independent Third Parties. Save for Shanghai Haozhong, the limited partners are current employees of the Company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, the partnership interest in Shanghai Kaiao is as follows.

Partner Name	Partnership percentage in Shanghai Kaiao (%)
General Partner	
Mr. Han	12.9577
Limited Partners	
Shanghai Haozhong	1.1268
Ms. Wu Wenting (吳雯婷)	3.0986
Mr. Pan Yong (潘勇)	17.4648
Mr. Zhang Xiaoqian (張笑乾)	15.7746
Ms. Lv Chunxuan (呂春璿)	7.3239
Ms. Chen Wen (陳雯)	1.9718
Ms. Zhao Li (趙莉)	1.4085
Ms. Bao Pingping (鮑萍萍)	11.2676
Ms. Shen Binglin (沈冰琳)	7.3239
Mr. Sun Dong (孫東)	3.3803
Mr. Wang Ping (王平)	3.3803
Mr. Liu Xiaolong (劉曉龍)	2.8169
Mr. Hu Haiyang (胡海洋)	2.5352
Ms. Zhang Ping (張萍)	1.9718
Mr. Chen Xiaomin (陳曉敏)	1.5493
Ms. Xiong Kui (熊葵)	1.5493
Mr. Zhang Wenchao (張文超)	1.5493
Mr. Zhang Yijie (張屹傑)	1.5493
In total	100

Note: Shanghai Kaiao serves as an employee shareholding platform of our Company. Amongst all the limited partners, other than Shanghai Haozhong who is one of our Controlling Shareholders, Ms. Xiongkui who is our Supervisor, Ms. Shen Binglin who is our Supervisor, and Mr. Huhaiyang who is a director of a subsidiary of the Company, all the other limited partners are Independent Third Parties.

On 29 August 2022, Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen entered into the AIC Agreement, pursuant to which (i) Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen undertook to act in concert to ensure that the decisions regarding our Company’s production and operations as well as other significant matters are consistent during the period they remain as the Shareholders of our Company and (ii) that in the event of any disagreement, the decisions of Mr. Xu shall prevail. Therefore, Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen are deemed to be parties acting in concert.

Pursuant to the Listing Rules and Chapter 1.1C under the Guide for New Listing Applicants published by the Stock Exchange, Mr. Xu, Mr. Han and Mr. You Minyong, Mr. Xu Zhiwen, Shanghai Chuyuan, Shanghai Haozhong and the Controlled Entities are regarded as a group of Controlling Shareholders.

Therefore, as of the Latest Practicable Date, Mr. Xu, Mr. Han, Mr. You Minyong, Mr. Xu Zhiwen, Shanghai Chuyuan, Shanghai Haozhong and the Controlled Entities in aggregate were entitled to exercise voting rights attached to the 66,858,398 Shares, representing approximately [REDACTED]% of the total issued share capital of our Company, representing [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised). Since Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen, Shanghai Chuyuan, Shanghai Haozhong and the Controlled Entities together are able to control more than 30% of the voting rights in our Company, they will continue to be a group of Controlling Shareholders of our Company immediately after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Each of the group of Controlling Shareholders confirms that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

Having considered the following factors, our Directors are satisfied that we are capable of carrying out our business independently of our group of Controlling Shareholders and their close associates after the [REDACTED].

Management Independence

Our management and operational decisions are made by the Board in a collective manner. Our Board comprises four executive Directors, one non-executive Director and three independent non-executive Directors. Each of our Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he or she must act for the benefit of and in the best interests of our Company and not allow any conflict between his or her duties as a Director and his or her personal interests. Further, our independent non-executive Directors have extensive experience in different areas. Therefore, we believe our independent non-executive Directors will bring independent judgment and will be able to provide impartial opinions to the decision-making process of our Board. See “— Corporate Governance Measures” in this section for details.

Based on the above, our Directors are satisfied that our Board as a whole, together with our senior management team, are able to perform the managerial role in our Group independently.

Operational Independence

We are able to make all decisions on, and to carry out, our own business operations independently. Our Company, through our subsidiaries, holds the licences and qualifications necessary to carry out our current business, and has sufficient capital, facilities, technology and employees to operate our business independently from our group of Controlling Shareholders. We have a team of senior management to operate the business independently from our Controlling Shareholders and their respective close associates. We also have access to third parties independently from our group of Controlling Shareholders for sources of suppliers and customers.

Based on the above, our Directors are satisfied that we are able to function and operate independently from our group of Controlling Shareholders and their close associates.

Financial Independence

We have established our own finance department with a team of financial staff, who are responsible for financial control, accounting, reporting and group credit functions of our Company, independent from our group of Controlling Shareholders. We are able to make financial decisions independently and our group of Controlling Shareholders do not intervene with our financial matters. We have also established an independent audit system, a standardised financial and accounting system and a complete financial management system.

During the Track Record Period and as of the Latest Practicable Date, we had received the [REDACTED] Investments from third party investors independently. For details of the [REDACTED] Investments, see “History, Development and Corporate Structure”.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Based on the above, our Directors are of the view that our Board and our senior management team are capable of carrying on our business independently of, and do not place undue reliance on, our group of Controlling Shareholders and their close associates.

CORPORATE GOVERNANCE MEASURES

Our Directors recognise the importance of good corporate governance in protecting our Shareholders’ interests. We have adopted the following measures to promote good corporate governance and to avoid potential conflict of interests between our Group and our group of Controlling Shareholders:

- where a Shareholders’ meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their respective close associates has a material interest, our Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- our Group has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if any transaction is proposed between our Group and our Controlling Shareholders and their respective associates, we will comply with the requirements of the Articles of Association and the Listing Rules, including, where appropriate, the reporting, annual review by the independent non-executive Directors, announcement and independent shareholders’ approval;
- our Board consists of a balanced composition of executive Directors, non-executive Director and independent non-executive Directors, with independent non-executive Directors representing not less than one-third of our Board to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to perform their duties. They will review whether there is any conflict of interests between our Group and our Controlling Shareholders and provide impartial and professional advice to protect the interests of our minority Shareholders;
- where our Directors reasonably request the advice of independent professionals, such as financial advisers, the appointment of such independent professionals will be made at our Company’s expenses; and
- our Company will disclose decisions on matters reviewed by the independent non-executive Directors either in our annual reports or by way of announcements as required by the Listing Rules; and
- we have appointed Maxa Capital Limited as our Compliance Adviser to provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to corporate governance.

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

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised, the following persons are expected to have an interest and/or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

(a) Interest in our Company

Name of Shareholder	Capacity/Nature of Interest	Shares held as of the Latest Practicable Date ^(Note 1)		Class of Shares	Shares held immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised) ^(Note 1)		Shares held immediately following the completion of the [REDACTED] (assuming the [REDACTED] is exercised in full) ^(Note 1)	
		Number	Approximate Percentage		Number	Approximate Percentage	Number	Approximate Percentage
Mr. Xu ^(Notes 2, 3 and 4)	Beneficial owner, Interest held by controlled corporations, Interest held jointly with another person	66,858,398	70.94%	H Shares	66,858,398	[REDACTED]%	66,858,398	[REDACTED]%
Mr. Han ^(Notes 2 and 5)	Beneficial owner, Interest held by controlled corporations, Interest held jointly with another person	66,858,398	70.94%	H Shares	66,858,398	[REDACTED]%	66,858,398	[REDACTED]%
Mr. You Minyong ^(Note 2)	Beneficial owner, Interest held jointly with another person	66,858,398	70.94%	H Shares	66,858,398	[REDACTED]%	66,858,398	[REDACTED]%
Mr. Xu Zhiwen ^(Note 2)	Beneficial owner, Interest held jointly with another person	66,858,398	70.94%	H Shares	66,858,398	[REDACTED]%	66,858,398	[REDACTED]%
Shanghai Chuyuan ^(Note 3)	Interest held by controlled corporations	10,491,060	11.13%	H Shares	10,491,060	[REDACTED]%	10,491,060	[REDACTED]%
Shanghai Keytier ^(Note 3)	Beneficial owner	10,491,060	11.13%	H Shares	10,491,060	[REDACTED]%	10,491,060	[REDACTED]%
Shanghai Haozhong ^(Note 4)	Interest held by controlled corporations	7,246,800	7.69%	H Shares	7,246,800	[REDACTED]%	7,246,800	[REDACTED]%
Shanghai Kaipeng ^(Note 4)	Beneficial owner	7,246,800	7.69%	H Shares	7,246,800	[REDACTED]%	7,246,800	[REDACTED]%
Shanghai Kaixian ^(Note 5)	Beneficial owner	3,000,000	3.18%	H Shares	3,000,000	[REDACTED]%	3,000,000	[REDACTED]%
Shanghai Lanhao ^(Note 5)	Beneficial owner	1,908,000	2.02%	H Shares	1,908,000	[REDACTED]%	1,908,000	[REDACTED]%
Shanghai Kaiao ^(Note 5)	Beneficial owner	1,065,000	1.13%	H Shares	1,065,000	[REDACTED]%	1,065,000	[REDACTED]%

Notes:

- All interests are long positions.

SUBSTANTIAL SHAREHOLDERS

2. On 29 August 2022, Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen entered into the AIC Agreement, pursuant to which (i) Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen undertook to act in concert to ensure that the decisions regarding the Company’s production and operations as well as other significant matters are consistent during the period they remain as the Shareholders of our Company and that (ii) in the event of any disagreement, the decisions of Mr. Xu shall prevail. Therefore, Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen are deemed to be parties acting in concert; and Mr. Xu, Mr. Han, Mr. You Minyong, Mr. Xu Zhiwen, Shanghai Haozhong, Shanghai Chuyuan and the Controlled Entities are regarded as a group of Controlling Shareholders and together were entitled to exercise voting rights attached to the 66,858,398 Shares as of the Latest Practicable Date.
3. As of the Latest Practicable Date, Shanghai Keytier is a limited partnership whose general partner is Shanghai Chuyuan, which is owned as to 80% by Mr. Xu.
4. As of the Latest Practicable Date, Shanghai Kaipeng is a limited partnership whose general partner is Shanghai Haozhong, which is owned as to 99% by Mr. Xu.
5. Shanghai Kaixian, Shanghai Lanhao and Shanghai Kaiao are limited partnerships whose general partner is Mr. Han.

Save as disclosed herein, our Directors are not aware of any persons who will, immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), without taking into account the [REDACTED] that may be taken up under the [REDACTED], have interests or short positions in Shares or underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

SHARE CAPITAL

IMMEDIATELY BEFORE THE [REDACTED]

As of the Latest Practicable Date, the issued share capital of our Company was RMB94,248,310, divided into 94,248,310 Shares, with a nominal value of RMB1.00 each.

UPON COMPLETION OF THE [REDACTED]

Immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % to total share capital
Domestic Shares in issue	<u>[5,029,800]</u>	<u>[REDACTED]%</u>
H Shares to be converted from Domestic Shares	<u>[89,218,510]</u>	<u>[REDACTED]%</u>
H Shares to be issued pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u>[REDACTED]</u>	<u>100%</u>

Immediately upon completion of the [REDACTED], assuming the [REDACTED] is exercised, the share capital of our Company will be as follows:

Description of Shares	Number of Shares	Approximate % to total share capital
Domestic Shares in issue	<u>[5,029,800]</u>	<u>[REDACTED]%</u>
H Shares to be converted from Domestic Shares	<u>[89,218,510]</u>	<u>[REDACTED]%</u>
H Shares to be issued pursuant to the [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]%</u>
Total	<u>[REDACTED]</u>	<u>100%</u>

SHARES OF OUR COMPANY

The H Shares, to be issued following the completion of the [REDACTED] and converted from the Domestic Shares, and the Domestic Shares are ordinary Shares in the share capital of our Company, all of which are considered as one class of Shares. H Shares may only be subscribed for and traded in Hong Kong dollars. Domestic Shares and H Shares are regarded as one class of Shares under our Articles of Association and will rank *pari passu* with each other in all other respects and, in particular, will rank equally for all dividends or distributions declared, paid or made after the date of this document. Dividends in respect of our Shares may be paid by us in Hong Kong dollars or Renminbi, as the case may be. In addition to cash, dividends may be distributed in the form of Shares.

SHARE CAPITAL

CONVERSION OF OUR DOMESTIC SHARES INTO H SHARES

According to the regulations by the securities regulatory authorities of the State Council and our Articles of Association, the Domestic Shares may be converted into H Shares, and such converted Shares may be listed and traded on an overseas stock exchange provided that the conversion, listing and trading of such converted Shares have been approved by the securities regulatory authorities of the State Council. In addition, such conversion, trading and listing shall complete any requisite internal approval process and in all respects comply with the regulations prescribed by the securities regulatory authorities of the State Council and the regulations, requirements and procedures prescribed by the relevant overseas stock exchange.

Our Company [has] applied for H-share full circulation to convert certain of the Domestic Shares into H Shares as per the instructions of the relevant Shareholders. The conversion of Domestic Shares into H Shares will involve an aggregate of [REDACTED] Domestic Shares held by 62 existing Shareholders, representing approximately [REDACTED]% of total issued Share capital of our Company upon the completion of the conversion of Domestic Shares into H Shares and the [REDACTED] (assuming the [REDACTED] are not exercised).

If any of the Domestic Shares are to be converted, listed and traded as H Shares on the Stock Exchange, such conversion, listing and trading will need the approval of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Stock Exchange. Based on the procedures for the conversion of Domestic Shares into H Shares as described below, we may apply for the listing of all or any portion of the Domestic Shares on the Stock Exchange as H Shares in advance of any proposed conversion to ensure that the conversion process can be completed promptly upon notice to the Stock Exchange and delivery of Shares for entry on the H Share register. As any listing of additional Shares after our [REDACTED] on the Stock Exchange is ordinarily considered by the Stock Exchange to be a purely administrative matter, it does not require such prior application for listing at the time of our [REDACTED] in Hong Kong. No Shareholder voting is required for the conversion of such Shares or the [REDACTED] and trading of such converted Shares on an overseas stock exchange. Any application for listing of the converted shares on the Stock Exchange after the [REDACTED] is subject to prior notification by way of announcement to inform our Shareholders and the public of any proposed conversion.

[REDACTED] Review and Approval by the CSRC

In accordance with the Guidelines for the “Full Circulation” Programme for Domestic Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》) announced by the CSRC, H-share listed companies which apply for the conversion of shares into H shares for listing and circulation on the Hong Kong Stock Exchange shall file the application with the CSRC according to the administrative licensing procedures necessary for the “examination and approval of public issuance and listing (including additional issuance) of overseas shares by a joint stock company”. An H-share listed company may apply for a “Full Circulation” separately or when applying for refinancing overseas. An unlisted domestic joint stock company may apply for “full circulation” when applying for an overseas initial public offering.

The Company applied for a “Full Circulation” when applying for an overseas listing with the CSRC on [●], and submitted the application reports, authorisation documents of the shareholders of Domestic Shares for which an H-share “full circulation” were applied, explanation about the compliance of share acquisition and other documents in accordance with the requirements of the CSRC.

The Company has received the reply from the CSRC dated [●] in relation to the approval of the overseas listing and “Full Circulation”, pursuant to which, (1) the Company was approved to issue no more than [●] H Shares with a nominal value of RMB1.00 each, which are all ordinary shares, and upon this issuance the Company may be listed on the Main Board of the Hong Kong Stock Exchange; (2) a total of [●] Domestic Shares and held by the [●] Shareholders of the Company were approved to be converted into H Shares, and the relevant Shares may be listed on the Hong Kong Stock Exchange upon completion of the conversion. This reply shall remain effective within 12 months from the date of approval.

SHARE CAPITAL

After all the requisite approvals have been obtained, the following procedure will need to be completed in order to effect the conversion: the relevant Domestic Shares will be withdrawn from the [REDACTED] Share register and we will re-register such Shares on our [REDACTED] maintained in Hong Kong and instruct the [REDACTED] to issue H Share certificates. Registration on our H Share register will be conditional on (a) our [REDACTED] lodging with the Hong Kong Stock Exchange a letter confirming the proper entry of the relevant H Shares on the H Share register of members and the due dispatch of H Share certificates; and (b) the admission of the H Shares to trade on the Hong Kong Stock Exchange in compliance with the Listing Rules, the General Rules of [REDACTED] and the [REDACTED] in force from time to time. Until the converted shares are re-registered on our H Share register, such Shares would not be listed as H Shares.

RESTRICTION OF SHARE TRANSFER

In accordance with the PRC Company Law, the shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange. As such, the Shares issued by our Company prior to the issue of H Shares will be subject to such statutory restriction on transfer within a period of one year from the [REDACTED].

Our Directors, Supervisors and members of the senior management of our Company shall declare their shareholdings in our Company and any changes in their shareholdings. Shares transferred by our Directors, Supervisors and members of the senior management each year during their term of office shall not exceed 25% of their total respective shareholdings in our Company. The Shares that the aforementioned persons held in our Company cannot be transferred within one year from the date on which the shares are listed and traded, nor within half a year after they leave their positions in our Company. The Articles of Association may contain other restrictions on the transfer of the Shares held by our Directors, Supervisors and members of senior management of our Company.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

For details of circumstances under which our Shareholders’ general meeting is required, see “Appendix V — Summary of the Articles of Association of the Company” to this document.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Our Board of Directors consists of eight Directors, including four executive Directors, one non-executive Director and three independent non-executive Directors. Our Board of Directors is responsible and has general powers for the management and conduct of our business.

Our Supervisory Committee currently consists of three Supervisors. The Supervisory Committee of our Group is responsible for supervising our Directors and the senior management of our Company on fulfilment of their duties. As advised by our PRC Legal Advisers, we will abolish the Supervisory Committee upon [REDACTED] pursuant to the PRC Company Law and relevant regulations of the CSRC.

All of our Directors, Supervisors and senior management have met the qualification requirements under the relevant PRC laws and regulations and the Listing Rules for their respective positions.

BOARD OF DIRECTORS

The table below sets out key information of our Directors.

Name	Age	Position(s)	Date of appointment as Director	Time of joining our Group	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Mr. Xu Hao (許浩)	[50]	Chairman of our Board, executive Director	28 January 2014	November 2010	Responsible for overall strategic planning and operational decisions, as well as daily management of our Group	N/A
Mr. Han Songyu (韓松育)	[42]	Executive Director and general manager	28 January 2014	September 2011	Responsible for overall strategic planning and operational decisions, as well as daily management of our Group	N/A
Ms. Liu Meng (劉孟)	[47]	Executive Director, joint company secretary, board secretary and chief financial officer	7 September 2015	October 2013	Responsible for financial, board secretary and company secretary affairs of our Group	N/A
Ms. Cui Min (崔敏)	[53]	Executive Director	17 June 2016	November 2010	Responsible for sales support management and procurement management of our Group	N/A
Mr. You Minyong (游敏勇)	[54]	Non-executive Director	6 February 2024	September 2018	Responsible for providing general guidance to the development of our Group	N/A
Ms. Ye Hui (葉慧)	[46]	Independent non-executive Director	7 May 2025 (effective upon [REDACTED])	May 2025	Providing independent opinion and judgment to the Board, thereby protecting the overall interest of the Company	N/A

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Age	Position(s)	Date of appointment as Director	Time of joining our Group	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Mr. Zhuo Jianghua (卓江華)	[49]	Independent non-executive Director	7 May 2025 (effective upon [REDACTED])	May 2025	Providing independent opinion and judgment to the Board, thereby protecting the overall interest of the Company	N/A
Mr. Sun Jin (孫金)	[34]	Independent non-executive Director	7 May 2025 (effective upon [REDACTED])	May 2025	Providing independent opinion and judgment to the Board, thereby protecting the overall interest of the Company	N/A

Executive Directors

Mr. Xu Hao (許浩), aged [50], is the chairman of our Board and an executive Director of our Company. Mr. Xu joined our Group in November 2010 and has been a Director of our Company since January 2014. Mr. Xu was designated as an executive Director and chairman of our Board on 7 May 2025. He also serves as an executive director of various subsidiaries of our Company, including Jiangsu Kaijie, Jiaying Kaijie, Shanghai Xingkai, Shanghai Qiaokai. Mr. Xu is responsible for the overall strategic planning and operational decisions, as well as daily management of our Group. Mr. Xu is the chairman of our Strategy Committee.

With over 26 years of experience in corporate governance, sales and marketing and strategic planning, Mr. Xu brings extensive expertise in corporate operations to our Group. Since January 2014, Mr. Xu has been the chairman of our Board. Prior to that, Mr. Xu was a senior business officer of our Company from January 2012 to July 2013. In addition to his employment within our Group, Mr. Xu has been an executive director and the general manager of Shanghai Cuitian Biotechnology Co., Ltd. (上海萃天生物科技有限公司) since March 2012, an executive director of Shanghai Haozhong Investment Management Co., Ltd. (上海昊中投資管理有限公司) since February 2014 and a director of Liangzhun (Shanghai) Industrial Co., Ltd. (量准(上海)實業有限公司) since December 2016.

Prior to joining our Group, Mr. Xu served as the president of Jiangsu Huajia Holding Group Co., Ltd. (江蘇華佳控股集團有限公司) from October 2010 to January 2012. From February 2008 to October 2010, he was the procurement and production director of Beijing Hearst Advertisement Co., Ltd. Shanghai Branch (北京赫斯特廣告有限公司上海分公司) formerly known as Beijing Huaxie Advertising Co., Ltd. Shanghai Branch (北京樺榭廣告有限公司上海分公司). From February 2005 to January 2008, Mr. Xu assumed various positions in Shanghai Chuyuan and his last position held in Shanghai Chuyuan is the chairman of the board of directors. From June 2002 to May 2005, he was the sales manager of Shenzhen Donnelley Printing Co., Ltd. (深圳當納利印刷有限公司) and Shanghai Donnelley Printing Co., Ltd. (上海當納利印刷有限公司), respectively. He served as the sales manager of General Electric (China) Co., Ltd. (通用電氣(中國)有限公司) from January 2000 to May 2002. Prior to that, he worked as a production manager of Procter & Gamble China Limited (寶潔(中國)有限公司) from July 1998 to January 2000.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Xu was a director, supervisor or manager of the following companies, which were established in the PRC and the business licence of which had been deregistered during his tenure as these companies had already ceased operation. Mr. Xu confirmed that these companies were solvent at the time of their respective deregistration and their respective deregistration had not resulted in any liability or obligation against him. The table below sets out further details of the deregistered companies:

Name of the Company	Position held	Nature of business	Date of dissolution	Method of dissolution
Shanghai Chuhua Investment Management Co., Ltd. (上海楚華投資管理有限公司)	Executive director	Investment management	3 September 2009	Deregistration (注銷)
Shanghai Sibolin Electronic Technology Co., Ltd. (上海斯昂林電子科技有限公司)	Executive director	Technology development, transfer and consulting	8 December 2009	Deregistration (注銷)
Changzhou Huixin New Materials Technology Co., Ltd. (常州匯鑫新材料科技有限公司)	Chairman of the board of directors and general manager	Research and development of material technologies, technical consulting	22 April 2014	Deregistration (注銷)
Shanghai Yingfei Bofa Investment Management Co., Ltd. (上海英飛博發創業投資管理有限公司)	Director	Investment management	12 October 2017	Deregistration (注銷)
Shanghai Xitu Network Technology Co., Ltd. (上海熙途網絡科技有限公司)	General manager and executive director	Licensed pop culture toy products	16 May 2019	Deregistration (注銷)
Qianjiang Yingfeigao Entrepreneurial Investment Management Co., Ltd. (潛江英飛高投創業投資管理有限公司)	Executive director	Investment management	20 October 2016	Deregistration (注銷)
Changzhou Zhongkai Medical Co., Ltd. (常州中凱醫藥有限公司)	Executive director	No actual business	20 June 2017	Deregistration (注銷)
Liangzhun (Shanghai) Life Science Technology Co., Ltd. (量准(上海)生命科技有限公司)	Executive director	Life science technology, medical technology development, consulting	24 November 2021	Deregistration (注銷)
Liangzhun (Shanghai) Scientific Instruments Co., Ltd. (量准(上海)科學儀器有限公司)	Executive director	Scientific instruments technology consultation and service	15 May 2025	Deregistration (注銷)
Liangzhun (Suzhou) Chip Technology Co., Ltd. (量准(蘇州)芯片科技有限公司)	Executive director	Technology development, transfer, and consulting in the field of nano SPR technology	15 July 2020	Deregistration (注銷)
Changzhou Qintang Hanwei Consulting Co., Ltd. (常州秦唐漢威諮詢有限公司)	Executive director and general manager	Enterprise management consulting and investment consulting	9 March 2020	Deregistration (注銷)

Mr. Xu obtained a bachelor’s degree in chemistry from Xiamen University (廈門大學) in July 1998.

Mr. Han Songyu (韓松育), aged [42], is an executive Director and the general manager of our Company. Mr. Han joined our Group in September 2011 and has been a Director of our Company since January 2014. Mr. Han was designated as an executive Director on 7 May 2025. He also serves as an executive director of various subsidiaries of our Company, including but not limited to, Shanghai

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Kaichong, Shanghai Monster, Shanghai Kaituo, Shanghai Kaimiao, Beijing Kaijing and Changzhou Xingkai. Mr. Han is responsible for the overall strategic planning and operational decisions as well as daily management of the Group. Mr. Han is also in charge of the legal and compliance matters of our Group. Mr. Han is a member of our Strategy Committee.

Mr. Han has extensive experience in distributor management, marketing and sales. Prior to joining our Group, Mr. Han assumed various positions at Mars Wrigley Confectionery (China) Co., Ltd. (瑪氏箭牌糖果(中國)有限公司) from July 2007 to June 2009, where his last position was the international clients manager. Prior to that, he worked as a distributor manager at Dumex Infant and Toddler Food Co., Ltd. (多美滋嬰幼兒食品有限公司) from June 2009 to June 2010.

In addition to his employment with our Group, Mr. Han has been a director of Shanghai Weijie Cultural Media Co., Ltd. (上海微詰文化傳媒有限公司) since January 2018.

Mr. Han was a director, supervisor or manager of the following company, which was established in the PRC and the business licence of which had been deregistered during his tenure as the company had already ceased operation. Mr. Han confirmed that the company was solvent at the time of its deregistration and its deregistration had not resulted in any liability or obligation against him. The table below sets out further details of the deregistered company:

Name of the Company	Position held	Nature of business	Date of dissolution	Method of dissolution
Shanghai Xitu Network Technology Co., Ltd. (上海熙途網絡科技有限公司)	Supervisor	Licensed pop toy products	16 May 2019	Deregistration (注銷)

Mr. Han obtained a bachelor’s degree in advertising from Jilin University (吉林大學) in July 2006, and then obtained his executive master’s degree in business management from Cheung Kong Graduate School of Business (長江商學院) in October 2024.

Ms. Liu Meng (劉孟), aged [47], is an executive Director, the joint company secretary, board secretary and the chief financial officer of our Company. Ms. Liu joined our Group in October 2013 and has been a Director of our Company since September 2015. Ms. Liu was designated as an executive Director on 7 May 2025. She also serves as an executive director of Shanghai Kaichong, and the financial officer of Shanghai Magkey, Shanghai Kaihe. Ms. Liu is primarily responsible for financial, board secretary and company secretary affairs of our Group. Ms. Liu is a member of our Strategy Committee.

Ms. Liu has over 25 years of experience in accounting and financial management. From January 2009 to October 2013, Ms. Liu served as a project manager of Shanghai Lixin Jiacheng Dongshen Accounting Firm Co., Ltd. (上海立信佳誠東審會計師事務所有限公司), Shanghai Zhongqin Wanxin Accounting Firm Co., Ltd. (上海中勤萬信會計師事務所有限公司) and Shanghai Rongye Accounting Firm (General Partnership) (上海榮業會計師事務所(普通合夥)). Ms. Liu worked as financial manager of Hong Kong Zhongxie Group Co., Ltd. Shanghai Representative Office (香港中協集團有限公司上海代表處) from November 2004 to December 2008. From April 2003 to November 2004, she was the financial manager of AAC Technologies Holdings Inc. (瑞聲科技控股有限公司), the shares of which are listed on the Stock Exchange (stock code: 2018). Prior to that, Ms. Liu served as the general ledger accountant at Jiangsu Dacheng Decoration Co., Ltd. (江蘇大成裝潢有限公司) from April 2001 to April 2003. She held the same position at Changzhou City Global Chemistry Co., Ltd. (常州市環球化工有限公司) from September 1998 to April 2001.

Ms. Liu obtained a bachelor of science degree in accounting from Nanjing University of Finance and Economics (南京財經大學) (formerly Nanjing College of Economics (南京經濟學院)) in June 2001.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Cui Min (崔敏), aged [53], is an executive Director of our Company. Ms. Cui joined our Group in November 2010 and has been a Director of our Company since June 2016. Ms. Cui was designated as an executive Director on 7 May 2025. Ms. Cui is primarily responsible for sales support management and procurement management of our Group.

Prior to joining our Group, Ms. Cui served as the vice general manager at Guangzhou Liandong Xinnet Electronic Communications Co., Ltd. (廣州聯動信網電子通訊有限公司) from August 2007 to November 2010. From June 2004 to August 2007, she was the marketing director at Guangdong Xunjie Communication Technology Co., Ltd. (廣東訊捷通信科技有限公司). From October 1997 to August 2003, she worked as the marketing manager at Zhengzhou Swire Coca-Cola Beverages Limited. (鄭州太古可口可樂飲料有限公司).

Ms. Cui was a supervisor of the following company, which was established in the PRC and the business licence of which had been deregistered during her tenure as the company had already ceased operation. Ms. Cui confirmed that the companies was solvent at the time of its deregistration and its deregistration had not resulted in any liability or obligation against her. The table below sets out further details of the deregistered company:

Name of the Company	Position held	Nature of business	Date of dissolution	Method of dissolution
Shanghai Huangchuan Dadi Marketing Planning Co., Ltd. (上海荒川大地營銷策劃有限公司)	Supervisor	marketing and sales, advertisement design	11 November 2021	Deregistration (注銷)

Ms. Cui was also a director or general manager of the following companies, which were established in the PRC and the business licence of which had been revoked during her tenure:

Name of the Company	Position held	Date of revocation	Reason for revocation	Outcome/current position
Hainan Haizhilan Network Information Service Co., Ltd. (海南海之藍網絡信息服務有限公司)	Director	29 June 2016	Business termination and failure to complete the annual inspection on time as required under relevant PRC laws and regulations	The company ceased its business operation prior to revocation of business licence. It had been compulsorily liquidated and currently has no operation but not yet deregistered.
Guangzhou Huahuo Trading Co., Ltd. (廣州花火貿易有限公司)	Executive director and general manager	15 November 2010	Business termination and failure to complete the annual inspection on time as required under relevant PRC laws and regulations	The company ceased its business operation prior to revocation of business licence. It had been compulsorily liquidated and currently has no operation but not yet deregistered.

Ms. Cui has confirmed that (i) she was not directly responsible for handling the company secretarial matters, which was assigned to certain specified staff in the above-mentioned company; and (ii) there was no dishonest or fraudulent act on her part in respect of the revocation of the business licence of the above-mentioned company. Ms. Cui further confirmed that up to the Latest Practicable Date, she has not received any (i) notice or sanction by any relevant government authorities against her imposing any penalty or order for rectification or alleging that she is personally liable in respect of the revocation of above-mentioned company; or (ii) notice of disqualification by relevant authorities requiring her to cease to act as director of any PRC company.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Cui obtained a bachelor’s degree in computer science and technology from Information Engineering University (解放軍信息工程大學) in June 2004.

Mr. You Minyong (游敏勇), aged [54], is a non-executive Director of our Company. Mr. You joined our Group in September 2018 and has been a Director of our Company since February 2024. Mr. You was designated as a non-executive Director on 7 May 2025. Mr. You is primarily responsible for providing general guidance to the development of our Group.

Prior to joining our Group, Mr. You served as a director at Wuxi Huirong Investment Co., Ltd. (無錫慧融投資有限公司) (the “**Wuxi Huirong**”) from November 2014 to August 2023. Prior to that, Mr. You served as the general manager at Guangzhou Shiweifu Logistics Co., Ltd. (廣州施維福物流有限公司) from May 2000 to September 2014.

Mr. You was a director or supervisor of the following companies, which were established in the PRC and the business licence of which had been deregistered during his tenure as the company had already ceased operation. Mr. You confirmed that the companies was solvent at the time of their respective deregistration and their respective deregistration had not resulted in any liability or obligation against him. The table below sets out further details of the deregistered company:

Name of the Company	Position held	Nature of business	Date of dissolution	Method of dissolution
Wuxi Huirong	Director	Investment	11 August 2023	Deregistration (注銷)
Guangzhou Sibot Trading Co., Ltd. (廣州思博貿易有限公司)	Executive director	Wholesale and retail	21 May 2019	Deregistration (注銷)
Xingan County Shiweifu Logistics Co., Ltd. (新幹縣施維福物流有限公司)	Executive director	Logistics and warehousing services	27 June 2016	Deregistration (注銷)
Guangchang County Shibot Trading Co., Ltd. (廣昌縣施博貿易有限公司)	Executive director	Paper sales, domestic trade	29 June 2015	Deregistration (注銷)
Changzhou Huixin New Materials Technology Co., Ltd. (常州匯鑫新材料科技有限公司)	Director	Research and development of new nanophotonic crystal material technologies, technical consulting	22 April 2014	Deregistration (注銷)

Mr. You graduated from Southwest University of Science and Technology (西南科技大學) via online courses majoring in business administration in January 2017.

Independent non-executive Directors

Ms. Ye Hui (葉慧), aged [46], is our independent non-executive Director. Ms. Ye joined our Group and was appointed as an independent non-executive Director on 7 May 2025 (effective upon [REDACTED]). With extensive experience in accounting, Ms. Ye is responsible for providing independent opinion and judgment to our Board, thereby protecting the overall interest of the Company. Ms. Ye is the chairwoman of our Audit Committee and a member of the Remuneration Committee and Nomination Committee.

Ms. Ye has over 20 years of experience in accounting. Since December 2024, she has served as an independent director at Wanda Film Holding Co., Ltd. (萬達電影股份有限公司), whose shares are listed on the Shenzhen Stock Exchange (stock code: 002739). Since October 2012 to present, Ms. Ye has been serving as a partner at Baker Tilly China Certified Public Accountants Shanghai Branch (天職國際會計師事務所上海分所). From October 1998 to September 2005, Ms. Ye has assumed various positions, including accountant, analysis supervisor and director of the comprehensive division of the finance department of Southern Building Materials Co., Ltd. (南方建材股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000906).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Ye was certified as a SHICPASNAI top CPA by the Shanghai National Accounting Institute (上海國家會計學院) and Shanghai Institute of Certified Public Accountant (上海市註冊會計師協會) in November 2023. In May 2018, she was awarded the “Youth May Fourth Medal (青年五四獎章)” for the year of 2017 by the Shanghai Youth League Committee for the Accounting and Asset Evaluation Industries. She was awarded the title of “Core Talent Accountant of the 2016 China Insurance Industry Thousand Talents Programme (中國保險行業千人計劃2016年度會計師核心人才)” by the China Insurance Industry Association (中國保險行業協會) in November 2016. Ms. Ye was accredited as a certified public accountant by the Ministry of Finance of the PRC in 2006 and is currently a member of the Chinese Institute of Certified Public Accountants.

Ms. Ye obtained a bachelor’s degree in accounting from Human University (湖南大學) in July 2001. She obtained a master’s degree in business administration from the W.P. Carey School of Business at Arizona State University (jointly offered with the Shanghai National Accounting Institute) in August 2013.

Mr. Zhuo Jianghua (卓江華), aged [49], is our independent non-executive Director. Mr. Zhuo joined our Group and was appointed as an independent non-executive Director on 7 May 2025 (effective upon [REDACTED]). Mr. Zhuo is mainly responsible for providing independent opinion and judgment to our Board, thereby protecting the overall interest of our Company. Mr. Zhuo is the chairman of our Remuneration Committee and a member of our Audit Committee and Nomination Committee.

Mr. Zhuo has extensive experience in auditing and corporate governance. Since May 2018, Mr. Zhuo has served as the chairman of the board and general manager of Winda Jinshun (Shenzhen) Logistics Co., Ltd (運達錦順(深圳)物流有限公司). Since 2012, Mr. Zhuo has been the executive director of Winda Logistics Limited (運達國際物流有限公司). Prior to that, he was an auditor at Kreston David Yeung PAC (formerly known as David Yeung & Co PAC) from May 2009 to September 2010. From June 2006 to April 2009, Mr. Zhuo was an auditor of Bob Low & Co. Mr. Zhuo was admitted in October 2020 and is currently a member of the Association of Chartered Certified Accountants.

Mr. Zhuo obtained a bachelor’s degree in chemistry from Xiamen University (廈門大學) in July 1998.

Mr. Sun Jin (孫金), aged [34], is our independent non-executive Director. Mr. Sun joined our Group and was appointed as an independent non-executive Director on 7 May 2025 (effective upon [REDACTED]). Mr. Sun is mainly responsible for providing independent opinion and judgment to our Board, thereby protecting the overall interest of the Company. Mr. Sun is the chairman of our Nomination Committee and a member of our Remuneration Committee and Audit Committee.

Mr. Sun has almost 10 years of experience in securities investment, asset-backed securities lending and corporate finance. Prior to joining our Group, Mr. Sun served as the president of Aquamotto Cultural Development Co., Ltd. (潤嘉文化發展有限公司) since April 2018. Since January 2018 to present, he served as the vice general manager of Jiangsu Jianye Construction Group Co., Ltd. (江蘇建業建設集團有限公司). Additionally, Mr. Sun is a founding partner of BG Capital and has been serving as a partner since May 2020, responsible for securities investment.

Mr. Sun obtained a bachelor of science degree from Columbia University in May 2015.

General

Our Directors have confirmed that:

- save as disclosed in the paragraph headed “C. Further Information About Our Directors, Supervisors and Substantial Shareholders — 2. Service Contracts” in Appendix VI to this document, none of our Directors has any existing or proposed service contract with the Company other than contracts expiring or determinable by the relevant member of the Company within one year without payment of compensation (other than statutory compensation);

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- save as disclosed in the paragraph headed “C. Further Information about Our Directors, Supervisors and Substantial Shareholders — 1. Disclosure of Interests” in Appendix VI to this document and above, each of our Directors has no interests in the Shares within the meaning of Part XV of the SFO;
- save as disclosed in “— Board of Directors” in this section, each of our Directors has not been a director of any other publicly listed company during the three years prior to the Latest Practicable Date and as of the Latest Practicable Date; and
- save as disclosed in “— Board of Directors” in this section, none of our Directors completed his/her respective education programmes by way of attendance of long distance learning or online courses.

SUPERVISORS

The following table sets out key information of our Supervisors.

Name	Age	Position(s)	Date of appointment as Supervisor	Time of joining our Group	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Ms. Xiong Kui (熊葵)	[43]	Chairwoman of the Supervisory Committee	6 February 2024	December 2019	Responsible for managing the Supervisory Committee and supervising our Directors and senior management of the Company on fulfilment of their duties	N/A
Ms. Shen Binglin (沈冰琳)	[36]	Supervisor	7 September 2015	July 2011	Responsible for supervising our Directors and senior management of the Company on fulfilment of their duties	N/A
Ms. Mou Lin (牟琳)	[51]	Supervisor	12 September 2019	September 2013	Responsible for supervising our Directors and senior management of the Company on fulfilment of their duties	N/A

Ms. Xiong Kui (熊葵), aged [43], is the chairwoman of the Supervisory Committee. Ms. Xiong joined our Group in December 2019 and was appointed as the chairwoman of our Supervisory Committee on 6 February 2024. Ms. Xiong is mainly responsible for managing the Supervisory Committee and supervising our Directors and senior management of the Company on fulfilment of their duties.

Ms. Xiong has been the public relations officer of our Company since December 2019, responsible for the brand public relations communication, government affairs relationships, and collaboration coordination of our Group. Prior to joining our Group, Ms. Xiong had served as brand public relations officer, public relations consultant, brand managers or other positions of various high-profile companies including Zhejiang Jingu Co., Ltd. (浙江金固股份有限公司) (the shares of which are listed on the Shenzhen

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Stock Exchange (stock code: SZ.002488)), Guangzhou Vipshop Information Technology Co., Ltd. (廣州唯品會信息科技有限公司) (the shares of which are listed on the New York Stock Exchange (stock code: VIPS)), Huifu Tianxia Co., Ltd. (匯付天下有限公司) (the shares of which are listed on the Stock Exchange (stock code: 01806)) and Tencent Technology (Shanghai) Co., Ltd. (騰訊科技(上海)有限公司).

Ms. Xiong obtained a master’s degree in communications studies from Nanchang University (南昌大學) in January 2009.

Ms. Shen Binglin (沈冰琳), aged [36], is a Supervisor of our Company. Ms. Shen joined our Group in July 2011 and was appointed as our Supervisor on 10 September 2015. Ms. Shen is mainly responsible for supervising our Directors and senior management of the Company on fulfilment of their duties.

Ms. Shen has assumed various positions including store manager and associate director of operations since joining our Group in July 2011 and is currently the operations officer and a Supervisor.

Ms. Shen obtained a bachelor’s degree in English from East China University of Political Science and Law (華東政法大學) in July 2011.

Ms. Mou Lin (牟琳), aged [51], is a Supervisor of our Company. Ms. Mou joined our Group in September 2013 and was appointed as our Supervisory on 12 September 2019. Ms. Mou is mainly responsible for supervising our Directors and senior management of the Company on fulfilment of their duties.

Ms. Mou has held various positions, including distribution manager and customer manager since from September 2013. She is currently a senior distribution manager, responsible for project and client management.

Ms. Mou graduated from Shanghai Open University (上海開放大學) majoring in logistics management in January 2016.

General

Save as disclosed in “— Supervisors” in this section, each of our Supervisors has confirmed that:

- she does not hold and has not held any other positions in the Company and any other members of the Company as of the Latest Practicable Date;
- she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as of the Latest Practicable Date; and
- saved as disclosed in “— Supervisors” in this section, she has not completed his education programmes as disclosed in this section by way of attendance of long distance learning or online courses.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

The following table sets out key information of our senior management.

Name	Age	Position(s)	Time of appointment as senior management	Time of joining our Group	Roles and responsibilities	Relationship with other Directors, Supervisors or senior management
Mr. Han Songyu (韓松育)	[42]	Executive Director, general manager	September 2011	September 2011	Responsible for overall strategic planning and operational decisions, daily management of our Group	N/A
Ms. Liu Meng (劉孟)	[47]	Executive Director, joint company secretary, board secretary and chief financial officer	January 2014	October 2013	Responsible for financial, board secretary and company secretary affairs of our Group	N/A
Mr. Bao Shengwei (包聖為)	[41]	Senior business officer	September 2015	December 2013	Responsible for operation and online expansion of pet products category through all platforms of our Group	N/A
Mr. Jiang Mingjie (姜銘傑)	[46]	Senior business officer	September 2015	May 2012	Responsible for the operation and online expansion of baby & kids and pop toys category through all platforms of our Group	N/A

Mr. Han Songyu (韓松育), aged [42], is the executive Director and general manager of our Company. For biography of Mr. Han, see “— Board of Directors — Executive Directors” in this section.

Ms. Liu Meng (劉孟), aged [47], is the executive Director, joint company secretary, board secretary and chief financial officer of our Company. For biography of Ms. Liu, see “— Board of Directors — Executive Directors” in this section.

Mr. Bao Shengwei (包聖為), aged [41], joined our Group in December 2013 and is a senior business officer of our Company. Mr. Bao is mainly responsible for operation and online expansion of pet products category through all platforms of our Group.

Mr. Bao has extensive experience in the consumer goods industry. Since December 2013, Mr. Bao has served as a senior business officer of our Company. From September 2018 to December 2023, Mr. Bao was a Director of the Company. Prior to joining our Group, Mr. Bao served as a national channel manager at LVMH Fragrance and Cosmetics (Shanghai) Co., Ltd. (路威酩軒香水化妝品(上海)有限公司) from August 2012 to December 2013. From October 2008 to August 2012, he was a key account manager of L’Oréal (China) Co., Ltd. (歐萊雅(中國)有限公司). Prior to that, he worked as a regional sales manager of Mars Wrigley Confectionery (China) Co., Ltd. (瑪氏箭牌糖果(中國)有限公司) from July 2006 to October 2008.

Mr. Bao obtained a bachelor’s degree in mechanical engineering and automation from Shanghai Jiao Tong University (上海交通大學) in July 2006.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Jiang Mingjie (姜銘傑), aged [46], joined our Group in May 2012 and is a senior business officer of our Company. Mr. Jiang is mainly responsible for the operation and online expansion of baby & kids and pop toys category through all platforms of our Group.

Mr. Jiang possess extensive expertise in the consumer goods industry. Since May 2012, Mr. Jiang has assumed various positions in our Group and his current position is senior business officer. Prior to joining our Group, he worked as a channel manager at Dumex Infant and Toddler Food Co., Ltd. (多美滋嬰幼兒食品有限公司) from March 2009 to March 2012. From November 2002 to September 2005, he was a marketing specialist for Jiixin Enterprise Management Consulting (Shanghai) Co., Ltd. (嘉新企業管理諮詢(上海)有限公司).

Mr. Jiang obtained a bachelor’s degree in marketing from Northeast University of Finance and Economics (東北財經大學) in July 2002.

General

Save as disclosed in “— Senior Management” in this section, each of our senior management has confirmed that:

- he/she does not hold and has not held any other positions in the Company and any other members of the Company as of the Latest Practicable Date;
- he/she does not hold and has not held any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date and as of the Latest Practicable Date;
- save as disclosed in “— Board of Directors” in this section, he/she has not completed his education programmes as disclosed in this section by way of attendance of long distance learning or online courses.

JOINT COMPANY SECRETARIES

Ms. Liu Meng was appointed as one of the joint company secretaries of our Company on 31 March 2025 (effective upon [REDACTED]). For the biography of Ms. Liu Meng, see “— Board of Directors — Executive Directors” in this section.

Ms. Au Wing Han (區泳嫻), aged [33], is the joint company secretary of our Company. Ms. Au is an assistant manager of SWCS Corporate Services Group (Hong Kong) Limited (方圓企業服務集團(香港)有限公司) and has over eight years of experiences in corporate secretarial field and is responsible for providing corporate service to listed and private companies. Ms. Au is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Au holds a degree of Bachelor of Business Administration (Hons).

Ms. Au is able to fulfil her duties as a joint company secretary by leveraging her extensive professional experience with listed companies, which has given her a strong grasp of the Listing Rules and relevant regulations, and by working with a capable and well-supported team. The Company has also implemented robust communication and support measures, including regular meetings, clear contact points, and ongoing performance reviews, to ensure Ms. Au can devote sufficient time and attention to the company secretarial and corporate governance matters of our Company.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISER

We have appointed Maxa Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

- before the publication of any announcements, circulars or financial reports required by regulatory authorities or applicable laws;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues, sales or transfers of treasury shares and share repurchases;
- where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- where the Stock Exchange makes an inquiry of us regarding unusual price movement and trading volume or other issues under Rule 13.10 of the Listing Rules.

Pursuant to Rule 3A.24 of the Listing Rules, Maxa Capital Limited will, in a timely manner, inform us of any amendment or supplement to the Listing Rules and new or amended laws and regulations in Hong Kong applicable to us.

The terms of the appointment shall commence on the [REDACTED] and end on the date which we distribute our annual report of our financial results for first full the financial year commencing after the [REDACTED].

BOARD COMMITTEES

Our Board delegates certain responsibilities to various dedicated committees in accordance with relevant PRC laws, regulations, the Articles of Association and the Listing Rules, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and Strategy Committee. The appointment of the respective committee members were approved by the Shareholders at the Shareholders’ general meeting on 7 May 2025.

Audit Committee

We established the Audit Committee (effective from the [REDACTED]) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.4 and paragraph D.3 of Part 2 of the Corporate Governance Code. The Audit Committee consists of three Directors, namely Ms. Ye Hui, Mr. Zhuo Jianghua and Mr. Sun Jin, with Ms. Ye Hui serving as the chairwoman. Ms. Ye and Mr. Zhuo holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, but not limited to, the following:

- proposing the appointment or change of external auditors to our Board, and monitoring the independence of external auditors and evaluating their performance;
- examining the financial information of our Company and reviewing financial reports and statements of our Company;
- examining the financial reporting system, the risk management and internal control system of our Company, overseeing their rationality, efficiency and implementation and making recommendations to our Board; and
- dealing with other matters that are authorised by our Board.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Remuneration Committee

We have established the Remuneration Committee (effective from the [REDACTED]) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code. The Remuneration Committee consists of three Directors, namely Ms. Ye Hui, Mr. Zhuo Jianghua and Mr. Sun Jin, with Mr. Zhuo Jianghua serving as the chairman. The primary duties of the Remuneration Committee include, but not limited to, the following:

- advising our Board on the overall remuneration plan and structure of Directors, Supervisors and senior management and the establishment of transparent formal procedures for determining remuneration policy of the Company;
- examining the criteria of performance evaluation of Directors, Supervisors and the senior management of our Company, conducting performance evaluation and making recommendations to our Board;
- formulating individual remuneration plans for Directors, Supervisors and members of the senior management in accordance with the terms of reference of the importance of their positions, the time they spend on such positions as well as the remuneration benchmarks for the relevant positions in the other comparable companies; and
- dealing with other matters that are authorised by our Board, and if necessary, engaging external experts to provide relevant independent services.

Nomination Committee

We have established the Nomination Committee (effective from the [REDACTED]) with written terms of reference in compliance with paragraph B.3 of Part 2 of the Corporate Governance Code. The Nomination Committee consists of three Directors, namely Ms. Ye Hui, Mr. Zhuo Jianghua and Mr. Sun Jin, with Mr. Sun Jin serving as the chairman. The primary functions of the Nomination Committee include, but not limited to, the following:

- conducting extensive search and providing to our Board suitable candidates for Directors, general managers and other members of the senior management;
- overseeing the implementation of Board diversity policy; taking into account various factors when determining the composition of our Board, including, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and service tenure;
- examining the size and composition of our Board and its members in respect of their skills, knowledge, experience and diversity at least once every year, and making recommendations to our Board on any change in Board composition in accordance with our strategies;
- researching and developing standards and procedures for the election of our Board members, general managers and members of the senior management, and making recommendations to our Board; and
- dealing with other matters that are authorised by our Board.

Strategy Committee

We have established the Strategy Committee which consists of three Directors, namely Mr. Xu, Mr. Han and Ms. Liu Meng, with Mr. Xu serving as the chairwoman. The Strategy Committee will assist our Board, in conjunction with our senior management, in addressing the overall mission, vision and strategic direction of our Company. The primary functions of the Business and Strategy Committee include, but not limited to:

- considering and approving of major financing decisions and plans;

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

- providing our Board and senior management, as applicable, with input and recommendations with respect to key strategic initiatives;
- assisting management in establishing a strategic planning process;
- identifying and addressing organisational challenges; and
- evaluating strategic alternatives for our Board and senior management.

CORPORATE GOVERNANCE

We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, the Company intends to comply with the corporate governance requirements under the Corporate Governance Code after the [REDACTED].

BOARD DIVERSITY

We have adopted a board diversity policy (the “**Board Diversity Policy**”) to enhance the effectiveness of our Board and to maintain a high standard of corporate governance. Pursuant to our Board Diversity Policy, in reviewing and assessing suitable candidates to serve as a Director of the Company, the Nomination Committee will consider a range of diversity perspectives with reference to our business model and specific needs, including but not limited to gender, age, language, cultural and educational background, professional qualifications, skills, knowledge, industry and regional experience and/or length of service.

Our Directors have a balanced mixed of knowledge and skills, including but not limited to overall business management, advertisement, e-commerce, finance and accounting. They obtained degrees in various majors including but not limited to business administration, chemistry accounting and advertisement.

We are of the view that our Board satisfies the Board Diversity Policy. The Nomination Committee is responsible for reviewing the diversity of our Board, reviewing our Board Diversity Policy from time to time, developing and reviewing measurable objectives for implementing our Board Diversity Policy, and monitoring the progress on achieving these measurable objectives in order to ensure that the policy remains effective. Our Company will (i) disclose the biographical details of each Director and (ii) report on the implementation of our Board Diversity Policy (including whether we have achieved board diversity) in its annual corporate governance report. In particular, we will take opportunities to increase the proportion of female members of our Board when selecting and recommending suitable candidates for Board appointments to help enhance gender diversity in accordance with stakeholder expectations and recommended best practices.

Three out of eight of our Directors will be female upon the [REDACTED], and we have been taking and will continue to take steps to maintain that our Board will have at least one female Director after the [REDACTED]. Further, we have been taking, and will continue to take steps to promote gender diversity at our Board and management levels. Our board diversity policy provides that our Board should aim to increase the proportion of female members over time after the [REDACTED] where possible when selecting and making recommendations on suitable candidates for our Board appointments. Our Company places great importance on gender diversity, with approximately 66% of our employees being female as of 31 December 2025. We will (i) consider the possibility of appointing female senior management who has the necessary skills and experience; (ii) ensure that gender diversity is promoted in our Group by recruiting staff at middle to senior level; (iii) provide career development and training opportunities to our female staff whom we consider having the suitable experience, skill and knowledge of our operation and business to prepare them with the required attributes and competencies to serve as members of our Board with regards to our strategic needs and the industry in which we operate, such that they will be eligible for managerial and board-level positions in the future; and (iv) identify and select suitable female candidates to become our Board members and such candidates will be reviewed and recommended by our nomination committee to our Board periodically. We are of the view that the above measures will offer greater prospects for securing a pipeline of female candidates to achieve further gender diversity in our Board in the long run.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

COMPENSATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST PAID INDIVIDUALS

Our Company offers executive Directors, non-executive Directors Supervisors and members of our senior management, who are also employees of the Company, emolument in the form of salaries, allowances, discretionary bonus and benefits in kind (if applicable). Our independent non-executive Directors receive emolument based on their responsibilities (including being members or the chair of our board committees). We adopt a market and incentive-based employee emolument structure and implement a multi-layered evaluation system which focuses on performance and management goals.

The aggregate amount of remuneration paid/payable to our Directors and Supervisors for the three financial years ended 31 December 2023, 2024 and 2025 was approximately RMB19.2 million, RMB15.9 million and RMB16.2 million, respectively.

It is estimated that remuneration and benefits in kind equivalent to approximately RMB16.2 million in aggregate will be paid and granted to our Directors and Supervisors by us in respect of the financial year ended 31 December 2025 under arrangements in force at the date of this document.

For the financial years ended 31 December 2023, 2024 and 2025, the aggregate amount of emolument to the remaining of the five highest paid individuals of the Company (including three, two and two of our Directors) was approximately RMB5.3 million, RMB7.9 million and RMB7.7 million, respectively.

During the Track Record Period, no remuneration was paid to, or receivable by, our Directors, Supervisors or the five highest paid individuals of our Group as an inducement to join or upon joining the Company or as a compensation for loss of office in the Track Record Period. Further, none of our Directors had waived any emolument during the same period.

Except as disclosed above, no other payments had been paid, or are payable, by the Company to our Directors, Supervisors or the five highest paid individuals of the Company during the Track Record Period.

DIRECTORS’ CONFIRMATION

Each of our Directors confirms that he/she has obtained legal advice from our legal advisers as to Hong Kong laws on 22 May 2025, respectively as regards the requirements under the Listing Rules that are applicable to him/her as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange; and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of our independent non-executive Directors has confirmed to us:

- his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules;
- he/she does not have any past or present financial or other interest in the business of the Company or our subsidiaries, or any connection with any core connected person of the Company; and
- there are no other factors that may affect his/her independence at the time of his/her appointment.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

For a detailed description of our future plans and strategies, see “Business — Our Strategies”.

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting professional fees, [REDACTED] commissions and other fees incurred in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the [REDACTED] of the indicative [REDACTED] of HK\$[REDACTED] per Share to HK\$[REDACTED] per Share. We intend to use the [REDACTED] we will receive from the [REDACTED] for the following purposes:

- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for the strategic expansion and innovation of our business operations:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for strategic talent acquisitions across critical functions including business development, sales and marketing, and supply chain management to enhance our operational capabilities. The number of employees to be newly recruited for our Creative Services, Operations, Business, and IT departments in the three years following the [REDACTED] is expected to be 30, 25, 14, and 12, respectively, totalling 81. The functions of the Creative Services department include leveraging AIGC technology to develop differentiated visual marketing solutions and implementing comprehensive brand enhancement strategies, such as KOL collaborations and multi-channel campaign management, to strengthen brand equity and drive consumer engagement;
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for procurement of specialised technical resources, including office systems, business operation software and cloud services, and various project-based solutions, to support brand owners’ new product development and improve our operational efficiency;
 - (iii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for increasing marketing promotion expenditure to increase brand owners’ visibility and customer acquisition. Centered on e-commerce platforms such as Tmall, Douyin, and Xiaohongshu, we will execute tailored strategies for each channel. Guided by in-depth customer insights and segmentation, we will implement targeted marketing through concrete measures, including purchasing precise advertising on these platforms, collaborating with KOLs for livestreaming promotions and content recommendations, and maintaining a high-frequency, consistent flow of quality promotional material. These efforts are designed to effectively reach our target audience, guide them through the purchasing process, and ultimately increase the number of acquired customers and the rate of successful conversions; and
 - (iv) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for establishment of a proprietary private community ecosystem to accelerate new product incubation for brand owners strengthening digital marketing capabilities and resources through integrated AI-driven precision targeting, intelligent content generation and cross-channel traffic operations to improve marketing efficiency for our brand owners, while increasing brand visibility through innovative content strategies. In establishing the proprietary private community ecosystem, we plan to strategically collaborate with niche KOLs who possess dedicated, high-engagement follower communities. By leveraging these resources, we facilitate precise product seeding and community-driven sales, effectively cultivating a core base of brand advocates. The revenue stream generated from these private domains will then be strategically reinvested to fund public channel expansion and long-term brand value enhancement, creating a virtuous cycle for scalable growth. Through these combined efforts, we aim to scale our to-C brand operations and enhance our capabilities of providing end-to-end solutions.

FUTURE PLANS AND USE OF [REDACTED]

These initiatives will allow us to diversify SME services, deepen our outdoor sector presence, and expand our brand portfolio, ultimately transforming into an integrated retailer with end-to-end digital retail solutions that drive revenue growth and reinforce industry leadership through successful brand incubation;

- approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for comprehensive upgrades to our digital intelligence capabilities and strengthening our technical team and infrastructure, including
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for upgrading our existing business systems, and optimising our core operational systems such as OMS and WMS from a productivity perspective, as well as various business scenarios including customer service, creative content, and legal operations, so that we will be able to embed our core business operations and production workflows into AI-driven processes;
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for enhancing our existing business-finance integration system by leveraging the “Smart Kaijie” BI data analysis system and AI technology to build a more advanced AI-driven business-finance integration framework. This will enable multi-dimensional refined management from macro-level oversight to micro-level details; and
 - (iii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for enhancing our big data governance framework and capabilities through multi-source data collection technologies and cross-channel product information integration processes. We will develop advanced digital tools such as CEM and CRM systems to help brand owners establish end-to-end data connectivity across their business scenarios, driving operational efficiency improvements and business opportunity identification, while further strengthening data-driven decision making capabilities. The investment will also support continued expansion of our technical talent pool and infrastructure development;
- approximately [REDACTED]%, or HK\$[REDACTED] million will be used for our overseas business expansion, particularly for empowering the globalisation of Chinese brands to establish their global localised operation in overseas markets, primarily in Southeast Asia and the Europe. In Southeast Asia, based on our operational hub in Singapore, we plan to pursue targeted market entry in counties such as Thailand, Vietnam, and Malaysia, while exploring market entry opportunities in Indonesia. In Europe, we will use Spain as a strategic base to gradually deepen our regional presence. Our overseas expansion will be supported by a multi-platform strategy, leveraging integrated social and e-commerce platforms such as TikTok, global marketplace Amazon, and leading regional platforms including Shopee and Lazada. See “Business — Our Strategies — Continue to Build Capabilities to Serve Overseas Market to Empower the Globalisation of Chinese Brands” for further details. We plan to focus on following initiatives to establish our overseas presence:
 - (i) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for strategic talent acquisitions across multiple functions to meet our business needs. The number of employees to be newly recruited for our overseas business expansion in the three years following the [REDACTED] is expected to be 14, including one director, two managers, three supervisors and eight officers;
 - (ii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for developing microservice architecture and core business systems, as well as digital solutions and innovative applications framework that tailored to our business needs in the overseas regions and compliant with local data privacy laws and regulations;

FUTURE PLANS AND USE OF [REDACTED]

- (iii) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for establishing supply chain infrastructure in these selected regions, including build technology-enable logistics systems to enable end-to-end tracking solutions for overseas shipments, real-time inventory visibility across global warehouses, and AI-powered demand forecasting to optimise stock allocation between regional hubs; and
- (iv) approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for engaging professional service agents to support local operations; and

Compared with China, Europe’s regulatory framework for the digital retail solutions industry is more comprehensive and stringent, with an integrated regime covering advertising, data protection, and consumer rights. While this increases operational costs for providers, it also cultivates a healthier market environment and encourages more sustainable business models. In contrast, the regulations in Southeast Asia, including Thailand, Vietnam, Malaysia and Indonesia, remain less mature than in China, varying across countries but trending toward tighter oversight, enabling providers to collaborate more quickly with major e-commerce platforms, expand their customer base, and facilitate rapid business deployment and sustained growth.

The e-commerce ecosystem in China is highly mature, with a large number of digital retail solutions providers, many of which possess comprehensive, end-to-end operational capabilities. In contrast, the e-commerce markets in Southeast Asia and Europe remain in earlier stages of development, where the number of digital retail solutions providers is relatively limited and most provide only partial or specialised services rather than full-chain solutions.

In face of the fundamental differences in regulatory and competitive landscape between the Chinese market and overseas market, we plan to prioritise collaboration with established local partners or leverage existing channels (e.g. to utilise e-commerce platforms we are familiar with which also have overseas presence) to facilitate market entry, rather than pursuing independent ventures. In most cases, we plan to establish local entities to enhance market recognition and to build trust with local partners for sustainable long-term development. We believe that our rich experience in providing end-to-end solutions across industries and our deep understanding in platform rules and ecosystems is also applicable for Chinese e-commerce platforms expanding overseas. While we bring in our organisational capabilities, capital and digital infrastructure, local partners may contribute valuable market resources such as supply chains and KOL connections, enabling us to implement effective localisation strategies. We will adopt a model combining overseas front-end business offices with domestic mid- and back-end teams, leveraging the cost advantages of our domestic operations to effectively mitigate the higher unit costs caused by insufficient demand in overseas markets. Additionally, we will engage professional agencies familiar with local overseas markets to proactively manage regulatory and compliance risks, while strictly adhering to all local legal and compliance requirements.

With respect to our cost structure, although the Chinese market may dominate in scale, it is characterised by widespread low-price competition aimed at capturing market share, thus limiting profitability despite agile supply chain and operational efficiency. Overseas markets, being less fragmented, may offer higher margin, and thus expansion abroad might be able to optimise our gross profit. To address potentially lower overseas demand volumes, we will partially offset costs by leveraging domestic operational advantages.

In order to compete with existing market players in target overseas markets, we intend to (i) establish independent local entities in our target overseas markets to secure market trust and long-term viability; (ii) introduce mature and gap-filling products tailored to local needs based on our extensive market research, supported by partnerships with local distributors and e-commerce platforms; (iii) capitalise on our mastery of platform rules and align with their pre-established compliance frameworks in the overseas market, to minimise operational risks; and (iv) combine our strengths with local partners’ resources to implement localised strategies efficiently.

FUTURE PLANS AND USE OF [REDACTED]

According to CIC, Southeast Asia is the fastest-growing region in the global digital retail market. Southeast Asia benefits from a large and young population, and an internet penetration rate of approximately 70% across major Southeastern nations in 2025, making online shopping a commonly-seen habit. Government-led initiatives to accelerate digital infrastructure and e-commerce, along with the rapid expansion of major e-commerce platforms, are driving widespread digital transformation among merchants, creating strong demand for digital retail solutions. In 2024, Europe’s digital retail market reached approximately US\$900 billion. With a well-established e-commerce ecosystem and increasing investment in digital transformation, the region offers significant growth potential for digital retail solutions market. Rising consumer expectations for seamless and engaging digital shopping experiences are further accelerating the adoption of advanced digital retail solutions across the European region. We believe that leveraging our digital retail solutions capabilities and our overseas subsidiaries which will support our future operation in local markets, we can expand our global business in these selected regions.

- approximately [REDACTED]%, or HK\$[REDACTED] million, for our general corporate and working capital purposes.

If the [REDACTED] is fixed at HK\$[REDACTED] per Share, being the high end of the stated [REDACTED], our [REDACTED] will (i) assuming the [REDACTED] is not exercised, increase to approximately HK\$[REDACTED] million, or (ii) assuming the [REDACTED] is exercised in full, increase to approximately HK\$[REDACTED] million. In such circumstances, we currently intend to use such additional [REDACTED] to increase the [REDACTED] applied for the same purposes as set out above on a pro rata basis.

If the [REDACTED] is fixed at HK\$[REDACTED] per Share, being the low end of the stated [REDACTED] range, our [REDACTED] will (i) assuming the [REDACTED] is not exercised, decrease to approximately HK\$[REDACTED] million, or (ii) assuming the [REDACTED] is exercised in full, decrease to approximately HK\$[REDACTED] million. In such circumstances, we currently intend to reduce the [REDACTED] applied for the same purposes as set out above on a pro rata basis.

If the [REDACTED] is exercised in full, the additional [REDACTED] that our Company will receive will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share, being the [REDACTED] of the proposed [REDACTED]. Our Company may be required to issue up to an aggregate of [REDACTED] additional Shares pursuant to the [REDACTED].

To the extent that the [REDACTED] of the [REDACTED] are not immediately required for the above purposes or if we are unable to put into effect any part of our business expansion plan as intended, we may hold such funds in short-term interest-bearing accounts at licenced commercial banks and/or other authorised financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

We currently have no specific plans as to how the [REDACTED] from this [REDACTED] will be allocated beyond the uses specified above, and therefore our management will retain discretion to allocate the remainder of the [REDACTED] of this [REDACTED] among these uses.

This expected use of the [REDACTED] from this [REDACTED] represents our intentions based upon our current plans and business conditions. As of the Latest Practicable Date, we could not predict with certainty all of the particular uses for the [REDACTED] to be received upon the completion of this [REDACTED] or the amounts that we will actually spend on the uses set out above. Our management will retain broad discretion over the allocation of the [REDACTED] from this [REDACTED] and may change the allocation of use of these [REDACTED] among the uses described above. An investor will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use the [REDACTED].

We will issue an appropriate announcement if there is any material change in the above-mentioned [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

STRUCTURE OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-[91], received from the Company’s reporting accountants, [Deloitte Touche Tohmatsu], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF SHANGHAI KEYING E-COMMERCE CO., LTD. AND CHINA SECURITIES (INTERNATIONAL) CORPORATE FINANCE COMPANY LIMITED

Introduction

We report on the historical financial information of Shanghai Keying E-commerce Co., Ltd.* (上海凱詒電子商務股份有限公司) (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-[91], which comprises the consolidated statements of financial position of the Group as of 31 December 2023, 2024 and 2025, the statements of financial position of the Company as of 31 December 2023, 2024 and 2025, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the three years ended 31 December 2023, 2024 and 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-[91] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “Document”) in connection with the [REDACTED] of H Shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants’ responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

* English name is for identification purpose

APPENDIX I

ACCOUNTANTS’ REPORT

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s and the Company’s financial position as of 31 December 2023, 2024 and 2025, and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-3 have been made.

Dividends

We refer to Note 13 to the Historical Financial Information which contains information about the dividends declared and paid by the Company in respect of the Track Record Period.

[Deloitte Touche Tohmatsu]

Certified Public Accountants

Hong Kong

[●]

APPENDIX I**ACCOUNTANTS’ REPORT**

HISTORICAL FINANCIAL INFORMATION OF THE GROUP**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the accounting policies which conform with IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) and were audited by us in accordance with International Standards on Auditing issued by International Auditing and Assurance Standards Board (“Underlying Financial Statements”).

The Historical Financial Information is presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) except when otherwise indicated.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Revenue	5	1,722,898	1,698,554	1,757,210
Cost of sales		<u>(1,328,139)</u>	<u>(1,328,401)</u>	<u>(1,370,274)</u>
Gross profit		394,759	370,153	386,936
Other income	6	21,475	15,153	13,559
Impairment losses under expected credit loss (“ECL”) model, net of reversal	7	(967)	(169)	927
Other gains and losses	8	2,970	2,088	2,401
Selling and marketing expenses		(227,977)	(219,042)	(228,138)
Administrative expenses		(75,413)	(70,557)	(64,725)
Research and development expenses		(14,360)	(11,250)	(11,413)
Share of results of associates		504	(432)	(290)
[REDACTED]		—	—	[REDACTED]
Finance costs	9	<u>(9,774)</u>	<u>(7,534)</u>	<u>(6,839)</u>
Profit before tax	10	91,217	78,410	79,011
Income tax expense	11	<u>(23,627)</u>	<u>(17,976)</u>	<u>(18,151)</u>
Profit for the year		<u>67,590</u>	<u>60,434</u>	<u>60,860</u>
Other comprehensive income (expense) for the year				
<i>Item that will not be reclassified to profit or loss:</i>				
Fair value changes on investments in equity instruments at fair value through other comprehensive income (“FVTOCI”)		<u>384</u>	<u>14</u>	<u>(535)</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations		<u>(103)</u>	<u>(495)</u>	<u>(857)</u>
Other comprehensive income (expense) for the year, net of income tax		<u>281</u>	<u>(481)</u>	<u>(1,392)</u>
Total comprehensive income for the year		<u>67,871</u>	<u>59,953</u>	<u>59,468</u>

APPENDIX I

ACCOUNTANTS’ REPORT

	Note	Year ended 31 December		
		2023	2024	2025
		<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Profit for the year attributable to:				
Owners of the Company		67,498	59,584	60,740
Non-controlling interests		92	850	120
		<u>67,590</u>	<u>60,434</u>	<u>60,860</u>
Total comprehensive income for the year attributable to:				
Owners of the Company		67,756	59,126	59,313
Non-controlling interests		115	827	155
		<u>67,871</u>	<u>59,953</u>	<u>59,468</u>
Earnings per share				
- Basic (RMB)	14	<u>0.68</u>	<u>0.62</u>	<u>0.64</u>

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		At 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property and equipment	15	2,277	2,171	2,292
Right-of-use assets	16	32,755	14,312	14,015
Investment properties	17	15,130	14,768	14,406
Intangible assets	18	442	375	308
Interests in associates	19	8,357	8,596	8,306
Equity instruments at FVTOCI	24	1,782	1,800	—
Other non-current assets	22	3,921	3,078	2,892
Deferred tax assets	20	6,191	7,531	5,078
		70,855	52,631	47,297
CURRENT ASSETS				
Inventories	21	469,958	450,982	413,877
Trade and other receivables	22	366,546	443,865	428,440
Tax recoverable		1,568	2,880	3,291
Financial assets at fair value through profit or loss (“FVTPL”)	23	116,510	152,700	149,052
Time deposits	25	—	14,377	21,086
Restricted bank deposits	25	4,157	7,818	8,827
Cash and cash equivalents	25	286,747	228,756	248,915
		1,245,486	1,301,378	1,273,488
CURRENT LIABILITIES				
Trade, bills and other payables	26	252,528	315,887	257,820
Tax liabilities		15,553	12,876	11,456
Bank borrowings	27	189,933	177,977	179,592
Lease liabilities	28	21,243	9,546	8,631
Contract liabilities	29	24,715	18,704	22,548
		503,972	534,990	480,047
NET CURRENT ASSETS		741,514	766,388	793,441
TOTAL ASSETS LESS CURRENT LIABILITIES		812,369	819,019	840,738

APPENDIX I

ACCOUNTANTS’ REPORT

		At 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Deferred tax liabilities	20	195	212	5
Lease liabilities	28	12,219	5,360	6,787
		12,414	5,572	6,792
NET ASSETS		799,955	813,447	833,946
CAPITAL AND RESERVES				
Share capital	30	96,810	94,248	94,248
Reserves		695,962	711,189	732,123
Equity attributable to owners of the Company		792,772	805,437	826,371
Non-controlling interests		7,183	8,010	7,575
TOTAL EQUITY		799,955	813,447	833,946

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

		At 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT ASSETS				
Property and equipment	15	914	1,473	1,479
Right-of-use assets	16	22,390	9,811	8,499
Investment properties	17	15,130	14,768	14,406
Intangible assets	18	442	375	308
Investment in subsidiaries	37	99,184	99,184	101,254
Interests in associates	19	7,703	7,066	7,077
Other non-current assets	22	2,125	1,411	1,279
Deferred tax assets	20	3,017	2,572	1,427
		150,905	136,660	135,729
CURRENT ASSETS				
Inventories	21	256,925	245,097	215,017
Trade and other receivables	22	744,211	733,962	714,400
Financial assets at FVTPL	23	77,100	68,100	77,623
Restricted bank deposits	25	4,061	7,580	7,802
Cash and cash equivalents	25	95,958	55,937	52,454
		1,178,255	1,110,676	1,067,296
CURRENT LIABILITIES				
Trade, bills and other payables	26	406,998	367,342	348,583
Tax liabilities		3,228	5,373	3,476
Bank borrowings	27	179,933	166,477	159,592
Lease liabilities	28	15,665	6,585	6,010
Contract liabilities	29	19,066	16,323	10,686
		624,890	562,100	528,347
NET CURRENT ASSETS				
		553,365	548,576	538,949
TOTAL ASSETS LESS CURRENT LIABILITIES				
		704,270	685,236	674,678

APPENDIX I

ACCOUNTANTS’ REPORT

		At 31 December		
	Notes	2023	2024	2025
		RMB'000	RMB'000	RMB'000
NON-CURRENT LIABILITIES				
Lease liabilities	28	7,175	3,788	3,828
		7,175	3,788	3,828
NET ASSETS		697,095	681,448	670,850
CAPITAL AND RESERVES				
Share capital	30	96,810	94,248	94,248
Reserves	39	600,285	587,200	576,602
TOTAL EQUITY		697,095	681,448	670,850

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company							Non-controlling interests	Total
	Share capital	Share premium	Statutory reserve	FVTOCI reserve	Translation reserve	Retained profits	Subtotal		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	100,181	98,223	35,769	(1,305)	(1,422)	526,368	757,814	4,617	762,431
Profit for the year	—	—	—	—	—	67,498	67,498	92	67,590
Other comprehensive income (expense) for the year	—	—	—	384	(126)	—	258	23	281
Total comprehensive income (expense) for the year	—	—	—	384	(126)	67,498	67,756	115	67,871
Repurchase of shares (Note 30)	(3,371)	(32,183)	—	—	—	—	(35,554)	—	(35,554)
Dividends paid to non-controlling interests	—	—	—	—	—	—	—	(193)	(193)
Capital injection by non-controlling shareholders of a subsidiary of the Group	—	—	—	—	—	—	—	2,450	2,450
Transferred to statutory reserve	—	—	4,450	—	—	(4,450)	—	—	—
Change in ownership of interest in subsidiaries without change of control (note ii)	—	2,756	—	—	—	—	2,756	194	2,950
At 31 December 2023	96,810	68,796	40,219	(921)	(1,548)	589,416	792,772	7,183	799,955
Profit for the year	—	—	—	—	—	59,584	59,584	850	60,434
Other comprehensive income (expense) for the year	—	—	—	14	(472)	—	(458)	(23)	(481)
Total comprehensive income (expense) for the year	—	—	—	14	(472)	59,584	59,126	827	59,953
Repurchase of shares (Note 30)	(2,562)	(15,368)	—	—	—	—	(17,930)	—	(17,930)
Dividends recognised as distribution	—	—	—	—	—	(28,531)	(28,531)	—	(28,531)
Transferred to statutory reserve	—	—	3,081	—	—	(3,081)	—	—	—
At 31 December 2024	94,248	53,428	43,300	(907)	(2,020)	617,388	805,437	8,010	813,447
Profit for the year	—	—	—	—	—	60,740	60,740	120	60,860
Other comprehensive (expense) income for the year	—	—	—	(535)	(892)	—	(1,427)	35	(1,392)
Total comprehensive (expense) income for the year	—	—	—	(535)	(892)	60,740	59,313	155	59,468
Dividends recognised as distribution	—	—	—	—	—	(37,699)	(37,699)	—	(37,699)
Capital injection by non-controlling shareholders of subsidiaries of the Group	—	—	—	—	—	—	—	1,050	1,050
Acquisition of additional interests in subsidiaries (note iii)	—	(680)	—	—	—	—	(680)	(1,640)	(2,320)
Disposal of investments in equity instruments at FVTOCI	—	—	—	1,442	—	(1,442)	—	—	—
Transferred to statutory reserve	—	—	2,703	—	—	(2,703)	—	—	—
At 31 December 2025	94,248	52,748	46,003	—	(2,912)	636,284	826,371	7,575	833,946

APPENDIX I

ACCOUNTANTS’ REPORT

Notes:

- (i) The amount mainly represents statutory reserve fund. According to the relevant laws in the People’s Republic of China (the “PRC”), each of the Group’s entities established in the PRC is required to allocate at least 10% of its profit after tax as per financial statements prepared in accordance with the relevant PRC accounting standards to statutory reserve fund until the reserve fund reaches 50% of the registered capital of respective entity. The transfer to this fund must be made before the distribution of dividend to the equity owners. The statutory reserve fund can be used to make up previous years’ losses, if any. The statutory reserve fund is non-distributable other than upon liquidation.
- (ii) In 2023, Jiangsu Kaijie Ecommerce Co., Ltd.* (江蘇凱結網絡科技有限公司) (“Jiangsu Kaijie”), a directly held subsidiary of the Company, purchased 30% equity of Shanghai Kaihan Network Technology Co., Ltd.* (上海凱瀚網絡科技有限公司) (“Shanghai Kaihan”), an indirectly held subsidiary of the Company from the non-controlling shareholder at consideration of RMB600,000, resulting in increase of share premium by RMB2,732,000 and decrease of non-controlling interests by RMB3,332,000, respectively, upon completion of which, the Group’s equity interests in Shanghai Kaihan increased from 70% to 100%.

In 2023, the Company and two investors of Shanghai Jiakai Network Technology Co., Ltd.* (上海家凱網絡科技有限公司) (“Shanghai Jiakai”) increased their investments in Shanghai Jiakai by RMB1,600,000 and RMB1,100,000, respectively, resulting in increase of share premium by RMB27,000 and increase of non-controlling interests by RMB1,073,000, respectively, upon completion of which, the Group’s equity interests in Shanghai Jiakai decreased from 65% to 55%.

In 2023, Jiangsu Kaijie and two investors increased their capital investment in Changzhou Jinshen Health Co., Ltd.* (常州金參健康有限公司) (“Changzhou Jinshen”) by RMB250,000 and RMB2,450,000 respectively, resulting in decrease of share premium by RMB3,000 and increase of non-controlling interests by RMB2,453,000, respectively, upon completion at which, the Group’s equity increases in Changzhou Jinshen decreased from 100% to 51%.

In 2025, the non-controlling shareholder of Kaihe (Shanghai) Ecommerce Co., Ltd.* (凱合上海電子商務有限公司) (“Shanghai Kaihe”), a subsidiary of Jiangsu Kaijie, transferred its 25% equity interest to Jiangsu Kaijie for cash consideration of RMB250,000, resulting in the reduction of share premium by RMB66,000 and non-controlling interests by RMB184,000, respectively, upon completion of which, the Group’s equity interests in Shanghai Kaihe increased from 75% to 100%.

In 2025, the non-controlling shareholder of Shanghai Jiakai transferred its 18% equity interest to the Company for cash consideration of RMB2,070,000, resulting in the reduction of share premium by RMB614,000 and non-controlling interests by RMB1,456,000, respectively, upon completion of which, the Group’s equity interests in Shanghai Jiakai increased from 55% to 73%.

APPENDIX I

ACCOUNTANTS’ REPORT

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
OPERATING ACTIVITIES			
Profit before tax	91,217	78,410	79,011
Adjustments for:			
Share of results of associates	(504)	432	290
Depreciation of property and equipment	2,387	1,392	1,147
Depreciation of right-of-use assets	23,598	15,927	10,334
Depreciation of investment properties	362	362	362
Amortisation of intangible assets	67	67	67
Finance costs	9,774	7,534	6,839
Interest income	(2,945)	(3,829)	(3,053)
Loss (gain) on disposal of property and equipment	11	(55)	(15)
Net gain on termination of right-of-use assets and lease liabilities	—	(537)	(172)
Gain on fair value changes of wealth management products	(1,655)	(2,507)	(3,369)
Fair value gain on derivative financial instruments	—	—	(1,553)
Net foreign exchange (gains) losses	(1,471)	1,438	2,388
Impairment losses of trade and other receivables under ECL model, net of reversal	967	169	(927)
Write-down of inventories, net of reversal	6,908	7,862	9,277
Operating cash flows before movements in working capital	128,716	106,665	100,626
(Increase) decrease in other non-current assets	(1,166)	843	186
(Increase) decrease in inventories	(9,800)	11,114	27,828
Decrease (increase) in trade and other receivables	409	(77,488)	16,352
(Decrease) increase in contract liabilities	(889)	(6,011)	3,844
(Decrease) increase in trade, bills and other payables	(17,002)	63,360	(56,497)
Cash generated from operations	100,268	98,483	92,339
Interest received	2,945	3,829	3,053
Income tax paid	(31,432)	(23,298)	(17,546)
NET CASH FROM OPERATING ACTIVITIES	71,781	79,014	77,846

APPENDIX I

ACCOUNTANTS’ REPORT

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
INVESTING ACTIVITIES			
Proceeds from disposals of property and equipment	112	85	53
Purchases of property and equipment	(398)	(1,316)	(1,306)
Withdrawal of financial assets at FVTPL	674,375	1,226,453	1,016,561
Placement of financial assets at FVTPL	(702,120)	(1,260,136)	(1,007,991)
Proceeds on disposal of equity instruments at FVTOCI	—	—	1,088
Gross cash outflows from foreign exchange swap contracts	—	—	(25,000)
Gross cash inflows from foreign exchange swap contracts	—	—	25,000
Placement of time deposits	—	(39,537)	(7,029)
Withdraw of time deposits	—	25,160	—
Acquisition of investment in an associate	—	(1,000)	—
Dividends received from an associate	—	328	—
Placement of restricted bank deposits	(4,157)	(7,818)	(8,827)
Withdrawal of restricted bank deposits	13,591	4,157	7,818
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(18,597)	(53,624)	367
FINANCING ACTIVITIES			
Dividends paid	—	(28,531)	(37,699)
Interest paid	(9,774)	(7,534)	(6,839)
Capital injections from non-controlling shareholders	6,000	—	1,050
Repayments of lease liabilities	(23,652)	(15,504)	(9,353)
Repayments of bank borrowings	(450,735)	(399,614)	(437,333)
Acquisition of partial interest of subsidiaries	(600)	—	(2,320)
New bank borrowings raised	433,284	387,658	438,948
Payment of accrued issue cost	—	—	(1,570)
Dividends paid to non-controlling interests	(193)	—	—
Payments on repurchase of shares	(35,554)	(17,930)	—
NET CASH USED IN FINANCING ACTIVITIES	(81,224)	(81,455)	(55,116)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(28,040)	(56,065)	23,097
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	313,427	286,747	228,756
Effect of foreign exchange rate changes	1,360	(1,926)	(2,938)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	286,747	228,756	248,915
Represented by bank balance and cash	286,747	228,756	248,915

APPENDIX I

ACCOUNTANTS’ REPORT

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION AND BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Shanghai Keying E-commerce Co., Ltd.* (上海凱詒電子商務股份有限公司) (The “Company”) was incorporated and registered in the People’s Republic of China (the “PRC”) on 19 July 2010 as a limited liability company. In September 2015, the Company was converted into a joint stock company with limited liability. The respective addresses of the registered office and the principal place of business of the Company are stated in the section headed “Corporate Information” in this document.

The Group is principally engaged in offering end-to-end and multi-channel digital retail solutions for established brands.

The Historical Financial Information has been prepared in accordance with the accounting policies set out in Note 3 which conform with IFRS Accounting Standards.

Items included in the financial statements of each of the Group’s entities are recorded using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is RMB.

The statutory financial statements of the Company for the years ended 31 December 2023 were prepared in accordance with Accounting Standards for Business Enterprises, issued by the Ministry of Finance of the PRC and were audited by RSM China* (容誠會計師事務所(特殊普通合伙)), Certified Public Accountants registered in the PRC, respectively. No audited statutory financial statements of the Company have been issued for the year ended 31 December 2024 and 2025.

2. APPLICATION OF NEW AND AMENDMENTS TO IFRS ACCOUNTING STANDARDS

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied the accounting policies which conform with IFRS Accounting Standards, which are effective for the Group’s accounting period beginning on 1 January 2025 throughout the Track Record Period.

New and amendments to IFRS Accounting Standards in issue but not yet effective

At the date of this report, the Group has not early adopted the following new and amendments to IFRS Accounting Standards that have been issued but are not yet effective:

Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to IFRS Accounting Standards	Annual Improvements to IFRS Accounting Standards - Volume 11 ²
IFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

* English name is for identification purpose

APPENDIX I

ACCOUNTANTS’ REPORT

Except for new IFRS Accounting Standard mentioned below, the directors of the Company (the “Directors”) anticipate that the application of all other amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements of the Group in the foreseeable future.

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace International Accounting Standard 1 *Presentation of Financial Statements* (“IAS 1”). This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). For the purpose of preparation of the Historical Financial Information, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Historical Financial Information incorporates the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

APPENDIX I

ACCOUNTANTS’ REPORT

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group’s equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group’s interests in existing subsidiaries

Changes in the Group’s interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group’s and the non-controlling interests’ proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less than any identified impairment loss on the statement of financial position of the Company.

Interests in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the Historical Financial Information using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group’s share of losses of an associate exceeds the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable

APPENDIX I

ACCOUNTANTS’ REPORT

amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Historical Financial Information only to the extent of interests in the associate that are not related to the Group.

Revenue from contracts with customers

Information about the Group’s accounting policies relating to contracts with customers is provided in Notes 5 and 29.

Leases

The Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases

The Group applies the short-term leases recognition exemption to leases, including office, warehouses, vehicles and event sites, that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis.

Right-of-use assets

The cost of right-of-use assets include:

- the amounts of the initial measurement of the lease liabilities; and
- any lease payments made at or before the commencement date.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

APPENDIX I

ACCOUNTANTS’ REPORT

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; the fluctuation of interest rates quoted by loan prime rate; and an entity-specific adjustment whether the risk profile of the entity that enters into the lease is different to that of the Group and whether the lease benefit from a guarantee from the Group.

The lease payments include fixed payments.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability, based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as operating leases.

APPENDIX I

ACCOUNTANTS’ REPORT

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies IFRS 15 Revenue from Contracts with Customers to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group’s operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

APPENDIX I

ACCOUNTANTS’ REPORT

Employee benefits

Retirement benefit costs

The Group participates in state-managed retirement benefit schemes, which are defined contribution schemes, pursuant to which the Group pays a fixed percentage of its qualifying staff’s wages as contributions to the schemes. Payments to such retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Shares awards granted to employees

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share-based payments reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

When shares awards granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary difference. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to the lease liabilities and the right of use assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity.

Property and equipment

Property and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property and equipment are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets are functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

APPENDIX I

ACCOUNTANTS’ REPORT

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

Impairment on property and equipment, right-of-use assets, and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets, intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property and equipment, right-of-use assets, and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

Cash and cash equivalents

Cash and cash equivalents presented on the consolidated statements of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and

APPENDIX I

ACCOUNTANTS’ REPORT

- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale, including costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

APPENDIX I

ACCOUNTANTS’ REPORT

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments designated as of FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and is transferred to retained profits.

Dividends from these investments in equity instruments are recognised in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or designated at FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

APPENDIX I

ACCOUNTANTS’ REPORT

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets (including trade and other receivables and other non-current assets) which are subjected to impairment assessment under IFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as of the reporting date with the risk of a default occurring on the financial instrument as of the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and

APPENDIX I

ACCOUNTANTS’ REPORT

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group’s recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a deregistration event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and forward-looking information, including time value of money where appropriate, that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate determined at initial recognition.

APPENDIX I

ACCOUNTANTS’ REPORT

Lifetime ECL for trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost, exchange differences are recognised in profit or loss in the “Other gains and losses” line item (Note 8) as part of the net foreign exchange gains/(losses).
- For financial assets measured at FVTPL, exchange differences are recognized in profit or loss in the “Other gains and losses” line item (Note 8) as part of the fair value losses on derivative financial instruments.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the FVTOCI reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company’s own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company’s own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

APPENDIX I

ACCOUNTANTS’ REPORT

Derivative financial instruments

Derivatives are initially recognized at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognized in profit or loss.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Financial liabilities at amortised cost

Financial liabilities including trade, bills and other payables, bank borrowings, are subsequently measured at amortised cost, using the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “Other gains and losses” line item in profit or loss (Note 8) as part of net foreign exchange gains/(losses) for financial liabilities.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, which are described in Note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that has a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

APPENDIX I

ACCOUNTANTS’ REPORT

Deferred tax assets

As of 31 December 2023, 2024 and 2025, a deferred tax asset of RMB6,191,000, RMB7,531,000 and RMB5,078,000 in relation to unused tax losses and deductible temporary differences for the Company and its operating subsidiaries has been recognised in the consolidated statements of financial position as disclosed in Note 20. The realisability of the deferred tax asset mainly depends on whether sufficient taxable profits will be available in the future or taxable temporary differences are expected to reverse in the same period as the expected reversal of the deductible temporary differences, which is a key source of estimation uncertainty. The uncertainty would depend on how the ongoing uncertain macroeconomic and geopolitical environment, which includes the persistent effects of higher interest rates and inflation, cyberattacks, and international conflicts and tensions, may progress and evolve. In cases where the actual future taxable profits generated are less or more than expected, or change in facts and circumstances which result in revision of future taxable profits estimation, a material reversal of deferred tax assets may arise, which would be recognised in profit or loss for the period in which such a reversal takes place.

Write-down of inventories

The Group’s inventories are stated at the lower of cost and net realisable value. The Group writes down its inventories based on estimates of the realisable value with reference to the estimated selling price in the ordinary course of business less costs necessary to make the sale, together with the economic circumstances on the marketability of such inventories. Inventories will be reviewed on regular basis for write-down, if appropriate. Further details of the inventories are set out in Note 21.

5. REVENUE AND SEGMENT INFORMATION

(i) Disaggregation of revenue from contracts with customers

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Type of goods and services			
Sales of goods and related services			
- Sales of goods			
- To-C	1,030,981	973,948	1,060,438
- To-B	556,655	582,433	540,795
	<u>1,587,636</u>	<u>1,556,381</u>	<u>1,601,233</u>
- Provision of services	<u>135,262</u>	<u>142,173</u>	<u>155,977</u>
	<u>1,722,898</u>	<u>1,698,554</u>	<u>1,757,210</u>
Timing of revenue recognition			
A point in time	1,587,636	1,556,381	1,601,233
Over time	<u>135,262</u>	<u>142,173</u>	<u>155,977</u>
	<u>1,722,898</u>	<u>1,698,554</u>	<u>1,757,210</u>

APPENDIX I

ACCOUNTANTS’ REPORT

(ii) Performance obligations for contracts with customers and revenue recognition policies

Sales of goods

The Group generates revenue from sales of products purchased from brand owners and/or their authorised distributors, including food and beverage, healthcare baby and kids products and other categories (i) directly to end consumers through authorised flagship stores and other brand stores operated by the Group on e-commerce platforms (the “to-C”), or (ii) to e-commerce platforms or distribution partners (the “to-B”). Revenue generated from selling products is recognised on a gross basis, because (i) the Group, rather than the brand owner, is primarily responsible for fulfilling the promise to provide the specified goods; (ii) the Group bears the inventory risk; and (iii) the Group has discretion in determining the product price.

Under to-C model, the control of the goods was transferred when end consumers manually confirm receipt of goods within the period stipulated by the e-commerce platform (typically being seven days upon delivery by logistics service providers); or when the e-commerce platform automatically acknowledges receipt of the order after the stipulated period (typically being ten days for domestic online stores and twenty days for cross-border online stores after the goods are shipped). The consumer prepays the full price into the escrow account established by the e-commerce platform, which will be transferred to the Group’s authorised flagship store’s or other brand store’s fund account after the order is confirmed as received. Under some circumstances, when the customer initially purchases the goods online with advance payments, such transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

Under to-B model, the control of the goods was transferred when the relevant e-commerce platform or distributor partner, as the Group’s direct customer, issues documents (e.g. settlement statements) evidencing transfer of control over goods to the end customers; or when the goods are delivered to the designated locations or transferred to the specified carriers. In determining the transaction price, the Group considers the effects of variable consideration (e.g. rebate and discount) and estimates the amount of consideration to which it will be entitled using the expected value method, which better predicts the amount of consideration to which the Group will be entitled. The Group typically requires advance payment from distribution partners before delivery. The transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the distributor partners. Under certain circumstances, customers, including e-commerce platforms and distributor partners have a right to return products within a reasonable period of time after the receipt of the goods purchased from the Group. During the Track Record Period, the financial impact arising from the right of customers to return products was not material.

Provision of services

The Group also acts as a service provider to facilitate its brand owners’ online sales of their branded products with the performance obligations to provide a range of e-commerce services, such as traffic acquisition and branding services, e-commerce store operation services, and/or brand value enhancement services. The Group collects associated service fees or incentives based on these services. Revenue from provision of services is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs or recognised at point of time as the customers receive the delivery.

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The Group applies the practical expedient of not disclosing the transaction price allocated to performance obligations that were unsatisfied as the Group’s contract has an original expected duration of less than one year.

APPENDIX I

ACCOUNTANTS’ REPORT

Segment information

For the purpose of resource allocation and assessment of segment performance, the general manager of the Company, being the chief operating decision makers, focus and review on the overall results and financial position of the Group as a whole which are prepared based on the same accounting policies as set out in Note 3. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

Entity-wide disclosures

Geographical information

During the Track Record Period, all of the Group’s revenue is derived from customers located in the PRC. As of 31 December 2023, 2024 and 2025, all of the non-current assets (excluding deferred tax assets and financial instruments) of the Group are located in the PRC.

Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group during the Track Record Period is as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Customer A	321,062	368,163	296,914

6. OTHER INCOME

	Year ended 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Bank interest income	2,945	3,829	3,053
Government grants - income related (note)	18,060	11,070	10,259
Rental income	266	254	247
Extra deduction of value-added tax (“VAT”)	204	—	—
	21,475	15,153	13,559

Note: Government grants were mainly related to enterprise operation and development support. These grants are unconditional and accounted for as immediate financial support with neither future related costs expected to be incurred nor related to any assets of the Group or are conditional but with such has been satisfied during the year.

APPENDIX I

ACCOUNTANTS’ REPORT

7. IMPAIRMENT LOSSES UNDER ECL MODEL, NET OF REVERSAL

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Impairment losses recognised (reversed) on:			
- Trade receivables	57	(35)	63
- Other receivables	910	204	(990)
	<u>967</u>	<u>169</u>	<u>(927)</u>

* Amount is less than RMB1,000.

8. OTHER GAINS AND LOSSES

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Net foreign exchange gains (losses)	1,471	(1,438)	(2,388)
Gain from changes in fair value of wealth management products	1,655	2,507	3,369
(Loss) gain on disposal of property and equipment	(11)	55	15
Net gain on termination of right-of-use assets and lease liabilities	—	537	172
Fair value gain on derivative financial instruments	—	—	1,553
Others	(145)	427	(320)
	<u>2,970</u>	<u>2,088</u>	<u>2,401</u>

9. FINANCE COSTS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Interest on bank borrowings	8,748	6,690	6,377
Interest on lease liabilities	1,026	844	462
	<u>9,774</u>	<u>7,534</u>	<u>6,839</u>

APPENDIX I

ACCOUNTANTS’ REPORT

10. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Depreciation of property and equipment	2,387	1,392	1,147
Depreciation of right-of-use assets	23,598	15,927	10,334
Amortisation of intangible assets	67	67	67
Depreciation of investment properties	362	362	362
Total depreciation and amortisation	<u>26,414</u>	<u>17,748</u>	<u>11,910</u>
Auditors’ remuneration	1,661	1,292	2,599
Staff costs			
- Salaries and other benefits	208,558	198,011	197,461
- Retirement benefit scheme contributions	22,421	21,628	21,808
- Discretionary performance related bonus	34,055	28,246	29,824
Total staff costs	<u>265,034</u>	<u>247,885</u>	<u>249,093</u>
Analysed as			
- Cost of sales	76,525	76,542	86,124
- Selling and marketing expenses	129,650	120,142	111,199
- Administrative expenses	44,499	39,951	40,357
- Research and development expenses	14,360	11,250	11,413
Total staff costs charged to profit or loss	<u>265,034</u>	<u>247,885</u>	<u>249,093</u>
Cost of inventories recognised as an expense	1,175,891	1,205,322	1,197,739
Write-down of inventories	6,908	7,862	9,277
Total cost of inventories	<u>1,182,799</u>	<u>1,213,184</u>	<u>1,207,016</u>
[REDACTED]	<u>—</u>	<u>—</u>	<u>[REDACTED]</u>

APPENDIX I

ACCOUNTANTS’ REPORT

11. INCOME TAX EXPENSE

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Current tax			
- PRC Enterprise Income Tax (“EIT”)	23,552	18,201	15,599
- Hong Kong	762	402	121
- Other jurisdictions	342	700	—
Under provision in prior years	—	—	489
	24,656	19,303	16,209
Deferred tax	(1,029)	(1,327)	1,942
	<u>23,627</u>	<u>17,976</u>	<u>18,151</u>

Mainland China

Under the PRC Enterprise Income Tax Law (the “EIT Law”) and Implementation Regulation of the EIT Law, the Group, except for certain subsidiaries of the Group as described below, was subject to statutory EIT rate at 25% during the Track Record Period.

Certain subsidiaries of the Group were qualified as small-scale and low-profit enterprises and were subject to EIT rate at 20% during the Track Record Period. Pursuant to prevailing EIT Law, small-scale and low-profit enterprise is further eligible for taxable income reduction to enjoy a lower effectively applicable EIT rate. As such, effectively applicable tax rate of those subsidiaries of the Group is 5% during the Track Record Period.

Hong Kong

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first Hong Kong Dollar (“HK\$”)2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2,000,000 will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000.

APPENDIX I

ACCOUNTANTS’ REPORT

Other jurisdictions

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Income tax expense for the year can be reconciled to profit before tax per the consolidated statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Profit before tax	91,217	78,410	79,011
Tax at EIT rate of 25%	22,804	19,603	19,753
Tax effect of expense not deductible for tax purpose	2,956	1,486	1,054
Tax effect of share of results of associates	(126)	108	73
Tax effect of additional tax deduction of research and development expenses (note)	(1,875)	(1,657)	(1,638)
Under provision in prior years	—	—	489
Income tax at concessionary rate	635	(1,418)	(1,965)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(767)	(146)	385
Income tax expense for the year	23,627	17,976	18,151

Note: Pursuant to Caishui 2023 circular No. 7, Shanghai Magkey Digital Technology Co., Ltd.* (上海麥格凱數字科技有限公司) (“**Shanghai Magkey**”) enjoyed super deduction of 200% on qualified research and development expenditures throughout the years ended 31 December 2023, 2024 and 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

12. DIRECTORS’, SUPERVISORS’, CHIEF EXECUTIVE’S AND EMPLOYEES’ EMOLUMENTS

(a) Directors’, supervisors’ and chief executive’s emoluments

During the Track Record Period, directors’, supervisors’ and chief executive’s remuneration disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance are as follows:

	Date of appointment	Date of resignation	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance related bonus	Total
			RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Year ended 31 December 2023							
Directors							
Mr. Xu Hao (許浩) ("Mr. Xu")	28 February 2014	N/A	—	3,379	68	2,115	5,562
Mr. Han Songyu (韓鬆育) ("Mr. Han") (note i)	28 February 2014	N/A	—	3,357	68	2,100	5,525
Ms. Liu Meng (劉孟) ("Ms. Liu")	7 September 2015	N/A	—	849	68	630	1,547
Ms. Cui Min (崔敏) ("Ms. Cui")	17 June 2016	N/A	—	537	—	320	857
Mr. Bao Shengwei (包聖為) ("Mr. Bao")	12 September 2018	12 December 2023	—	1,365	68	1,170	2,603
Mr. Jiang Mingjie (薑銘傑) ("Mr. Jiang")	29 June 2020	12 December 2023	—	897	68	642	1,607
Independent directors							
Mr. Ding Yong (丁勇) ("Mr. Ding")	12 June 2020	7 May 2025	80	—	—	—	80
Dr. Ye Xiaojie (葉小傑) ("Dr. Ye")	12 June 2020	7 May 2025	80	—	—	—	80
Dr. Lu Haojie (陸豪傑) ("Dr. Lu")	12 June 2020	7 May 2025	80	—	—	—	80
Supervisors							
Ms. Shen Binglin (沈冰琳) ("Ms. Shen")	7 September 2015	N/A	—	589	68	179	836
Ms. Mou Lin (牟琳) ("Ms. Mou")	26 August 2019	N/A	—	299	44	37	380
Mr. Xu Zhiwen (徐智文) ("Mr. Xu Z")	1 September 2015	18 March 2024	—	—	—	—	—
			240	11,272	452	7,193	19,157

APPENDIX I

ACCOUNTANTS’ REPORT

	Date of appointment	Date of resignation	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance related bonus	Total
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2024							
Directors							
Mr. Xu	28 February 2014	N/A	—	3,402	71	1,929	5,402
Mr. Han (note i)	28 February 2014	N/A	—	3,380	71	1,943	5,394
Ms. Liu	7 September 2015	N/A	—	862	71	715	1,648
Ms. Cui	17 June 2016	N/A	—	551	—	308	859
Mr. You Minyong (遊敏勇) ("Mr. You") (note ii)	18 March 2024	17 April 2025	—	98	14	—	112
Mr. Xu Z	18 March 2024	7 May 2025	—	—	—	—	—
Independent directors							
Mr. Ding	12 June 2020	7 May 2025	73	—	—	—	73
Dr. Ye	12 June 2020	7 May 2025	73	—	—	—	73
Dr. Lu	12 June 2020	7 May 2025	73	—	—	—	73
Supervisors							
Ms. Xiong Kui (熊葵) ("Ms. Xiong")	18 March 2024	N/A	—	707	71	213	991
Ms. Shen	7 September 2015	N/A	—	635	71	194	900
Ms. Mou	26 August 2019	N/A	—	287	22	35	344
Mr. Xu Z	1 September 2015	18 March 2024	—	—	—	—	—
			219	9,922	391	5,337	15,869
	Date of appointment	Date of resignation	Fees	Salaries and other benefits	Retirement benefit scheme contributions	Discretionary performance related bonus	Total
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Year ended 31 December 2025							
Executive directors							
Mr. Xu	28 February 2014	N/A	—	3,397	71	1,995	5,463
Mr. Han (note i)	28 February 2014	N/A	—	3,374	71	2,008	5,453
Ms. Liu	7 September 2015	N/A	—	863	71	976	1,910
Ms. Cui	17 June 2016	N/A	—	551	—	308	859
Mr. Xu Z	18 March 2024	7 May 2025	—	—	—	—	—
Non-executive director							
Mr. You (note ii)	17 April 2025	N/A	—	219	14	—	233
Independent directors							
Mr. Ding	12 June 2020	7 May 2025	21	—	—	—	21
Dr. Ye	12 June 2020	7 May 2025	21	—	—	—	21
Dr. Lu	12 June 2020	7 May 2025	21	—	—	—	21
Supervisors							
Ms. Xiong	18 March 2024	N/A	—	771	71	225	1,067
Ms. Shen	7 September 2015	N/A	—	647	71	154	872
Ms. Mou	26 August 2019	N/A	—	268	—	39	307
			63	10,090	369	5,705	16,227

Notes:

- i. Mr. Han is the general manager of the Company.
- ii. Mr. You was appointed as a non-executive director of the Company as of 17 April 2025.

APPENDIX I

ACCOUNTANTS’ REPORT

The executive directors’ and chief executive’s emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group during the Track Record Period.

The non-executive directors’ and supervisors’ emoluments shown above were for their services as directors and supervisors of the Company during the Track Record Period.

During the Track Record Period, there was no arrangement under which a director or supervisors waived or agreed to waive any emolument, and no emoluments were paid by the Group to any of the directors or supervisors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office.

(b) Five highest paid employees

The five highest paid employees of the Group include 3, 2 and 2 directors of the Company respectively whose emoluments, are set out above for the Track Record Period. The emoluments of the remaining 2, 3 and 3 employees for each of the years ended 31 December 2023, 2024 and 2025, respectively, are as follows:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and other benefits	3,535	4,980	4,981
Retirement benefit scheme contributions	136	212	214
Discretionary performance related bonus (note)	1,580	2,667	2,528
	<u>5,251</u>	<u>7,859</u>	<u>7,723</u>

Note: Discretionary performance related bonus is determined based on their duties and responsibilities of the relevant individuals within the Group and the Group’s performance.

The number of the five highest paid individuals including the directors are within the following bands presented in HK\$:

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
HK\$2,500,001 to HK\$3,000,000	2	2	2
HK\$3,000,001 to HK\$3,500,000	1	1	1
HK\$5,500,001 to HK\$6,000,000	—	2	—
HK\$6,000,001 to HK\$6,500,000	2	—	2
Total	<u>5</u>	<u>5</u>	<u>5</u>

APPENDIX I

ACCOUNTANTS’ REPORT

13. DIVIDENDS

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Dividends for ordinary shareholders of the Company recognised as distribution during the Track Record Period	—	28,531	37,699

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2022 and 2023, respectively.

At the extraordinary general meeting held on 7 June 2024, a dividend of RMB0.1 per share totalling RMB9,681,000 in respect of the period ended 31 March 2024 was approved by the shareholders and subsequently paid to the shareholders of the Company.

At the extraordinary general meeting held on 11 December 2024, a dividend of RMB0.2 per share totalling RMB18,850,000 in respect of the period ended 30 September 2024 was approved by the shareholders and subsequently paid to the shareholders of the Company.

At the extraordinary general meeting held on 7 March 2025, a dividend of RMB0.3 per share totalling RMB28,274,000 in respect of the period ended 30 September 2024 was approved by the shareholders and subsequently paid to the shareholders of the Company.

At the extraordinary general meeting held on 3 September 2025, a dividend of RMB0.1 per share totalling RMB9,425,000 in respect of the period ended 30 June 2025 was approved by the shareholders and subsequently paid to the shareholders of the Company.

14. EARNINGS PER SHARE

The calculation of basic earnings per share from continuing operation attributable to owners of the Company is based on the following data:

Earnings:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Earnings for the purpose of basic earnings per share from continuing operations	67,498	59,584	60,740

Number of shares:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Weighted average number of ordinary shares for the purpose of basic earnings per share	99,553	95,638	94,248

APPENDIX I

ACCOUNTANTS’ REPORT

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the repurchase of shares with details set out in Note 30.

No diluted earnings per share for the years ended 31 December 2023, 2024 and 2025 were presented as there were no potential ordinary shares in issue for the Track Record Period.

15. PROPERTY AND EQUIPMENT

The Group

	Office equipment and electronic equipment	Transportation equipment	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
COST				
At 1 January 2023	10,547	420	6,794	17,761
Additions	398	—	—	398
Disposals	(706)	—	—	(706)
At 31 December 2023	10,239	420	6,794	17,453
Additions	859	—	457	1,316
Disposals	(831)	—	—	(831)
At 31 December 2024	10,267	420	7,251	17,938
Additions	840	—	466	1,306
Disposals	(313)	—	—	(313)
At 31 December 2025	10,794	420	7,717	18,931

APPENDIX I

ACCOUNTANTS’ REPORT

	Office equipment and electronic equipment	Transportation equipment	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
ACCUMULATED DEPRECIATION				
At 1 January 2023	8,587	399	4,386	13,372
Provided for the year	1,114	—	1,273	2,387
Eliminated on disposals	(583)	—	—	(583)
At 31 December 2023	9,118	399	5,659	15,176
Provided for the year	574	—	818	1,392
Eliminated on disposals	(801)	—	—	(801)
At 31 December 2024	8,891	399	6,477	15,767
Provided for the year	545	—	602	1,147
Eliminated on disposals	(275)	—	—	(275)
At 31 December 2025	9,161	399	7,079	16,639
CARRYING VALUE				
At 31 December 2023	<u>1,121</u>	<u>21</u>	<u>1,135</u>	<u>2,277</u>
At 31 December 2024	<u>1,376</u>	<u>21</u>	<u>774</u>	<u>2,171</u>
At 31 December 2025	<u>1,633</u>	<u>21</u>	<u>638</u>	<u>2,292</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	Office equipment and electronic equipment	Transportation equipment	Leasehold improvements	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
COST				
At 1 January 2023	9,474	420	3,164	13,058
Additions	224	—	—	224
Disposals	(646)	—	—	(646)
At 31 December 2023	9,052	420	3,164	12,636
Additions	771	—	310	1,081
Disposals	(767)	—	—	(767)
At 31 December 2024	9,056	420	3,474	12,950
Additions	566	—	—	566
Disposals	(171)	—	—	(171)
At 31 December 2025	9,451	420	3,474	13,345
ACCUMULATED DEPRECIATION				
At 1 January 2023	7,823	399	2,663	10,885
Provided for the year	909	—	501	1,410
Eliminated on disposals	(573)	—	—	(573)
At 31 December 2023	8,159	399	3,164	11,722
Provided for the year	442	—	52	494
Eliminated on disposals	(739)	—	—	(739)
At 31 December 2024	7,862	399	3,216	11,477
Provided for the year	445	—	103	548
Eliminated on disposals	(159)	—	—	(159)
At 31 December 2025	8,148	399	3,319	11,866
CARRYING VALUE				
At 31 December 2023	893	21	—	914
At 31 December 2024	1,194	21	258	1,473
At 31 December 2025	1,303	21	155	1,479

APPENDIX I

ACCOUNTANTS’ REPORT

The above items of property and equipment are depreciated on a straight-line basis over the following estimated useful lives after taking into account their estimated residual values:

	Useful lives	Estimated residual values
	<i>Years</i>	
Office equipment and electronic equipment	3-10	5%
Transportation equipment	4	5%
Leasehold improvements	The shorter of the term of the relevant lease or their estimated useful lives	0%

16. RIGHT-OF-USE ASSETS

The Group

	Leasehold properties
	<i>RMB'000</i>
At 31 December 2023	
Carrying amount	32,755
At 31 December 2024	
Carrying amount	14,312
At 31 December 2025	
Carrying amount	14,015
For the year ended 31 December 2023	
Depreciation charge	23,598
For the year ended 31 December 2024	
Depreciation charge	15,927
For the year ended 31 December 2025	
Depreciation charge	10,334

APPENDIX I

ACCOUNTANTS’ REPORT

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Expenses relating to short-term leases	4,838	5,416	2,554
Total cash outflow for leases	29,516	21,764	12,369
Additions to right-of-use assets	37,792	13,956	13,581
Termination of right-of-use assets	—	16,471	3,544

During the Track Record Period, the Group leases various warehouses and offices for its operations. Lease contracts are entered into for fixed term of 1 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

The Group regularly entered into short-term leases for warehouses, offices, vehicles and event sites. As of 31 December 2023 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses are disclosed above.

As of 31 December 2025, the outstanding lease commitments relating to warehouses, offices and vehicles is RMB1,127,000.

Restrictions or covenants on leases

In addition, lease liabilities of RMB33,462,000, RMB14,906,000 and RMB15,418,000 are recognised with related right-of-use assets of RMB32,755,000, RMB14,312,000 and RMB14,015,000 as of 31 December 2023, 2024 and 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in Note 35.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	<u>Leasehold properties</u>
	<i>RMB'000</i>
At 31 December 2023	
Carrying amount	<u>22,390</u>
At 31 December 2024	
Carrying amount	<u>9,811</u>
At 31 December 2025	
Carrying amount	<u>8,499</u>
For the year ended 31 December 2023	
Depreciation charge	<u>14,645</u>
For the year ended 31 December 2024	
Depreciation charge	<u>11,594</u>
For the year ended 31 December 2025	
Depreciation charge	<u>7,519</u>

	<u>Year ended 31 December</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Expenses relating to short-term leases	2,508	2,381	453
Total cash outflow for leases	17,167	14,206	7,472
Additions to right-of-use assets	27,243	8,770	7,171
Termination of right-of-use assets	<u>—</u>	<u>9,755</u>	<u>964</u>

During the Track Record Period, the Company leases various warehouses and offices for its operations. Lease contracts are entered into for fixed term of 1 to 7 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Company applies the definition of a contract and determines the period for which the contract is enforceable.

The Company regularly entered into short-term leases for warehouses, offices and vehicles. As of 31 December 2023 and 2024, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expenses are disclosed above.

As of 31 December 2025, the outstanding lease commitments relating to warehouse and vehicles is RMB340,000.

APPENDIX I

ACCOUNTANTS’ REPORT

Restrictions or covenants on leases

In addition, lease liabilities of RMB22,840,000, RMB10,373,000 and RMB9,838,000 are recognised with related right-of-use assets of RMB22,390,000, RMB9,811,000 and RMB8,499,000 at 31 December 2023, 2024 and 2025, respectively. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

17. INVESTMENT PROPERTIES

The Group and the Company

The Group leases out various residential properties under operating leases with rentals payable monthly or quarterly. The leases typically run for an initial period of 1 to 3 years during the Track Record Period. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend.

The lease contracts do not contain residual value guarantee and/or lessee’s option to purchase the property at the end of lease term.

	<u>Leased properties</u>
	<i>RMB'000</i>
COST	
At 1 January 2023 and 31 December 2023, 2024 and 2025	<u>17,156</u>
ACCUMULATED DEPRECIATION	
At 1 January 2023	1,664
Provided for the year	<u>362</u>
At 31 December 2023	2,026
Provide for the year	<u>362</u>
At 31 December 2024	2,388
Provided for the year	<u>362</u>
At 31 December 2025	<u>2,750</u>
CARRYING VALUE	
At 31 December 2023	<u><u>15,130</u></u>
At 31 December 2024	<u><u>14,768</u></u>
At 31 December 2025	<u><u>14,406</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

The above investment properties are depreciated on a straight-line basis over the useful lives of 38 to 57 years.

The fair value of the Group’s investment properties as of 31 December 2023, 2024 and 2025 was RMB18,150,000, RMB17,380,000 and RMB16,750,000, respectively. The fair value has been arrived at based on a valuation carried out by AVISTA Valuation Advisory Limited (“AVISTA”), with registered address of Unit C, 23/F, Phase II, Sino-Ocean Tower, No. 618 East Yan An Road, Huangpu District, Shanghai, PRC, a firm of independent valuers not connected with the Group.

The fair value was determined based on the direct comparison approach, which referred to the comparable sales evidence available in the relevant market. By analysing comparable properties of similar size, characteristics and location, and carefully weighing all relevant advantages and disadvantages of each property to arrive at fair value. There has been no change from the valuation technique used in the Track Record Period.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

Details of the Group’s investment properties and information about the fair value hierarchy as of the end of the reporting period are as follows:

As of 31 December 2023,		
	Carrying amount	Fair value at Level 3 hierarchy
	RMB'000	RMB'000
Residential properties	15,130	18,150
As of 31 December 2024,		
	Carrying amount	Fair value at Level 3 hierarchy
	RMB'000	RMB'000
Residential properties	14,768	17,380
As of 31 December 2025,		
	Carrying amount	Fair value at Level 3 hierarchy
	RMB'000	RMB'000
Residential properties	14,406	16,750

The table below provides details on the determination of the fair values of these investment properties as of 31 December 2023, 2024 and 2025, including the valuation techniques and inputs used.

Type	Valuation technique	Significant unobservable input
Residential housing	Direct comparison approach	Market unit rate (note)

Note: An increase in the market unit rate used would result in an increase in fair value, and vice versa.

APPENDIX I

ACCOUNTANTS’ REPORT

18. INTANGIBLE ASSETS

The Group and the Company

	<u>Software</u>
	<i>RMB'000</i>
COST	
At 1 January 2023 and 31 December 2023, 2024 and 2025	<u>670</u>
ACCUMULATED AMORTISATION	
At 1 January 2023	161
Provided for the year	<u>67</u>
At 31 December 2023	228
Provide for the year	<u>67</u>
At 31 December 2024	295
Provided for the year	<u>67</u>
At 31 December 2025	<u>362</u>
CARRYING VALUE	
At 31 December 2023	<u><u>442</u></u>
At 31 December 2024	<u><u>375</u></u>
At 31 December 2025	<u><u>308</u></u>

The above intangible assets have finite useful lives and are amortised on a straight-line basis over 10 years.

APPENDIX I

ACCOUNTANTS’ REPORT

19. INTERESTS IN ASSOCIATES

The Group

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost of investments, [REDACTED]	21,365	10,510	10,510
Share of post-acquisition losses and other comprehensive expenses, net of dividends received	(3,037)	(1,914)	(2,204)
Impairment loss	(9,971)	—	—
	<u>8,357</u>	<u>8,596</u>	<u>8,306</u>

The Company

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost of investments, unlisted	5,820	5,820	5,820
Share of post-acquisition losses and other comprehensive expenses, net of dividends received	1,883	1,246	1,257
	<u>7,703</u>	<u>7,066</u>	<u>7,077</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Group

Details of the Group’s associates during the Track Record Period and the date of this report are as follows:

Name of associates	Place of Incorporation and principal place of business	Proportion of ownership interest held by the Group			Proportion of voting right held by the Group			Principal activities
		At 31 December		At date of report	At 31 December		At date of report	
		2023	2024		2023	2024		
Directly held								
Shanghai Fannigai Information Technology Co., Ltd* (上海帆尼蓋 信息科技有限公司) (note i)	Mainland China	44.40%	44.40%	44.40%	[44.40%]	44.40%	44.40%	[44.40%] Software and information technology service
Shanghai Weijie Culture Media Co., Ltd* (上海 微詰文化傳媒有限公司) (“Shanghai Weijie”) (note i)	Mainland China	40.00%	40.00%	40.00%	[40.00%]	40.00%	40.00%	[40.00%] Broadcasting, television, film, and recording production
Shanghai Yirui Cultural Media Co., Ltd.* (上海 壹睿文化傳媒有限公司) (“Shanghai Yirui”) (note i)	Mainland China	32.80%	32.80%	32.80%	[32.80%]	32.80%	32.80%	[32.80%] Professional technology service
Xiamen Xihe Technology Co., Ltd* (廈門晞和科 技有限公司) (note i)	Mainland China	—	20.00%	20.00%	[20.00%]	—	20.00%	[20.00%] Research and experimental development
HB VILLAGE Limited (notes i and iii)	Hong Kong	22.35%	N/A	N/A	N/A	20.00%	N/A	N/A Technical support for e-commerce business
Shanghai Yinlong Green Food Sales Co., Ltd* (上海銀龍綠色食品銷售 有限公司) (note i)	Mainland China	49.00%	49.00%	49.00%	[49.00%]	49.00%	49.00%	[49.00%] Wholesaler
Indirectly held								
Shanghai Youhao Network Technology Co., Ltd* (上海遊灝網絡科技有限 公司)(“Shanghai Youhao”) (note ii)	Mainland China	19.03%	19.03%	19.03%	[19.03%]	19.03%	19.03%	[19.03%] Professional technology service

* English name is for identification purpose

Notes:

- i. The Group has significant influence over these entities through its voting rights and/or presence in the board of directors of the investees and does not have veto rights.
- ii. The Group is able to exercise significant influence over Shanghai Youhao because it has the right to appoint 1 director out of 3 directors of this entity.
- iii. This entity was deregistered during the year ended 31 December 2024.

APPENDIX I

ACCOUNTANTS’ REPORT

Aggregate information of associates that are not individually material

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
The Group’s share of profit (loss) from continuing operations	<u>737</u>	<u>(1,702)</u>	<u>(1,259)</u>
The Group’s share of total comprehensive income (expense)	<u>737</u>	<u>(1,702)</u>	<u>(1,259)</u>
	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Aggregate carrying amount of the Group’s interests in these associates	<u>8,357</u>	<u>8,596</u>	<u>8,306</u>

20. DEFERRED TAXATION

The Group

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

	As of 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred tax assets	6,191	7,531	5,078
Deferred tax liabilities	<u>(195)</u>	<u>(212)</u>	<u>(5)</u>
	<u>5,996</u>	<u>7,319</u>	<u>5,073</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

	Tax losses	ECL provision	Financial assets at FVTOCI	Allowance for inventory	Lease liabilities	Right-of-use assets	Unrealised profit	Financial assets at FVTPL	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2023	550	690	435	3,127	2,916	(2,930)	306	—	5,094
Credit (charge) to profit or loss	794	332	—	(648)	3,492	(3,361)	420	—	1,029
Charge to other comprehensive expense	—	—	(127)	—	—	—	—	—	(127)
At 31 December 2023	1,344	1,022	308	2,479	6,408	(6,291)	726	—	5,996
Credit (charge) to profit or loss	2,631	(11)	—	(588)	(3,504)	3,525	(726)	—	1,327
Charge to other comprehensive expense	—	—	(4)	—	—	—	—	—	(4)
At 31 December 2024	3,975	1,011	304	1,891	2,904	(2,766)	—	—	7,319
(Charge) credit to profit or loss	(1,380)	(232)	—	(61)	(67)	278	—	(480)	(1,942)
Charge to other comprehensive expense	—	—	(304)	—	—	—	—	—	(304)
At 31 December 2025	2,595	779	—	1,830	2,837	(2,488)	—	(480)	5,073

The aggregate amount of temporary differences associated with undistributed earnings of subsidiaries for which deferred tax liabilities have not been recognised was approximately RMB16,643,000, RMB19,095,000 and RMB18,443,000 as of 31 December 2023, 2024 and 2025, respectively. No deferred tax liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Deferred tax assets	3,017	2,572	1,427
Deferred tax liabilities	—	—	—
	3,017	2,572	1,427

APPENDIX I

ACCOUNTANTS’ REPORT

The following are the major deferred tax balances recognised and movements thereon during the Track Record Period:

	ECL provision	Financial assets at FVTOCI	Allowance for inventory	Lease liabilities	Right-of- use assets	Financial assets at FVTPL	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	384	503	1,907	2,384	(2,448)	—	2,730
Credit (charge) to profit or loss	90	—	20	3,326	(3,149)	—	287
At 31 December 2023	474	503	1,927	5,710	(5,597)	—	3,017
Credit (charge) to profit or loss	179	—	(652)	(3,116)	3,144	—	(445)
At 31 December 2024	653	503	1,275	2,594	(2,453)	—	2,572
(Charge) credit to profit or loss	(217)	—	(213)	(134)	328	(406)	(642)
Charge to other comprehensive expense	—	(503)	—	—	—	—	(503)
At 31 December 2025	436	—	1,062	2,460	(2,125)	(406)	1,427

At 31 December 2023, 2024 and 2025, the Company did not have unused tax losses.

21. INVENTORIES

The Group

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Goods	469,958	450,982	413,877

Goods are net of a write-down of approximately RMB10,791,000, RMB8,343,000 and RMB10,237,000 as of 31 December 2023, 2024 and 2025, respectively.

The Company

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Goods	256,925	245,097	215,017

Goods are net of a write-down of approximately RMB7,709,000, RMB5,098,000 and RMB4,246,000 as of 31 December 2023, 2024 and 2025, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

22. TRADE AND OTHER RECEIVABLES/OTHER NON-CURRENT ASSETS

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables			
- Third parties	75,917	55,519	52,092
Less: Allowance for credit losses	(949)	(783)	(826)
	<u>74,968</u>	<u>54,736</u>	<u>51,266</u>
Advance payments on behalf of suppliers	125,956	131,345	150,524
Rebate receivable from brand owners	98,967	161,343	133,119
Prepaid expenses	30,958	65,172	61,835
Deferred issue costs (note)	—	—	2,272
Deductible VAT	20,704	19,382	16,244
Deposits	19,416	17,266	16,295
Others	3,031	1,248	2,311
Less: Allowance for credit losses	(3,533)	(3,549)	(2,534)
	<u>295,499</u>	<u>392,207</u>	<u>380,066</u>
	<u><u>370,467</u></u>	<u><u>446,943</u></u>	<u><u>431,332</u></u>
Analysed as:			
Current assets	366,546	443,865	428,440
Non-current assets	<u>3,921</u>	<u>3,078</u>	<u>2,892</u>
	<u><u>370,467</u></u>	<u><u>446,943</u></u>	<u><u>431,332</u></u>

Note: Deferred issue costs represent the qualifying portion of [REDACTED] incurred up to 31 December 2025, which will be debited to equity of the Group as share issue costs in respect of the successful issue of new shares upon [REDACTED].

As of 1 January 2023, trade receivables from contracts with customers amounted to RMB67,510,000.

Non-current portion of other receivables are deposits and presented as “other non-current assets”.

APPENDIX I

ACCOUNTANTS’ REPORT

The Group generally allows a credit period ranging from 30 to 120 days to its customers. The following is an aged analysis of trade receivables, net of impairment loss allowance, presented based on the posting date at the end of each reporting period.

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0 day to 1 year	71,805	53,223	51,061
1 year to 2 years	3,073	1,064	205
2 years to 3 years	90	449	—*
	<u>74,968</u>	<u>54,736</u>	<u>51,266</u>

Details of impairment assessment of trade and other receivables are set out in Note 35.

* *Amount is less than RMB1,000.*

Trade and other receivables that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
HK\$	852	1,817	839
United States Dollar (“US\$”)	2,126	3,299	1,662
Japanese Yen (“JPY”)	2,281	1,377	4,271
Euro (“EUR”)	—	981	881
Australian Dollar (“AUD”)	—	400	244
Singapore Dollar (“SGD”)	—	3	—
	<u>5,259</u>	<u>7,877</u>	<u>7,897</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivables from contracts with customers			
- Third parties	48,749	27,723	32,257
Less: Allowance for credit losses	(131)	(151)	(180)
- Subsidiaries	265,840	332,589	355,005
	314,458	360,161	387,082
Amounts due from subsidiaries	255,634	130,224	104,804
Advance payments on behalf of suppliers	82,795	100,491	85,719
Rebate receivable from brand owners	57,856	106,819	90,745
Prepaid expenses	23,423	28,972	38,052
Deferred issue costs	—	—	2,272
Deductible VAT	563	575	583
Deposits	12,719	10,295	7,626
Others	654	300	363
Less: Allowance for credit losses	(1,766)	(2,464)	(1,567)
	431,878	375,212	328,597
	<u>746,336</u>	<u>735,373</u>	<u>715,679</u>
Analysed as:			
Current assets	744,211	733,962	714,400
Non-current assets	2,125	1,411	1,279
	<u>746,336</u>	<u>735,373</u>	<u>715,679</u>

As of 1 January 2023, trade receivables from contracts with customers amounted to RMB224,849,000.

Non-current portion of other receivables are deposits and presented as “other non-current assets”.

APPENDIX I

ACCOUNTANTS’ REPORT

The following is an aged analysis of trade receivables, net of impairment loss allowance, presented based on the posting date at the end of each reporting period.

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0 day to 1 year	171,017	177,207	169,646
1 year to 2 years	46,412	93,600	80,331
2 years to 3 years	50,507	31,268	49,356
Over 3 years	46,522	58,086	87,749
	<u>314,458</u>	<u>360,161</u>	<u>387,082</u>

Details of impairment assessment of trade and other receivables are set out in Note 35.

Trade and other receivables that are denominated in currencies other than the functional currency of the Company is set out below:

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
US\$	63,528	76,989	87,713
	<u>63,528</u>	<u>76,989</u>	<u>87,713</u>

23. FINANCIAL ASSETS AT FVTPL

The Group

Financial assets mandatorily measured at FVTPL:

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Wealth management products	116,510	152,700	147,499
Derivative financial assets - foreign exchange swap contracts	—	—	1,553
	<u>116,510</u>	<u>152,700</u>	<u>149,052</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

Financial assets mandatorily measured at FVTPL:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Wealth management products	77,100	68,100	76,070
Derivative financial assets - foreign exchange swap contracts	—	—	1,553
	<u>77,100</u>	<u>68,100</u>	<u>77,623</u>

The Group and the Company has entered the foreign exchange swap contracts with banks to manage the currency risk. The first contract is to sell USD and buy RMB with notional amount of USD1,384,000 in total with the strike rate of 7.2240 and sell RMB and buy USD with the same amount with the strike rate of 7.0827 in 12 months. The second contract is to sell JPY and buy RMB with notional amount of JPY306,122,000 in total with the strike rate of 0.04900 and sell RMB and buy JPY with the same amount with the strike rate of 0.04912 in 12 months.

The Group and the Company have invested in several financial products managed by multiple financial institutions, with an expected yield of nil to 6.00%, 1.00% to 3.00%, and 0.65% to 2.99% for the years ended 31 December 2023, 2024 and 2025, respectively. With the actual returns being uncertain until maturity, all investments are classified as financial assets measured at fair value with changes recognised in profit or loss.

24. EQUITY INSTRUMENTS AT FVTOCI

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Equity investment - unlisted	<u>1,782</u>	<u>1,800</u>	<u>—</u>

The directors of the Company have irrevocably elected to designate the investments in equity instruments of two entities established in the PRC as at FVTOCI at initial recognition as they believe that this is a strategic investment which is not held for trading.

In 2025, the Group disposed of the investments in these two entities, at consideration of RMB1,000,000 and RMB88,000, respectively, which were also the fair value as at the date of disposal as the investments no longer meet the investment objective of the Group after group restructuring carried out by the investee. Cumulative losses on disposal of nil and RMB1,442,000 have been transferred to retained profits.

APPENDIX I

ACCOUNTANTS’ REPORT

25. RESTRICTED BANK DEPOSITS/TIME DEPOSITS/CASH AND CASH EQUIVALENTS

As of 31 December 2023, 2024 and 2025, the restricted bank deposits mainly for (i) the issue of bills payables with carrying amount of RMB1,007,000, RMB2,418,000 and RMB4,351,000, respectively; (ii) the issue of letter of credit with carrying amount of RMB3,150,000, RMB5,400,000 and RMB4,476,000, respectively.

In 2023, 2024 and 2025, bank balances carried interest at prevailing market interest rates of 0.20%-1.55%, 0.20%-1.80% and 0.05%-2.45% per annum, respectively.

The time deposits of RMB14,377,000 and RMB14,057,000 (equivalent to US\$2,000,000) were with original maturity of 6 months carrying at fixed rate of 4.19% per annum and with original maturity of 5 months carrying at fixed rate of 3.39% per annum as of 31 December 2024 and 2025, respectively. Another time deposits of RMB7,029,000 (equivalent to US\$1,000,000) were with original maturity of 8 months carrying at fixed rate of 3.92% per annum as of 31 December 2025.

The majority of the Group’s restricted bank deposits, time deposits and cash and cash equivalents that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
US\$	90,424	99,855	103,344
HK\$	24,354	4,917	8,709
JPY	7,695	9,054	8,080
EUR	2,170	3,549	5,697
Great British Pound (“GBP”)	926	—	—
AUD	3,021	4,235	5,316
New Zealand Dollar (“NZD”)	54	168	136
SGD	—	—	142
	<u>128,644</u>	<u>121,778</u>	<u>131,424</u>

APPENDIX I

ACCOUNTANTS’ REPORT

26. TRADE, BILLS AND OTHER PAYABLES

The Group

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade payables			
- Third parties	183,798	224,498	162,393
- Related parties	962	642	642
Bills payables			
- Third parties	6,145	27,800	34,962
	190,905	252,940	197,997
Accrued payroll and welfare	45,374	42,336	44,888
Other taxes payables	10,649	11,015	9,401
Payable for promotion expenses	4,159	4,755	—
Receipts on behalf of other sellers or brand owners	884	3,669	479
Accrued issue costs	—	—	4,466
Deposits	118	722	268
Others	439	450	321
	61,623	62,947	59,823
	252,528	315,887	257,820

APPENDIX I

ACCOUNTANTS’ REPORT

Payment terms with suppliers are mainly on credit ranging from 10 to 100 days from the time when the goods are received from the suppliers over the Track Record Period.

The following is an aged analysis of trade and bills payables presented based on the posting dates at the end of each reporting period:

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
0 day to 1 year	184,006	245,869	192,401
1 year to 2 years	4,582	3,783	1,899
2 years to 3 years	2,317	1,912	2,001
Over 3 years	—	1,376	1,696
	<u>190,905</u>	<u>252,940</u>	<u>197,997</u>

Trade and other payables that are denominated in currencies other than the functional currency of the respective group entities are set out below:

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
US\$	4,728	6,171	10,171
GBP	—	1,401	—
JPY	6,010	560	190
HK\$	24	798	2,620
SGD	—	—	1
EUR	219	184	1,902
	<u>10,981</u>	<u>9,114</u>	<u>14,884</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables			
- Third parties	154,071	193,172	136,711
- Related parties	642	642	642
- Subsidiaries	193,098	89,630	116,709
Bills payables			
- Third parties	5,667	26,612	34,749
	353,478	310,056	288,811
Accrued payroll and welfare	36,582	34,476	34,573
Amounts due to subsidiaries	2,661	4,220	13,171
Other taxes payables	9,215	10,095	6,635
Payable for promotion expenses	3,502	3,585	—
Receipts on behalf of other sellers or brand owners	1,024	3,797	456
Accrued issue costs	—	—	4,466
Deposits	118	684	260
Others	418	429	211
	53,520	57,286	59,772
	406,998	367,342	348,583

The following is an aged analysis of trade and bills payables presented based on the posting dates at the end of each reporting period:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
0 day to 1 year	257,830	298,250	233,385
1 year to 2 years	77,868	7,810	48,549
2 years to 3 years	17,780	2,418	3,708
Over 3 years	—	1,578	3,169
	353,478	310,056	288,811

APPENDIX I

ACCOUNTANTS’ REPORT

Trade and other payables that are denominated in currencies other than the functional currency of the Company is set out below:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
HK\$	—	—	9,733
US\$	—	—	3,057
	—	—	12,790

27. BANK BORROWINGS

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unsecured and guaranteed (note)			
Fixed-rate borrowings	125,944	136,960	60,072
Variable-rate borrowings	63,989	41,017	15,000
Unsecured and unguaranteed			
Fixed-rate borrowings	—	—	54,951
Variable-rate borrowings	—	—	49,569
	189,933	177,977	179,592

The Group’s bank borrowings are all repayable within one year based on the scheduled repayment dates set out in the loan agreements.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group’s borrowings are as follows:

	At 31 December		
	2023	2024	2025
	%	%	%
Fixed-rate borrowings	3.00-4.30	2.90-4.20	2.30-3.60
Variable-rate borrowings	3.05-4.40	2.95-3.80	2.18-3.35

Note: Among the loans of the Group, the loan of the Company was guaranteed by Mr. Xu, Mr. Han and Mr. You, three shareholders of the Company which will be released before [REDACTED]. And the loan of Shanghai KaiChong E-commerce Co., Ltd.* (上海凱龍電子商務有限公司) (“Shanghai KaiChong”), a subsidiary of the Group, was guaranteed by the Company and Shanghai Small, Medium and Micro Enterprise Policy Financing Guarantee Fund Management Center or by the Company.

* English name is for identification purpose

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Unsecured and guaranteed (note)			
Fixed-rate borrowings	125,944	136,464	55,072
Variable-rate borrowings	53,989	30,013	—
Unsecured and unguaranteed			
Fixed-rate borrowings	—	—	54,951
Variable-rate borrowings	—	—	49,569
	<u>179,933</u>	<u>166,477</u>	<u>159,592</u>

The Company’s bank borrowings are all repayable within one year based on the scheduled repayment dates set out in the loan agreements.

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group’s borrowings are as follows:

	At 31 December		
	2023	2024	2025
	%	%	%
Fixed-rate borrowings	3.00-4.30	3.00-4.20	2.30-3.60
Variable-rate borrowings	3.65-4.40	3.35-3.80	2.60-2.80

Note: The loan of the Company was guaranteed by Mr. Xu, Mr. Han and Mr. You, three shareholders of the Company which will be released before [REDACTED].

The Group’s and the Company’s bank borrowings that are denominated in currencies other than the functional currency of the relevant group entities are set out below:

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Denominated in US\$	—	—	10,000
Denominated in JPY	—	—	34,805

Loan covenants

In respect of a bank loan of the Company with carrying amount of RMB38,500,000, RMB30,000,000 and RMB25,000,000 as of 31 December 2023, 2024 and 2025, respectively, the Company is required to comply with the following financial covenant throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- The debt service coverage ratio should be no less than 5 times.

APPENDIX I

ACCOUNTANTS’ REPORT

In respect of a bank loan of Shanghai KaiChong with carrying amount of RMB10,000,000 as of 31 December 2025, Shanghai KaiChong is required to comply with the following financial covenant throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- The total amount of external guarantees should not exceed one time than net assets.

In respect of a bank loan of Shanghai KaiChong with carrying amount of RMB5,000,000 as of 31 December 2025, Shanghai KaiChong is required to comply with the following financial covenant throughout the continuance of the relevant loan and/or as long as the loan is outstanding:

- The net assets should maintain positive all the time.

28. LEASE LIABILITIES

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease liabilities payable:			
Within one year	21,243	9,546	8,631
Within a period of more than one year but not exceeding two years	10,209	3,997	5,934
Within a period of more than two years but not exceeding five years	2,010	1,363	853
	33,462	14,906	15,418
Less: Amounts due for settlement within 12 months shown under current liabilities	(21,243)	(9,546)	(8,631)
Amounts due for settlement after 12 months shown under non-current liabilities	12,219	5,360	6,787

The weighted average incremental borrowing rate applied to lease liabilities was 4.26%, 3.89% and 3.63% per annum for the years ended 31 December 2023, 2024 and 2025, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Lease liabilities payable:			
Within one year	15,665	6,585	6,010
Within a period of more than one year but not exceeding two years	7,175	2,425	3,828
Within a period of more than two years but not exceeding five years	—	1,363	—
	22,840	10,373	9,838
Less: Amounts due for settlement within 12 months shown under current liabilities	(15,665)	(6,585)	(6,010)
Amounts due for settlement after 12 months shown under non-current liabilities	7,175	3,788	3,828

The weighted average incremental borrowing rate applied to lease liabilities was 4.26%, 3.99% and 3.67% per annum for the years ended 31 December 2023, 2024 and 2025.

29. CONTRACT LIABILITIES

The Group

	At 1 January	At 31 December		
	2023	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts received in advance	25,604	24,715	18,704	22,548

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract liabilities that are expected to be settled within the Group’s normal operating cycle are classified as current liabilities based on the Group’s earliest obligation to transfer goods to the customers.

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of products	9,102	11,097	9,119

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	At 1 January 2023	At 31 December		
	2023	2023	2024	2025
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts received in advance	19,961	19,066	16,323	10,686

The following table shows how much of the revenue recognised relates to carried-forward contract liabilities:

	Year ended 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Sales of products	3,457	5,449	6,971

30. SHARE CAPITAL OF THE COMPANY

All shares issued by the Company are fully paid domestic shares. The par value is RMB1. The Company’s number of shares issued and their nominal value are as follows:

	Number of shares '000	Authorised share capital RMB'000
Issued and fully paid:		
At 1 January 2023 (note iii)	100,181	100,181
Repurchase of shares (note i)	(3,371)	(3,371)
At 31 December 2023	96,810	96,810
Repurchase of shares (note ii)	(2,562)	(2,562)
At 31 December 2024 and 2025	94,248	94,248

Notes:

- (i) On 23 October, 2023, the Company repurchased 880,000 shares of Ningbo Zhixin Investment Management Partnership (Limited Partnership)* (寧波致信投資管理合夥企業(有限合夥)) and 2,491,000 shares of Ningbo Meishan Bonded Port Area Jiayun Investment Management Company Limited* (寧波梅山保稅港區佳贗投資管理有限責任公司) which reduced authorised share capital by RMB3,371,000.
- (ii) On 17 July, 2024, the Company repurchased 2,562,000 shares of Orient Securities Co., Ltd.* (東方證券股份有限公司) which reduced authorised share capital by RMB2,562,000.

* English name is for identification purpose

APPENDIX I

ACCOUNTANTS’ REPORT

- (iii) Share capital, including those investment sum received from all [REDACTED] Investors, were all equity instruments in nature. Although there were special rights granted to some of these [REDACTED] Investors, all obligations of such special rights were attached to the Controlling Shareholders, and the Company, in all circumstances, was not a contractual party and was not subject to any liabilities under such special rights. All special rights had been terminated on 27 April 2021, which was prior to the Track Record Period. The management represented that there were no guarantees by the Company in respect of the redemption right previously granted by the Controlling Shareholder to the [REDACTED] Investors and accordingly, no financial liability regarding such redemption right was recognised during the Track Record Period. Further details of the special rights and termination arrangement were disclosed in point 3 “Special Rights granted to the [REDACTED] Investors” of the section headed “[REDACTED] Investments” under “History, Development and Corporate Structure” in the Document.

31. RECONCILIATION OF ASSETS AND LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group’s assets and liabilities arising from financing activities, including both cash and non-cash changes. Assets and liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group’s consolidated statements of cash flows as cash flows from financing activities.

	Borrowings	Lease liabilities	Dividends payables	Accrued issue costs	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At 1 January 2023	207,384	19,322	—	—	226,706
Financing cash flows	(26,199)	(24,678)	(193)	—	(51,070)
Dividend declared	—	—	193	—	193
Interest expenses	8,748	1,026	—	—	9,774
New leases entered	—	37,792	—	—	37,792
At 31 December 2023	189,933	33,462	—	—	223,395
Financing cash flows	(18,646)	(16,348)	(28,531)	—	(63,525)
Dividend declared	—	—	28,531	—	28,531
Interest expenses	6,690	844	—	—	7,534
New leases entered	—	13,956	—	—	13,956
Termination of lease	—	(17,008)	—	—	(17,008)
At 31 December 2024	177,977	14,906	—	—	192,883
Financing cash flows	(4,762)	(9,815)	(37,699)	(1,570)	(53,846)
Dividend declared	—	—	37,699	—	37,699
Interest expenses	6,377	462	—	—	6,839
New leases entered	—	13,581	—	—	13,581
Deferred issue costs	—	—	—	2,272	2,272
Termination of lease	—	(3,716)	—	—	(3,716)
At 31 December 2025	<u>179,592</u>	<u>15,418</u>	<u>—</u>	<u>702</u>	<u>195,712</u>

32. SHARE-BASED PAYMENT TRANSACTIONS

The Company’s share incentive scheme (the “Share Incentive Scheme”) was adopted for the primary purpose of establishing and improving a long-term incentive mechanism for the Company, to attract and retain talented individuals (the “eligible grantees”), and to effectively align the interests of shareholders, the company, and the core team members. Under this scheme, the eligible grantees can subscribe for partnership interest of the employee stock ownership platform (the “ESOP”) established solely for the implementation of the scheme.

APPENDIX I

ACCOUNTANTS’ REPORT

In November 2019, the Share Incentive Scheme was adopted through Kaiao (Shanghai) Business Consulting Centre (Limited Partnership)* (凱譽(上海)商務諮詢中心(有限合夥)) (“Kaiao”). In December 2019, August 2020 and June 2022, 279,000 shares, 330,000 shares and 129,000 shares of the Company were approved by the board of the Company and granted to certain eligible grantees through Kaiao with certain vesting conditions as stipulated in the scheme, respectively. The fair value of the shares awarded was determined based on the recent transaction price. During the Track Record Period, no expense in relation to the above-mentioned shares granted was recognised as the probability of fulfillment of the vesting conditions have not yet become probable as of end of each reporting periods.

33. RETIREMENT BENEFIT PLANS

In accordance with the rules and regulations in the Mainland China, the employees of the Group based in the Mainland China participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the Mainland China under which the Group and the relevant employees are required to make monthly contributions to these plans calculated at a certain percentage of the employees’ salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired Mainland-China-based employees’ payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefit of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government. The contributions to these plans are recognised as employee benefit charged to profit or loss and capitalised where applicable.

The total cost charged to profit or loss in respect of the above-mentioned schemes amounted to approximately RMB22,421,000, RMB21,628,000, and RMB21,808,000 for the years ended 31 December 2023, 2024 and 2025, respectively.

34. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximizing the return to shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged.

The capital structure of the Group consists of net debt, which includes bank borrowings and lease liabilities disclosed in Notes 27 and 28, respectively, net of cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital, reserves and non-controlling interests.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management of the Group considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management of the Group, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

APPENDIX I

ACCOUNTANTS’ REPORT

35. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets at amortised cost	609,709	613,340	627,940
Financial assets at FVTPL	116,510	152,700	149,052
Equity instruments at FVTOCI	1,782	1,800	—
	<u>728,001</u>	<u>767,840</u>	<u>776,992</u>
Financial liabilities			
Amortised cost	<u>386,438</u>	<u>440,513</u>	<u>378,657</u>

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Financial assets			
Financial assets at amortised cost	822,369	769,343	735,028
Financial assets at FVTPL	77,100	68,100	77,623
	<u>899,469</u>	<u>837,443</u>	<u>812,651</u>
Financial liabilities			
Amortised cost	<u>541,134</u>	<u>489,248</u>	<u>462,481</u>

Financial risk management objectives and policies

The Group’s major financial instruments include trade and other receivables, other non-current assets, financial assets at FVTPL, equity instruments at FVTOCI, restricted bank deposits, time deposits, cash and cash equivalents, trade, bills and other payables and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

APPENDIX I

ACCOUNTANTS’ REPORT

Currency risk

Certain subsidiaries of the Company have foreign currency sales, purchase and bank balances, which expose the Group to foreign currency risk. Certain of the Group’s cash and cash equivalents, time deposits, trade and other receivables, bank borrowings and trade and other payables are denominated in currencies other than the functional currency of the relevant group entities and expose to such foreign currency risk. The carrying amounts of relevant group entities’ foreign currency denominated monetary assets and liabilities other than their functional currency are disclosed in the respective notes.

The carrying amounts of the Group’s major foreign currency denominated monetary assets and liabilities as of 31 December 2023, 2024 and 2025 are as follows:

	At 31 December		
	2023	2024	2025
	RMB’000	RMB’000	RMB’000
Assets			
EUR	2,170	4,530	6,578
US\$	92,550	103,154	105,006
HK\$	25,206	6,734	9,548
GBP	926	—	—
AUD	3,021	4,635	5,560
JPY	9,976	10,431	12,351
Liabilities			
US\$	4,728	6,171	20,171
GBP	—	1,401	—
JPY	6,010	560	34,995
HK\$	24	798	2,620
EUR	219	184	1,902

The Group entered into foreign exchange swap contracts to eliminate the currency exposures of bank borrowings amounting to RMB25,000,000 (equivalent to US\$1,384,000 and JPY306,122,000) as of 31 December 2025.

Sensitivity analysis

The following table details the Group’s sensitivity to a 5% increase and decrease in RMB against the relevant foreign currencies for each of the 3 years in the Track Record Period without hedging foreign currency risk. 5% represents management’s assessment of the reasonably possible change in foreign exchange rates. A negative number below indicates a decrease in post-tax profit where RMB strengthens 5% against foreign currencies, while a positive number indicates an increase in post-tax profit where RMB strengthens 5% against foreign currencies. For a 5% weakening of foreign currencies for each of the 3 years in the Track Record Period against the relevant currency, there would be an equal and opposite impact on profit or loss.

APPENDIX I

ACCOUNTANTS’ REPORT

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Impact on profit or loss:			
EUR	(73)	(163)	(175)
US\$	(3,293)	(3,637)	(3,181)
HK\$	(944)	(223)	(260)
GBP	(35)	53	—
AUD	(113)	(174)	(209)
JPY	(149)	(370)	849

Interest rate risk

The Group and the Company are exposed to fair value interest rate risk in relation to time deposits, fixed-rate bank borrowings and lease liabilities, (details are set out in Notes 25, 27 and 28, respectively). The Group currently does not have formal interest rate hedging policies. The management of the Group monitors the Group’s exposures on an on-going basis and will consider hedging interest rate risk should the need arises.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances, restricted bank deposits and bank borrowings.

The Group’s cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates quoted by loan prime rate (LPR).

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point increase or decrease in variable-rate bank borrowings are used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates. Cash and cash equivalents, restricted bank deposits and time deposits are excluded from sensitivity analysis as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant. If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group’s and the Company post-tax profit for the year would decrease/(increase) by the following magnitude:

The Group

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Decrease in profit for the year	480	308	484

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Decrease in profit for the year	405	225	372

Other price risk

The Group is exposed to other price risk through its equity instruments measured at FVTOCI.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to equity price risk at the reporting date.

If the price of the equity instruments at FVTOCI had been 10% higher/lower, the post-tax other comprehensive income for the years ended 31 December 2023, 2024 and 2025 would increase/decrease by RMB134,000, RMB135,000 and nil, respectively, as a result of the changes in fair value of the equity instruments at FVTOCI.

Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s counterparties default on their contractual obligations resulting in financial losses to the Group. The Group’s credit risk exposures are primarily attributable to trade and other receivables, restricted bank deposits, time deposits, cash and cash equivalents and other non-current assets.

The Group performed impairment assessment for financial assets under ECL model. The tables below detail the credit risk exposures of the Group’s and the Company’s financial assets which are subjected to ECL assessment:

The Group

As of 31 December 2023	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
				RMB'000
Trade receivables	22	Lifetime ECL	1.25%	75,917
Other receivables/ other non-current assets	22	12m ECL	1.43%	247,370
Restricted bank deposits	25	12m ECL	Insignificant	4,157
Cash and cash equivalents	25	12m ECL	Insignificant	286,747
As of 31 December 2024	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
				RMB'000
Trade receivables	22	Lifetime ECL	1.41%	55,519
Other receivables/ other non-current assets	22	12m ECL	1.14%	311,202
Time deposits	25	12m ECL	Insignificant	14,377
Restricted bank deposits	25	12m ECL	Insignificant	7,818
Cash and cash equivalents	25	12m ECL	Insignificant	228,756

APPENDIX I

ACCOUNTANTS’ REPORT

As of 31 December 2025	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
<i>RMB'000</i>				
Trade receivables	22	Lifetime ECL	1.59%	52,092
Other receivables/ other non-current assets	22	12m ECL	0.84%	300,380
Time deposits	25	12m ECL	Insignificant	21,086
Restricted bank deposits	25	12m ECL	Insignificant	8,827
Cash and cash equivalents	25	12m ECL	Insignificant	248,915

The Company

As of 31 December 2023	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
<i>RMB'000</i>				
Trade receivables				
- Third parties	22	Lifetime ECL	0.27%	48,749
- Subsidiaries	22	Lifetime ECL	Insignificant	265,840
Other receivables/ other non-current assets	22	12m ECL	0.43%	409,658
Restricted bank deposits	25	12m ECL	Insignificant	4,061
Cash and cash equivalents	25	12m ECL	Insignificant	95,958

As of 31 December 2024	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
<i>RMB'000</i>				
Trade receivables				
- Third parties	22	Lifetime ECL	0.54%	27,723
- Subsidiaries	22	Lifetime ECL	Insignificant	332,589
Other receivables/ other non-current assets	22	12m ECL	0.71%	348,129
Restricted bank deposits	25	12m ECL	Insignificant	7,580
Cash and cash equivalents	25	12m ECL	Insignificant	55,937

As of 31 December 2025	Notes	12m or lifetime ECL	Average expected credit loss rate	Gross carrying amount
<i>RMB'000</i>				
Trade receivables				
- Third parties	22	Lifetime ECL	0.56%	32,257
- Subsidiaries	22	Lifetime ECL	Insignificant	355,005
Other receivables/ other non-current assets	22	12m ECL	0.54%	289,257
Restricted bank deposits	25	12m ECL	Insignificant	7,802
Cash and cash equivalents	25	12m ECL	Insignificant	52,454

APPENDIX I

ACCOUNTANTS’ REPORT

Trade receivables from third parties

Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer’s credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed regularly. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group’s credit risk is significantly reduced.

The Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL on trade receivables from third parties. The Group determines the expected credit losses on trade receivables from third parties by using provision matrix, because the customers are all with similar risk characteristics. The following table provides information about the exposure to credit risk for trade receivables from third parties.

The Group

As of 31 December 2023	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
0 day to 1 year	0.07	71,858	53	71,805
1 year to 2 years	1.88	3,132	59	3,073
2 years to 3 years	31.30	131	41	90
Over 3 years	100.00	796	796	—
		<u>75,917</u>	<u>949</u>	<u>74,968</u>
As of 31 December 2024	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
0 day to 1 year	0.06	53,256	33	53,223
1 year to 2 years	1.94	1,085	21	1,064
2 years to 3 years	19.96	561	112	449
Over 3 years	100.00	617	617	—
		<u>55,519</u>	<u>783</u>	<u>54,736</u>
As of 31 December 2025	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
0 day to 1 year	0.05	51,087	26	51,061
1 year to 2 years	1.91	209	4	205
2 years to 3 years	28.12	—*	—*	—*
Over 3 years	100.00	796	796	—
		<u>52,092</u>	<u>826</u>	<u>51,266</u>

* Amount is less than RMB1,000.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

As of 31 December 2023	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
0 day to 1 year	0.08	46,413	35	46,378
1 year to 2 years	1.87	2,191	41	2,150
2 years to 3 years	31.30	131	41	90
Over 3 years	100.00	14	14	—
		<u>48,749</u>	<u>131</u>	<u>48,618</u>
As of 31 December 2024	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
0 day to 1 year	0.06	26,242	16	26,226
1 year to 2 years	2.03	1,086	22	1,064
2 years to 3 years	19.89	352	70	282
Over 3 years	100.00	43	43	—
		<u>27,723</u>	<u>151</u>	<u>27,572</u>
As of 31 December 2025	ECL rate	Gross carrying amount	Expected credit losses	Net carrying amount
	%	RMB'000	RMB'000	RMB'000
0 day to 1 year	0.05	32,007	17	31,990
1 year to 2 years	2.25	89	2	87
2 years to 3 years	28.12	—*	—*	—*
Over 3 years	100.00	161	161	—
		<u>32,257</u>	<u>180</u>	<u>32,077</u>

* Amount is less than RMB1,000.

APPENDIX I

ACCOUNTANTS’ REPORT

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

Movement in ECL that has been recognised for trade receivables from third parties:

The Group

	Lifetime ECL — not credit-impaired
	<i>RMB'000</i>
As of 1 January 2023	892
Impairment losses recognised	88
Impairment losses reversed	(31)
As of 31 December 2023	949
Impairment losses recognised	178
Impairment losses reversed	(213)
Write-offs	(131)
As of 31 December 2024	783
Impairment losses recognised	98
Impairment losses reversed	(35)
Write-offs	(20)
As of 31 December 2025	826

The Company

	Lifetime ECL — not credit-impaired
	<i>RMB'000</i>
As of 1 January 2023	55
Impairment losses recognised	76
As of 31 December 2023	131
Impairment losses recognised	20
As of 31 December 2024	151
Impairment losses recognised	29
As of 31 December 2025	180

Amounts due from subsidiaries

The management regularly monitors the business performance of the subsidiaries. During the Track Record Period, the Company assessed the ECL for amounts due from subsidiaries (included in trade receivables) was insignificant and thus no loss allowance was recognised.

APPENDIX I

ACCOUNTANTS’ REPORT

Other receivables/other non-current assets

For other receivables and other non-current assets, the management makes periodic individual assessment on the recoverability of other receivables and other non-current assets based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL.

Movement in ECL that has been recognised for other receivables and other non-current assets:
The Group

	12m ECL — not credit-impaired
	<i>RMB’000</i>
As of 1 January 2023	2,623
Impairment losses recognised	1,121
Impairment losses reversed	(211)
As of 31 December 2023	3,533
Impairment losses recognised	1,151
Impairment losses reversed	(947)
Write-offs	(188)
As of 31 December 2024	3,549
Impairment losses recognised	207
Impairment losses reversed	(1,197)
Write-offs	(25)
As of 31 December 2025	<u><u>2,534</u></u>

The Company

	12m ECL — not credit-impaired
	<i>RMB’000</i>
As of 1 January 2023	1,482
Impairment losses recognised	284
As of 31 December 2023	1,766
Impairment losses recognised	698
As of 31 December 2024	2,464
Impairment losses reversed	(897)
As of 31 December 2025	<u><u>1,567</u></u>

APPENDIX I

ACCOUNTANTS’ REPORT

Restricted bank deposits/time deposits/cash and cash equivalents

The restricted bank deposits, time deposits and cash and cash equivalents are determined to have low credit risk at the end of each reporting period. The credit risk on restricted bank deposits, time deposits and cash and cash equivalents is limited because the counterparties are reputable banks or e-commerce platforms and the risk of inability to pay or redeem at the due date is low.

Liquidity risk

The management of the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group’s operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group’s remaining contractual maturity for its financial liabilities and lease liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

In addition, the following table details the Group’s liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual gross (inflows) and outflows on those derivatives that require gross settlement. The liquidity analysis for the Group’s and the Company’s derivative financial instruments are prepared based on the contractual settlement dates as the management of the Group and the Company considers that the settlement dates are essential for an understanding of the timing of the cash flows of derivatives.

The Group

At 31 December 2023	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	<i>%</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Trade, bills and other payables	—	195,543	—	—	195,543	195,543
Amounts due to related parties	—	962	—	—	962	962
Fixed borrowings	3.72	125,944	—	—	125,944	125,944
Variable-rate borrowings	3.68	63,989	—	—	63,989	63,989
Lease liabilities	4.26	22,129	10,471	2,042	34,642	33,462
		<u>408,567</u>	<u>10,471</u>	<u>2,042</u>	<u>421,080</u>	<u>419,900</u>

APPENDIX I

ACCOUNTANTS’ REPORT

At 31 December 2024	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, bills and other payables	—	261,894	—	—	261,894	261,894
Amounts due to related parties	—	642	—	—	642	642
Fixed borrowings	3.34	136,960	—	—	136,960	136,960
Variable-rate borrowings	3.32	41,017	—	—	41,017	41,017
Lease liabilities	3.89	9,848	4,178	1,370	15,396	14,906
		<u>450,361</u>	<u>4,178</u>	<u>1,370</u>	<u>455,909</u>	<u>455,419</u>
At 31 December 2025	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, bills and other payables	—	198,423	—	—	198,423	198,423
Amounts due to related parties	—	642	—	—	642	642
Fixed borrowings	2.69	116,380	—	—	116,380	115,023
Variable-rate borrowings	2.61	65,185	—	—	65,185	64,569
Lease liabilities	3.63	9,031	6,038	868	15,937	15,418
		<u>389,661</u>	<u>6,038</u>	<u>868</u>	<u>396,567</u>	<u>394,075</u>
Derivatives - gross settlement						
Foreign exchange swap contracts						
- inflow		(25,000)	—	—	(25,000)	(25,000)
- outflow		25,000	—	—	25,000	25,000
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

At 31 December 2023	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, bills and other payables	—	164,800	—	—	164,800	164,800
Amounts due to related parties	—	642	—	—	642	642
Amounts due to subsidiaries	—	195,759	—	—	195,759	195,759
Fixed borrowings	3.72	125,944	—	—	125,944	125,944
Variable-rate borrowings	3.71	53,989	—	—	53,989	53,989
Lease liabilities	4.26	16,241	7,306	—	23,547	22,840
		<u>557,375</u>	<u>7,306</u>	<u>—</u>	<u>564,681</u>	<u>563,974</u>
At 31 December 2024	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, bills and other payables	—	228,279	—	—	228,279	228,279
Amounts due to related parties	—	642	—	—	642	642
Amounts due to subsidiaries	—	93,850	—	—	93,850	93,850
Fixed borrowings	3.34	136,464	—	—	136,464	136,464
Variable-rate borrowings	3.35	30,013	—	—	30,013	30,013
Lease liabilities	3.89	6,801	2,512	1,370	10,683	10,373
		<u>496,049</u>	<u>2,512</u>	<u>1,370</u>	<u>499,931</u>	<u>499,621</u>

APPENDIX I

ACCOUNTANTS’ REPORT

At 31 December 2025	Weighted average effective interest rate	On demand or less than 1 year	Over 1 year but within 2 years	Over 2 years but within 5 years	Total undiscounted cash flows	Carrying amount
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade, bills and other payables	—	172,387	—	—	172,387	172,387
Amounts due to related parties	—	642	—	—	642	642
Amounts due to subsidiaries	—	129,860	—	—	129,860	129,860
Fixed borrowings	2.70	111,350	—	—	111,350	110,023
Variable-rate borrowings	2.60	50,002	—	—	50,002	49,569
Lease liabilities	3.67	6,258	3,868	—	10,126	9,838
		<u>470,499</u>	<u>3,868</u>	<u>—</u>	<u>474,367</u>	<u>472,319</u>
Derivatives - gross settlement						
Foreign exchange swap contracts						
- inflow		(25,000)	—	—	(25,000)	(25,000)
- outflow		25,000	—	—	25,000	25,000
		<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

APPENDIX I

ACCOUNTANTS’ REPORT

Fair value measurements of financial instruments

- (i) *Fair value of the Group’s and the Company’s financial assets that are measured at fair value on a recurring basis*

Some of the Group’s and the Company’s financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (Levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

The Group

Financial assets	As of 31 December			Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs
	2023	2024	2025			
	RMB’000	RMB’000	RMB’000			
Financial assets at FVTPL- wealth management products	116,510	152,700	147,499	Level 2	Discounted cash flows method, estimated based on expected return in the available market	N/A
Financial assets at FVTPL-foreign exchange swap contracts	—	—	1,553	Level 2	Discounted cash flow-Future cash flows are estimated based on observable forward exchange rates and contracted forward exchange rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A
Equity instruments at FVTOCI	1,782	1,800	—	Level 3	Market approach from comparable companies analysis and option pricing model (“OPM”)	Discount of lack of marketability (“DLOM”)

Sensitivity analysis

Fair value of equity instruments at FVTOCI is affected by changes in the DLOM. An increase in the DLOM used in isolation would result in a decrease in the fair value measurement of the equity instruments at FVTOCI, and vice versa. If the DLOM had increased/decreased by 10% with other variables held constant, the carrying amount of the equity instruments at FVTOCI as of 31 December 2023, 2024 and 2025 would have been decreased/increased by approximately RMB185,000, RMB194,000 and nil, respectively.

APPENDIX I

ACCOUNTANTS’ REPORT

The Company

Financial assets	As of 31 December			Fair value hierarchy	Valuation technique and key input	Significant unobservable inputs
	2023	2024	2025			
	RMB'000	RMB'000	RMB'000			
Financial assets at FVTPL- wealth management products	77,100	68,100	76,070	Level 2	Discounted cash flows method, estimated based on expected return in the available market	N/A
Financial assets at FVTPL-foreign exchange swap contracts	—	—	1,553	Level 2	Discounted cash flow-Future cash flows are estimated based on observable forward exchange rates and contracted forward exchange rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A

(ii) Reconciliation of level 3 fair value measurements

The Group

	Equity instruments at FVTOCI
	RMB'000
At 1 January 2023	1,271
Changes in fair value recognised in - other comprehensive income	511
At 31 December 2023	1,782
Changes in fair value recognised in - other comprehensive income	18
At 31 December 2024	1,800
Changes in fair value recognised in - other comprehensive income	(712)
Disposals	(1,088)
At 31 December 2025	—

(iii) Fair value of the Group’s financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate to their fair values. Such fair values of financial assets and financial liabilities of the Group are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

APPENDIX I

ACCOUNTANTS’ REPORT

36. RELATED PARTY DISCLOSURES

During the Track Record Period, the Group has the following related party transactions and balances.

(a) Related party transactions

i. Purchase of goods and services

Relationship		Year ended 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Shanghai Yirui	(note)	1,308	1,370	4,817
		<u>1,308</u>	<u>1,370</u>	<u>4,817</u>

(b) Related party balances

i. Amounts due to related parties

The Group — trade related

Relationship		At 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Shanghai Yirui	(note)	320	—	—
Shanghai Weijie	(note)	642	642	642
		<u>962</u>	<u>642</u>	<u>642</u>

The Company — trade related

Relationship		At 31 December		
		2023	2024	2025
		RMB'000	RMB'000	RMB'000
Shanghai Weijie	(note)	642	642	642
		<u>642</u>	<u>642</u>	<u>642</u>

These amounts mentioned above are included in the Group’s trade, bills and other payables as set out in Note 26.

APPENDIX I

ACCOUNTANTS’ REPORT

ii. Amounts due from subsidiaries

The Company — trade related

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade receivables	265,840	332,589	355,005

The Company — non-trade related

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other receivables	255,634	130,224	104,804

These amounts mentioned above are included in the Group’s trade and other receivables as set out in Note 22.

Amounts due from subsidiaries with non-trade nature are unsecured, carried at interest rate of 1.00%-5.00% per annum and repayable on demand.

iii. Amounts due to subsidiaries

The Company — trade related

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Trade payables	193,098	89,630	116,709

The Company — non-trade related

	At 31 December		
	2023	2024	2025
	RMB'000	RMB'000	RMB'000
Other payables	2,661	4,220	13,171

These amounts mentioned above are included in the Group’s trade and other payables as set out in Note 26.

Amounts due to subsidiaries with non-trade nature are unsecured, interest free and payable on demand.

Note: The entity was an associate of the Group.

APPENDIX I

ACCOUNTANTS’ REPORT

Compensation of key management personnel

	Year ended 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Salaries and other benefits	11,512	12,302	12,463
Retirement benefits scheme contributions	452	532	513
Discretionary performance related bonus	7,193	7,005	7,147
	<u>19,157</u>	<u>19,839</u>	<u>20,123</u>

The remuneration of key management personnel (being Chairman and director of the Company and other key management of the Group), is determined with reference to the performance of individuals and market trends.

Saved as disclosed elsewhere in this report, the Group and the Company has no other related party balances and transactions during the Track Record Period.

37. INVESTMENT IN SUBSIDIARIES

	At 31 December		
	2023	2024	2025
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cost of investments, unlisted	<u>99,184</u>	<u>99,184</u>	<u>101,254</u>

APPENDIX I

ACCOUNTANTS’ REPORT

38. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

Name of subsidiaries	Place of incorporation	Date of incorporation	Registered capital	Attributable equity interests held by the Company			At the date of this report	Principal activities	Notes
				At 31 December					
				2023	2024	2025			
Directly held									
Xingkai Business Consulting (Shanghai) Co., Ltd.* (幸凱(上海)營銷諮詢有限公司)	Mainland China	January 6, 2014	RMB5,000,000	100%	100%	100%	[100%]	Business services	i and ii
Shanghai Qiaokai Network Technology Co., Ltd.* (上海啟凱網絡科技有限公司)	Mainland China	February 25, 2014	RMB3,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	i and ii
Keying (HK) E-Commerce Co., Limited* (凱誥(香港)電子商務有限公司)	Hong Kong	April 4, 2014	US\$1,999,400	100%	100%	100%	[100%]	Provide comprehensive cross-border e-commerce services for brands.	ii and v
Shanghai Kaichong	Mainland China	April 28, 2017	RMB5,000,000	100%	100%	100%	[100%]	Business services	i and ii
Monster (Shanghai) Network Technology Co., Ltd.* (蒙德特(上海)網絡科技有限公司)	Mainland China	May 29, 2018	RMB5,000,000	100%	100%	100%	[100%]	Software and information technology services	i and ii
Jiangsu Kaijie	Mainland China	July 18, 2019	RMB50,000,000	100%	100%	100%	[100%]	Internet and related services	i and ii
Zhejiang Jiaxing Kaijie Warehousing Service Co., Ltd.* (浙江嘉興凱誥倉儲服務有限公司)	Mainland China	February 11, 2020	RMB5,000,000	100%	100%	100%	[100%]	Loading, unloading, handling and warehousing industry	i and ii
Chang'an (Shanghai) Network Technology Co., Ltd.* (常鞍(上海)網絡科技有限公司)	Mainland China	May 29, 2020	RMB1,000,000	100%	100%	100%	[100%]	Professional technical services	i and ii
Xingzhe (Shanghai) Network Technology Co., Ltd.* (星哲(上海)網絡科技有限公司)	Mainland China	June 2, 2020	RMB1,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	i and ii
Kaimiao (Shanghai) Ecommerce Co., Ltd.* (凱喵(上海)電子商務有限公司)	Mainland China	October 22, 2020	RMB2,000,000	100%	100%	100%	[100%]	Wholesale industry	i and ii
Changkang (Shanghai) Network Technology Co., Ltd.* (常康(上海)網絡科技有限公司)	Mainland China	April 19, 2021	RMB1,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	i and ii
Shanghai Jiakai	Mainland China	June 27, 2021	RMB10,000,000	55%	55%	73%	[73%]	Science and technology promotion and application services	i and ii
Shanghai Magkey	Mainland China	December 1, 2022	RMB1,000,000	100%	100%	100%	[100%]	Science and technology promotion and application services	ii and iii

APPENDIX I

ACCOUNTANTS’ REPORT

Name of subsidiaries	Place of incorporation	Date of incorporation	Registered capital	Attributable equity interests held by the Company			Principal activities	Notes
				At 31 December				
				2023	2024	2025		
Shanghai Lipu Cultural Communication Ltd.* (上海麗鋪文化傳播有限公司)	Mainland China	March 16, 2023	RMB5,000,000	51%	51%	51%	[51%] Business services	i, ii and iv
Indirectly held								
KNC E - COMMERCE LLC	The U.S.	May 5, 2014	USD1,500,000	95%	95%	95%	[95%] Provide comprehensive cross-border e-commerce services for brands.	i and ii
Shanghai Kaituo Ecommerce Co., Ltd.* (上海凱拓電子商務有限公司)	Mainland China	August 10, 2018	RMB2,000,000	100%	100%	100%	[100%] Business services	i and ii
Xingkai (Changzhou) Network Technology Ltd.* Co., (幸凱(常州)網絡科技有限公司)	Mainland China	August 2, 2019	RMB2,000,000	100%	100%	100%	[100%] Science and technology promotion and application services	i and ii
Keying (JP) Co., Ltd.* (凱語株式會社)	Japan	May 27, 2020	JPY270,000,000	100%	100%	100%	[100%] Provide comprehensive cross-border e-commerce services for brands.	i and ii
Shanghai Kaihe	Mainland China	November 13, 2020	RMB1,000,000	75%	75%	100%	[100%] Wholesale industry	i and ii
Shanghai Kaihan	Mainland China	January 26, 2021	RMB2,000,000	100%	100%	100%	[100%] Science and technology promotion and application services	i and ii
Beijing Kaijing Ecommerce Co., Ltd.* (北京凱京電子商務有限公司)	Mainland China	April 9, 2021	RMB2,000,000	100%	100%	100%	[100%] Retail industry	i and ii
Changzhou Jinshen	Mainland China	April 19, 2021	RMB5,000,000	51%	51%	51%	[51%] Business services	i and ii
Chengdu Kaicheng Network Technology Co., Ltd.* (成都開誠網絡科技有限公司)	Mainland China	July 30, 2021	RMB2,000,000	100%	100%	100%	[100%] Internet and related services	i and ii
JOJO (HK) E-Commerce Limited* (久久(香港)電子商務有限公司)	Hong Kong	March 20, 2023	RMB5,000,000	51%	51%	51%	[51%] Provide comprehensive cross-border e-commerce services for brands.	ii, iv and v
Kaiming (Shanghai) Network Technology Co., Ltd.* (凱明(上海)網絡科技有限公司)	Mainland China	February 28, 2024	RMB1,000,000	N/A	100%	100%	[100%] Science and technology promotion and application services	i, ii and iv
Keying Pte. Ltd.	Singapore	September 28, 2024	SGD450,000	N/A	100%	100%	[100%] Retail and distribution services	i, ii and iv
Keyvida Europe SL	Spain	April 24, 2025	EUR650,000	N/A	N/A	100%	[100%] Retail and distribution services	ii and iv

All subsidiaries now comprising the Group are limited liability companies and have adopted 31 December as their financial year end date.

APPENDIX I

ACCOUNTANTS’ REPORT

Notes:

- (i) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024, if applicable, have not been issued as of the date of this report.
- (ii) The statutory financial statements of these entities for the year ended 31 December 2025 have not been issued as of the date of this report.
- (iii) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 were prepared in accordance with Accounting Standards for Business Enterprises of the PRC and were audited by Reanda Certified Public Accountants LLP Shanghai Office* (利安達會計師事務所(特殊普通合夥)上海分所), a certified public accountant registered in the PRC.
- (iv) These subsidiaries were established during the Track Record Period.
- (v) The statutory financial statements of these entities for the years ended 31 December 2023 and 2024 were prepared in accordance with HKFRS Accounting Standards and were audited by H K WAN CPA & Co* (溫漢球會計師事務所), a certified public accountant registered in Hong Kong.

* English name is for identification purpose

APPENDIX I

ACCOUNTANTS’ REPORT

39. MOVEMENTS OF THE COMPANY’S RESERVES

	Share premium	FVTOCI reserve	Statutory reserve	Retained profits	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
At 1 January 2023	98,392	(1,508)	35,769	455,310	587,963
Profit and total comprehensive income for the year	—	—	—	44,505	44,505
Repurchase of shares	(32,183)	—	—	—	(32,183)
Transferred to statutory reserve	—	—	4,450	(4,450)	—
At 31 December 2023	66,209	(1,508)	40,219	495,365	600,285
Profit and total comprehensive income for the year	—	—	—	30,814	30,814
Dividends recognised as distribution	—	—	—	(28,531)	(28,531)
Repurchase of shares	(15,368)	—	—	—	(15,368)
Transferred to statutory reserve	—	—	3,081	(3,081)	—
At 31 December 2024	50,841	(1,508)	43,300	494,567	587,200
Profit and total comprehensive income for the year	—	66	—	27,035	27,101
Dividends recognised as distribution	—	—	—	(37,699)	(37,699)
Disposal of investments in equity instruments at FVTOCI	—	1,442	—	(1,442)	—
Transferred to statutory reserve	—	—	2,703	(2,703)	—
At 31 December 2025	<u>50,841</u>	<u>—</u>	<u>46,003</u>	<u>479,758</u>	<u>576,602</u>

40. SUBSEQUENT EVENTS

Saved as disclosed in the report, subsequent to the end of the Track Record Period, the following significant events took place:

At the board meeting held on 22 May 2026, a dividend of RMB0.1 per share totalling RMB9,425,000 in respect of the year ended 31 December 2025 was approved by the directors and will be subsequently submitted to the shareholders’ meeting for resolution.

[●]

41. SUBSEQUENT FINANCIAL STATEMENTS

[No audited financial statements of the Group, the Company or any of its subsidiaries have been prepared in respect of any period subsequent to 31 December 2025 and up to the date of this report.]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the PRC and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax (VAT), stamp duty and estate duty. Prospective investors are urged to consult their financial advisers regarding the PRC and other tax consequences of owning and disposing of the H shares.

Taxation In mainland China

Tax on Dividends

Individual Investors

According to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法》) (the “IIT Law”), amended by the SCNPC on 31 August 2018 and effective on 1 January 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得稅法實施條例》) amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by PRC companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得稅政策有關問題的通知》) issued by the Ministry of Finance, the State Administration of Taxation and the CSRC on 7 September 2015 and effective on 8 September 2015, where an individual acquires the stocks of a listed company from public offering of the company or from the stock market and holds the stocks for more than one year, the income from dividends and bonuses shall be temporarily exempt from individual income tax. Where an individual acquires the stocks of a listed company from public offering of the company or from the stock market and holds the stocks for not more than one month, the income from dividends and bonuses shall be included in the taxable income in full amount; or if the individual holds the stocks for more than one month but not more than one year, the income from dividends and bonuses shall be temporarily included in the taxable income at the reduced rate of 50%. Individual income tax on the aforesaid income shall be calculated and collected at the uniform rate of 20%.

Pursuant to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) (the “Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income”), executed on 21 August 2006, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the PRC company. The Fifth Protocol to the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家稅務總局關於〈內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排〉第五議定書》) (the “Fifth Protocol”), issued by The State Administration of Taxation and effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “EIT Law”), amended by the SCNPC and effective on 29 December 2018, and the Implementation Rules of the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) (the “Implementation Regulations of the EIT Law”), amended by the State Council on 6 December 2024 and effective on 20 January 2025, where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay 10% enterprise income tax on the portion of its income sourced from inside China, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong.

The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》) issued by the State Administration of Taxation and effective on 6 November 2008, where a Chinese resident enterprise pays dividends for the year of 2008 or any year thereafter to its H-share holders which are overseas non-resident enterprises, it shall withhold the enterprise income tax thereon at the uniform rate of 10%. The Reply on the Collection of Enterprise Income Tax on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得稅問題的批覆》) promulgated by the State Administration of Taxation and effective 24 July 2009 further provides that PRC-resident enterprises listed on Chinese and overseas stock exchanges by issuing stocks (including A shares, B shares and overseas shares) must withhold enterprise income tax at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that China has concluded with a relevant jurisdiction, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a PRC company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the PRC company. If a Hong Kong resident directly holds 25% or more of equity interest in a PRC company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the PRC company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [REDACTED]). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities’ verification.

Tax related to equity transfer income

Individual Investors

Under the IIT Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realised on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》), which was promulgated by the MOF and The State Administration of Taxation and became effective on 30 March 1998, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. Although the IIT Law and its implementation rules have not stated whether it will continue exempting individual income tax on income of individuals from transfer

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

of listed shares, the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的通知》) (the “Notice”) promulgated jointly by the MOF, the SAT and the CSRC on 31 December 2009 and implemented on the same day, the Notice of State Taxation Administration of the PRC on Issues Relating to Levying and Payment of Individual Income Tax on Income from Transfer of Moratorium Shares (《國家稅務總局關於限售股轉讓所得個人所得稅徵繳有關問題的通知》) promulgated by the State Taxation Administration of the PRC on 18 January 2010 and effective from 18 January 2010 and the Circular on Relevant Issues Concerning the Collection of Individual Income Tax over the Income Received by Individuals from Transfer of Listed Shares Subject to Sales Limitation (《關於個人轉讓上市公司限售股所得徵收個人所得稅有關問題的補充通知》) promulgated by the Ministry of Finance, the State Taxation Administration of the PRC and China Securities Regulatory Commission on 10 November 2010 and effective from 10 November 2010, states that individuals’ income from transfer of listed shares on certain domestic stock exchanges (including Shenzhen Stock Exchange) shall continue being exempting from individual income tax, except for the shares subject to sales restriction. As of the date of this Document, the aforesaid provision has not expressly provided that individual income tax shall be collected from non-PRC resident individuals on the sale of shares of PRC resident enterprises listed on overseas stock exchanges. In practice, the PRC tax authorities have not collected income tax from non-PRC resident individuals on gains from the sale of shares of the PRC resident enterprises listed on overseas stock exchanges.

Enterprise Investors

Under the EIT Law and its implementation rules, where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay 10% enterprise income tax on the portion of its income sourced from inside China, including gains derived from the disposal of shares in a PRC resident enterprise. The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Stamp Duty

According to the Stamp Tax Law of the PRC (《中華人民共和國印花稅法》) (the “Stamp Tax Law”), which was promulgated on 10 June 2021 and came into effect on 1 July 2022, the disposal of H Shares by non-mainland China investors outside of the mainland China is not subject to the requirements of the Stamp Tax Law.

Estate duty

According to PRC law, no estate duty is currently levied in the mainland China.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

Enterprise Income Tax

According to the EIT Law, within the PRC, enterprises, and other organisations which derive income (hereinafter referred to collectively as “enterprises”), shall be taxpayers of enterprise income tax and shall pay enterprise income tax in accordance with provisions of this Law. The rate of enterprise income tax shall be 25%.

Enterprises are categorised into resident enterprises and non-resident enterprises. Where a non-resident enterprise has no establishment or place in China, or it has an establishment or a place in China, but the income derived is not effectively connected with the aforesaid establishment or place, it shall pay enterprise income tax on the portion of its income sourced from inside China. The aforesaid tax payable on the income derived by a non-resident enterprise, shall be withheld at source, with the payer of the

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

income serving as the withholding agent. When making such payment or when such payment is due, the withholding agent shall withhold the income tax from such payment. Meanwhile, any gains realised on the transfer of shares by such investors are subject to enterprise income tax and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the PRC.

Value-added tax

Pursuant to the Provisional Regulations of the PRC on Value-added Tax (《中華人民共和國增值稅暫行條例》) amended by the State Council and became effective on 19 November 2017 and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) amended by the MOF on 28 October 2011 and effective on 1 November 2011, entities and individuals engaging, within the territory of the PRC, in the sale of goods, supply of labour services in processing, repairing and maintenance (hereinafter referred to as “labour services”), sale of services, intangible assets and immovable properties, and importation of goods are taxpayers of value-added tax (VAT) and shall be subject to VAT. VAT rate is set at 17 percent for the sale of goods, supply of labour services, leasing services of tangible movable property and importation of goods, unless otherwise specified in the aforesaid regulations.

According to Circular on Adjustment of VAT Rate (《關於調整增值稅稅率的通知》) (Cai Shui [2018] No.32), promulgated by the MOF and the State Administration of Taxation on 4 April 2018, and became effective as of 1 May 2018, in the case of VAT taxable sales or goods import by taxpayer, the original tax rates of 17% and 11% shall be adjusted to 16% and 10% respectively.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform (《關於深化增值稅改革有關政策的公告》) (2019 No.39 of MOF, State Administration of Taxation and General Administration of Customs), promulgated by the MOF, the State Administration of Taxation and the General Administration of Customs on 20 March 2019 and became effective on 1 April 2019, the tax rate of 16% applicable to the VAT taxable sale or import of goods by a general VAT taxpayer shall be adjusted to 13%; and the tax rate of 10% applicable thereto shall be adjusted to 9%.

On 25 December 2024, the SCNPC promulgated the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) (the “VAT Law”), which became effective on 1 January 2026, and the Interim Regulations on Value-added Tax of the PRC has been abolished. Under the VAT Law, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, or immovables, or import goods within the territory of China are taxpayers of VAT, and shall pay VAT in accordance with this Law. Unless otherwise provided, the rate for the taxpayers’ sale of goods, processing, repair and replacement services, leasing services of tangible movable property, and the import of goods is 13%, and may be 9%, 6%, or 0% under certain specific circumstances.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of the PRC is the Renminbi. The SAFE, authorised by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the People’s Republic of China on Foreign Exchange Control (《中華人民共和國外匯管理條例》) amended by the State Council and became effective on 5 August 2008, all international payments and transfers are classified into current account items and capital account items. The PRC does not impose restrictions on international payments and transfers under current account items. The foreign exchange income under the current items may be reserved or sold to financial institutions operating the foreign exchange sale or settlement business. Before reserving the foreign exchange income under the capital items or selling it to any financial institution operating the foreign exchange sale or settlement business, the approval of the competent foreign exchange administrative organ shall be obtained, unless it is otherwise provided by the state.

APPENDIX III

TAXATION AND FOREIGN EXCHANGE

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on 20 June 1996 and became effective on 1 July 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

According to relevant laws and regulations of the PRC, PRC enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

According to the Decision of the State Council on Cancelling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on 23 October 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been cancelled.

According to the Notice of the People’s Bank of China and the State Administration of Foreign Exchange on Issues Concerning the Administration of Funds of Domestic Enterprises Listed Overseas (Issuance Date: 24 December 2025; Effective Date: 1 April 2026), domestic enterprises listed overseas shall apply for overseas listing registration within 30 working days from the first trading day of their overseas listing or upon the completion of the over-allotment. In principle, the funds raised by domestic enterprises through overseas listing shall be repatriated to China in a timely manner. If such funds are retained overseas for conducting businesses including overseas direct investment, overseas securities investment, and overseas lending, the domestic enterprises shall obtain the approval or filing documents from the competent business authorities prior to the conclusion of the overseas listing issuance or the completion of the over-allotment, and shall comply with the relevant provisions on cross-border capital administration.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on 13 February 2015 and came into effect on 1 June 2015, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment (hereinafter collectively referred to as “foreign exchange registration of direct investment”) pursuant to this Notice and Operating Guidelines for Foreign Exchange Business in Direct Investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued and implemented by the SAFE on 9 June 2016, the settlement of foreign exchange receipts under the capital account (including the foreign exchange capital, external debts and funds recovered from overseas listing, etc.) that are subject to discretionary settlement may be handled at banks based on the domestic institutions’ actual requirements for business operation. The proportion of discretionary settlement of domestic institutions’ foreign exchange receipts under the capital account is temporarily determined as 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the People’s Republic of China (《中華人民共和國憲法》) (hereinafter referred to as the “Constitution”) and is made up of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, special administrative region law and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the People’s Republic of China (《中華人民共和國立法法》) (hereinafter referred to as the “Legislation Law”) amended by the National People’s Congress (hereinafter referred to as the “NPC”) and effective on 15 March 2023, the NPC and the Standing Committee of the National People’s Congress (the “SCNPC”) are empowered to exercise the legislative power of the state. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into districts, such stipulations shall prevail. The local regulations of cities divided into districts shall be submitted to the standing committees of the people’s congresses of provinces and autonomous regions for approval before implementation. The standing committees of the people’s congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. People’s congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries, commissions, PBOC, NAO of the State Council and institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people’s governments of the provinces and autonomous regions is greater than that of the rules enacted by the people’s governments of the cities divided into districts within their respective administrative regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but which contravene the Constitution and the Legislation Law; the SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

regulations which have been approved by the standing committees of the people’s congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government, but which contravene the Constitution and the Legislation Law; the State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments; the people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees; the standing committees of the local people’s congresses have the power to annul inappropriate rules enacted by the people’s governments at the corresponding level; the people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) adopted by the SCNPC and effective on 10 June 1981, the Supreme People’s Court shall give interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People’s Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and competent authorities. Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people’s congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people’s governments of provinces, autonomous regions and municipalities.

THE PRC JUDICIAL SYSTEM

According to the Constitution and the Law of Organisation of the People’s Courts of the People’s Republic of China (《中華人民共和國人民法院組織法》) amended by the SCNPC on 26 October 2018 and effective on 1 January 2019, the PRC People’s Court is made up of the Supreme People’s Court, the local people’s courts, and other special people’s courts. The local people’s courts are divided into three levels, namely the basic people’s courts, the intermediate people’s courts and the higher people’s courts. The basic people’s courts may set up certain people’s tribunals based on the status of the region, population and cases. The Supreme People’s Court shall be the highest judicial organ of the state. The Supreme People’s Court shall supervise the administration of justice by the local people’s courts at all levels and by the special people’s courts. The people’s courts at higher levels shall supervise the judicial work of those at lower levels.

According to the Constitution and the Law of Organisation of the People’s Procuratorate of the People’s Republic of China (《中華人民共和國人民檢察院組織法》) amended by the SCNPC on 26 October 2018 and effective on 1 January 2019, the People’s Procuratorate is the law supervision organ of the state. The Supreme People’s Procuratorate shall be the highest procuratorial organ. The Supreme People’s Procuratorate shall direct the work of the local people’s procuratorates at all levels and of the special people’s procuratorates. The people’s procuratorates at higher levels shall direct the work of those at lower levels.

The people’s courts employ a two-tier appellate system, i.e., judgments or rulings of the second instance at the people’s courts are final. A party may appeal against the judgment or ruling of the first instance of a local people’s courts. The people’s procuratorate may present a protest to the people’s courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people’s procuratorate within the stipulated period, the judgments or rulings of the people’s courts are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court and those of the first instance of the Supreme People’s Court are final. However, if the Supreme People’s Court or the

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

people’s court at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people’s court at a lower level, or if the chief judge of a people’s court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the People’s Republic of China (《中華人民共和國民事訴訟法》) (hereinafter referred to as the “PRC Civil Procedure Law”) adopted by the SCNPC on 1 September 2023 and effective on 1 January 2024 sets out the requirements for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by express agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff’s or the defendant’s place of domicile, the place where the contract is performed or signed or the object of the action is located. However, the choice of the court cannot be in conflict with the regulations of different jurisdictions and exclusive jurisdictions in any case.

A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organisation must have the same litigation rights and obligations as a PRC citizen, legal person or other organisations when initiating or defending any proceedings at a people’s court. If a foreign court limits the litigation rights of PRC citizens and enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organisation must engage a PRC lawyer if such person needs to engage a lawyer in initiating or defending any proceedings at a people’s court. Under an international treaty or the principle of reciprocity signed or acceded to by the PRC, the people’s court and foreign courts may require each other to act on their behalf to serve documents, conduct investigations, collect evidence and take other actions on behalf of each other. If the request by a foreign court would result in the violation of the PRC’s sovereignty, security or public interest, the people’s court shall decline the request.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people’s court for enforcing an effective judgment or ruling by a people’s court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognised and enforced by the people’s court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court’s examination according to the principle of reciprocity, unless the people’s court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

THE PRC COMPANY LAW, TRIAL MEASURES FOR THE ADMINISTRATION ON OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES AND THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company incorporated in the PRC seeking a list on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”) is mainly subject to the following laws and regulations of the PRC:

The Company Law of the People’s Republic of China (《中華人民共和國公司法》) (hereinafter referred to as the “Company Law”) was adopted by the Fifth Standing Committee Meeting of the Eighth NPC on 29 December 1993 and came into effect on 1 July 1994, and was amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023, respectively. The latest amended Company Law came into effect on 1 July 2024.

The Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) (the “Trial Measures”) and five supporting guidelines were promulgated by the CSRC on 17 February 2023 and came into effect on 31 March 2023. The Trial Measures apply to the direct or indirect subscription for and listing of overseas shares by domestic companies.

According to the Trial Measures and the explanatory guidelines thereof, where a domestic company directly issues shares and lists overseas, it shall formulate its articles of association in accordance with the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) (the “Guidelines on AoA”) in substitution for the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) that lapsed on 31 March 2023. The Guidelines on AoA were promulgated by the CSRC on 16 December 1997, and were latest amended on 28 March 2025.

Set out below is a summary of the major provisions of the Company Law and the Guidelines on the Articles of Association of Listed Companies which are applicable to the Company.

General Provisions

“A joint stock limited company” refers to a corporate legal person incorporated under the Company Law. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws and regulations as well as public and commercial ethics, subject to the supervision of the government and the public. A company must conduct its business while fully considering the interests of stakeholders such as employees and consumers as well as public interests such as ecological and environmental protection, and assuming social responsibilities. The state encourages companies to participate in social welfare activities and publish social responsibility reports.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the People’s Republic of China.

The promoters of a joint stock limited company incorporated by subscription shall convene the company’s inaugural meeting within 30 days from the date of full payment of the shares to be issued at the time of establishment. The promoter shall notify all subscribers of the meeting date or make an announcement 15 days before the inaugural meeting. The inaugural meeting shall be attended by subscribers holding more than half of the voting rights. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the articles of association or the agreement of the promoters.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

The following authorities shall be exercised by the inaugural meeting of the company:

- (i) reviewing promoters’ report on organisation of the company;
- (ii) approving the articles of association;
- (iii) electing directors and supervisors;
- (iv) auditing the establishment expenses of the company;
- (v) auditing the amount of promoters’ non-monetary properties as capital contribution;
- (vi) resolving to reject the establishment of the company on the occurrence of force majeure or substantial change in the conditions of operation which directly affect the establishment of the company.

The aforesaid matters shall be resolved by more than half of the votes to be casted by subscribers presented at the inaugural meeting.

The board of directors shall authorise representatives to apply for establishment registration with the company registration authority within 30 days after the conclusion of the company’s inaugural meeting. A company is formally established and has the status of a legal person after the business licence has been issued by the relevant registration authority.

Registered Shares

Under the Company Law, shareholders may make capital contributions in cash, or with non-monetary properties that may be valued in money and legally transferred, such as contribution in kind or with an intellectual property rights or land use rights.

The Trial Measures stipulate that domestic enterprises that seek to list overseas may raise funds and distribute dividends in foreign currency or Renminbi.

According to the Trial Measures, for domestic enterprises that seek to directly conduct overseas offering and listing, shareholders holding their domestic unlisted shares who apply to convert such shares into overseas listed shares and circulate them on overseas trading venues shall comply with relevant regulations of the CSRC and entrust domestic enterprises to file with the CSRC. The domestic unlisted shares referred to in the preceding paragraph represent shares issued by domestic enterprises but not listed or traded on domestic trading venues. The domestic unlisted shares shall be registered and deposited centrally with the domestic securities registration and settlement institutions. The registration and settlement arrangements for overseas listed shares shall be subject to the regulations of overseas markets.

Under the Company Law, a company shall issue shares in registered form. A joint stock limited company shall make a register of shareholders and keep it in the company. The register of shareholders shall contain the following items:

- (i) the name and domicile of a shareholder;
- (ii) class and number of shares subscribed for by each shareholder;
- (iii) serial number of shares if the shares are issued in paper form;
- (iv) date of receipt or loss of shareholder status.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Issuance of Shares

All shares of a joint stock limited company shall be issued on the principles of fairness and equality, and shall rank *pari passu* in all respects with the shares of the same class. Each share of the same class shall be issued under the same conditions and at the same price in each issuance. The issue price of shares of a joint stock limited company can be either equals to or higher than the nominal value, but shall not be lower than the nominal value.

Where a domestic enterprise seeks to conduct overseas offering and listing, the issuer shall, according to the Trial Measures, file with the CSRC, submit a filing report, legal opinion and other relevant materials, and provide truthful, accurate and complete information on the shareholders. Where a domestic enterprise seeks to directly conduct overseas offering and listing, the issuer shall file with the CSRC. Where a domestic enterprise seeks to indirectly conduct overseas offering and listing, the issuer shall designate a major domestic operating entity, which shall file with the CSRC as the domestic responsible entity.

Increase in Share Capital

Under the Company Law, in the case of a company issuing new shares, resolutions shall be passed at the general meeting in respect of the following matters:

- (i) the class and number of new shares;
- (ii) the issue price of the new shares;
- (iii) the commencement and end dates for the issuance of new shares;
- (iv) the class and number of the new shares to be issued to existing shareholders;
- (v) in the case of issuing non-par value shares, the amount of proceeds from the new share issuance to be included in the registered capital.

A company may issue new shares and determine the pricing plan in accordance with the company's business and financial situation.

If the board is authorised by the articles of association or the general meeting to decide on the issuance of new shares, the resolution made by the board shall be passed by more than two-thirds of all directors.

A company may, according to its articles of association, issue the following class shares, which have different rights from those of the ordinary shares:

- (i) shares with priority or inferior rights to profits or remaining property in distribution;
- (ii) shares with more or less voting rights per share than those of the ordinary shares;
- (iii) shares whose transfer is subject to the consent of the company and other restrictions;
- (iv) other class shares provided by the State Council.

A company making a public offering of shares shall not issue any of the class shares as prescribed in items (ii) and (iii), except those issued prior to the public offering.

Where the company issues the class shares specified in item (ii) above, the voting rights of each class share shall be equal to those of each ordinary share for the election and change of supervisors or members of the audit committee.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Reduction of Share Capital

A company reducing its registered capital shall prepare a balance sheet and a list of properties. A company shall inform its creditors within 10 days, and publish an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days, after the resolution on the reduction of share capital is approved at the general meeting; The creditors shall have the right to require a company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice.

A company reducing its registered capital shall decrease shareholders' contributions or shares on a pro rata basis, except as otherwise stipulated by law, agreed upon by all shareholders in the case of a limited liability company, or stipulated in the articles of association in the case of a joint stock limited company.

Share Buy-Back

Under the Company Law, a company shall not purchase its own shares, except under any of the following circumstances:

- (i) reducing the registered capital of the company;
- (ii) merging with another company that holds the shares of the company;
- (iii) using the shares for employee stocks plan or equity incentives;
- (iv) demanding the company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the general meeting on the merger or division of the company;
- (v) using the shares for the conversion of convertible corporate bonds issued by the company;
- (vi) as required for maintenance of the corporate value and shareholders' rights and interests of a listed company.

The purchase of shares of a company for reasons specified in the case of items (i) and (ii) above shall be subject to the resolution of the general meeting; the purchase of shares of a company for reasons specified in the case of items (iii), (v) and (vi) above shall be subject to the resolution of the board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorisation from the general meeting.

Following the purchase of its shares by a company, such shares shall be cancelled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or cancelled within six months in the case of items (ii) and (iv) above; the total number of shares of a company held by itself shall not exceed 10% of its total issued shares, and such shares shall be transferred or cancelled within three years in the case of items (iii), (v) and (vi) above.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law. Under the Company Law, shareholders of a joint stock limited company may transfer their shares to other shareholders, or to parties other than shareholders; where there are restrictions on share transfers in the articles of association, the transfer shall be carried out pursuant thereto. A shareholder should effect a transfer of shares on trading venues established according to the law or by any other means as required by the State Council. Shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes in the share register shall be effected during a period of 20 days prior to the convening of a general meeting or 5 days prior to the base date for a company's distribution of dividends. Where there are separate provisions by law, administrative regulations or securities regulatory authorities under the State Council on changes in the share register of listed companies, those provisions shall prevail.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Under the Company Law, shares issued prior to the company’s public issuance of shares shall not be transferred within one year from the date on which the company’s shares are listed and commenced trading on a stock exchange. Where there are separate provisions by law, administrative regulations or securities regulatory authorities under the State Council on the transfer of shares of a listed company by its shareholders or de facto controllers, those provisions shall prevail. Directors, supervisors and senior management of a company shall declare to the company their shareholdings in the company and any changes thereof. They shall not transfer more than 25% of all the shares they hold in the company annually during their tenure determined at the time of appointment. They shall not transfer the shares they hold within one year from the date on which the company’s shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and senior management.

If shares are pledged within a restricted period for transfer specified by laws or administrative regulations, the pledgee shall not exercise the pledge during the restricted period for transfer.

Shareholders

Under the Company Law and the Guidelines on AoA, the rights of shareholders holding ordinary shares of a company include:

- (i) to receive distribution of dividends and other forms of benefits in proportion to the number of shares held;
- (ii) to request to call, convene, preside over, attend or appoint a shareholder proxy to attend the general meeting and exercise voting rights at such meeting according to the laws;
- (iii) to supervise the operation of the company and submit proposals or inquiries;
- (iv) to transfer, donate or pledge the shares held in accordance with the laws, administrative regulations and the articles of association;
- (v) to review and copy the articles of association, register of shareholders, minutes of general meetings, resolutions of board meetings, financial and accounting reports. A qualified shareholder may inspect the accounting books and vouchers of the company;
- (vi) to participate in the distribution of the remaining assets of the company according to the proportion of shares held upon the company’s termination or liquidation;
- (vii) to demand the company to acquire the shares held by them with respect to shareholders voting against any resolution adopted at the general meeting on the merger or division of the company;
- (viii) other rights conferred by the laws, administrative regulations, departmental rules and the articles of association.

The obligations of shareholders holding ordinary shares of a company include:

- (i) to comply with the laws, administrative regulations and the articles of association;
- (ii) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (iii) not to withdraw their share capital unless otherwise prescribed by laws and regulations;
- (iv) not to abuse their shareholders’ rights to damage the interests of the company or other shareholders; not to abuse the independent legal person status of the company and the limited liability of shareholders to damage the interests of the company’s creditors;
- (v) other obligations conferred by laws, administrative regulations and the articles of association.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

General Meetings

Under the Company Law, the general meeting of a joint stock limited company is made up of all shareholders. The general meeting is the organ of authority of a company, which exercises the following functions and powers:

- (i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors;
- (ii) to consider and approve reports of the board of directors;
- (iii) to consider and approve reports of the supervisory committee;
- (iv) to consider and approve a company's profit distribution plans and loss recovery plans;
- (v) to resolve on the increase or reduction of a company's registered capital;
- (vi) to resolve on the issuance of corporate bonds;
- (vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company;
- (viii) to amend the articles of association;
- (ix) other functions and powers specified in provision of the articles of association.

The general meeting may authorise the board of directors to make resolutions on the issuance of corporate bonds.

Under the Company Law, annual general meetings are required to be held once every year. An extraordinary general meeting is required to be held within two months after the occurrence of any of the following circumstances:

- (i) when the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the articles of association;
- (ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital;
- (iii) as requested by shareholders individually or jointly holding more than 10% of the company's shares;
- (iv) when deemed necessary by the board of directors;
- (v) when the supervisory committee proposes to convene the meeting;
- (vi) other circumstances as stipulated in the articles of association.

General meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or not performing his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory committee shall convene and preside over the general meeting in a timely manner. If the supervisory committee fails to convene and preside over the general meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the general meeting.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Where shareholders individually or in aggregate holding 10% or more of the company’s shares request the convening of an extraordinary general meeting, the board of directors and the supervisory committee shall decide on whether to convene an extraordinary general meeting within 10 days from the date of receipt of the request and reply to the shareholders in writing.

Notice of general meeting shall state the time and venue of, and matters to be considered at, the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting.

Under the Company Law, a shareholder may entrust a proxy to attend a general meeting. The proxy shall present a written power of attorney issued by the shareholder to the company and shall exercise the voting rights within the scope of authorisation. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum at a general meeting.

Under the Company Law, shareholders other than those holding class shares present at a general meeting have one vote for each share they hold. Shares held by the company are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the general meeting in accordance with the provisions of the articles of association or the resolutions of the general meeting. Under the accumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their voting rights when casting a vote.

Under the Company Law, resolutions on amendments to the articles of association, increase or reduction of registered capital, as well as merger, division or dissolution of a company or change of corporate form must be approved by shareholders present at the meeting holding more than two-thirds of the voting rights.

Directors and Board of Directors

Under the Company Law, a joint stock limited company shall have a board of directors, which shall consist of more than three members. The term of office of a director shall be stipulated in the articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be noticed 10 days before every meeting. The board exercises the following functions and powers:

- (i) to convene general meetings and report its work to the general meetings;
- (ii) to implement the resolutions of the general meetings;
- (iii) to decide on the company’s business plans and investment plans;
- (iv) to formulate the company’s profit distribution plans and loss recovery plans;
- (v) to formulate proposals for the increase or reduction of the company’s registered capital and the issue of corporate bonds;
- (vi) to formulate plans for merger, division, dissolution or change of corporate form of the company;
- (vii) to decide on the internal management structure of the company;
- (viii) to decide on the appointment or dismissal of the manager of the company and their remuneration, and to decide on the appointment or dismissal of the deputy manager and financial officer of the company based on the nomination of the manager as well as remuneration;

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (ix) to formulate the company’s basic management system;
- (x) other functions and powers specified in the articles of association or conferred by the general meeting.

Under the Company Law, a person may not serve as a director, supervisor or member of senior management of a company if he/she is:

- (i) a person without civil capacity or with restricted civil capacity;
- (ii) a person who has been sentenced to criminal punishment due to corruption, bribery, infringement of property, misappropriation of property or destruction of the socialist market economic order, or a person who has been deprived of his/her political rights due to a crime, where less than five years have elapsed since the date of completion of the sentence, or a person who has been given a suspended sentence, where less than two years have lapsed since the expiration date of the probation period;
- (iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;
- (iv) a person who was the legal representative of a company or enterprise which had its business licence revoked due to violation of the law and had been closed down by order, and who was personally liable, where less than three years have elapsed since the date of the revocation of the business licence and close-down of the company or enterprise;
- (v) a person who was listed as a defaulter by a people’s court due to failure to repay a significant amount of due debts.

Where a company elects or appoints directors and supervisors or designates members of senior management to which any of the above circumstances applies, such election, appointment or designation shall be invalid.

A director, supervisor or member of senior management to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

The board of directors shall appoint a chairman who shall be elected with approval of more than half of all the directors.

Audit Committee

Under the Company Law, a joint stock limited company shall have a supervisory committee composed of not less than three members. The supervisory committee shall comprise shareholder representatives and an appropriate proportion of the company’s employee representatives, of which the proportion of employee representatives shall not be less than one-third and the specific proportion shall be stipulated in the articles of association. Employee representatives of the supervisory committee shall be democratically elected by the company’s employees at the employee representative assembly, employee general meeting or otherwise. Directors or senior management may not act concurrently as supervisors.

The supervisory committee exercises the following powers:

- (i) to examine the company’s financial affairs;
- (ii) to supervise the directors and senior management in their performance of duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or resolutions of general meetings;

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (iii) to demand rectification by a director or senior management when the acts of such persons are harmful to the company’s interest;
- (iv) to propose the convening of extraordinary general meetings, and to convene and preside over general meetings when the board of directors fails to perform the duty of convening and presiding over general meetings under the Company Law;
- (v) to submit proposals to the general meeting;
- (vi) to initiate legal proceedings against directors and senior management in accordance with the Company Law;
- (vii) other functions and powers specified in the articles of association.

The board of directors of the company shall constitute an audit committee, which shall perform the statutory duties and authorities of a supervisory board as stipulated under the Company Law.

The audit committee shall consist of three or more members, and a majority of the members shall not hold any position in the company other than that director, and shall not have any relationship with the company that may affect their independent and objective judgment. Employee representatives of the company’s board of directors may be members of the audit committee.

Resolutions made by the audit committee shall be passed by a majority of the members of the audit committee.

Voting on resolutions of the audit committee shall be on a “one person, one vote” basis.

The deliberation methods and voting procedures of the audit committee shall be stipulated in the articles of association, except as otherwise provided in the law.

The company may establish other committees under the board of directors in accordance with the provisions of the articles of association.

Managers and Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager is accountable to the board of directors and exercises the powers according to the articles of association or the authorisation of the board of directors. The manager shall attend board meetings.

Under the Company Law, senior management refers to the manager, deputy manager, financial controller, secretary to the board of directors and other personnel as stipulated in the articles of association of the company.

Finance and Accounting

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. At the end of each fiscal year, the company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with the law. The financial and accounting report shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

A joint stock limited company shall make its financial and accounting report available at the company for inspection by the shareholders 20 days before the convening of an annual general meeting. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

When distributing each year’s after-tax profits, the company shall set aside 10% of its profits into its statutory reserve. The company can cease to do so if it has accumulated to more than 50% of the registered capital. If the statutory reserve of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before making allocations to the statutory reserve in accordance with the preceding paragraph. After the company has made an allocation to the statutory reserve from its after-tax profit, it may also make an allocation to the discretionary reserve from its after-tax profit upon a resolution of the general meeting.

The remaining after-tax profits after making up losses and allocation of reserve shall be distributed to shareholders in proportion to their paid-up contribution in the case of a limited liability company, unless otherwise agreed among all shareholders, or in proportion to their shareholding in the case of a joint stock limited company, unless otherwise stipulated in the articles of association.

The company shall not be entitled to any distribution of profits in respect of its own shares held by it.

The premium received through issuance of shares at prices above par value, the amount of capital obtained from the issuance of non-par value shares that is not included in the registered capital, and other items required by the financial department of the State Council to be allocated to the capital reserve shall be allocated to the company’s capital reserve.

The company’s reserve shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company. When using a company’s reserves to cover its losses, any discretionary reserve and statutory reserve shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with regulations. Upon the conversion of statutory reserve into an increase in registered capital, the balance of such reserve shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books.

Appointment and Dismissal of Accounting Firms

Under the Company Law, the engagement or dismissal of an accounting firm responsible for the company’s auditing shall be determined by the general meeting, the board of directors or the supervisory committee in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting, the board of directors or the supervisory committee of the company conduct a vote on the dismissal of the accounting firm.

The company shall provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal, withholding or falsification of information.

According to the Guidelines on the Articles of Association of Listed Companies, a company shall engage an accounting firm which is qualified with the Securities Law to provide services including the audit of financial statements, the verification of net assets and other relevant consultancy services. The term of engagement is one year and may be extended.

Profit Distribution

Under the Company Law, a company shall not distribute profits before losses are covered and the statutory reserve is drawn.

Dissolution and Liquidation

Under the Company Law, a company shall be dissolved for the following reasons:

- (i) the term of business stipulated in the articles of association has expired or other events of dissolution specified in the articles of association have occurred;

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

- (ii) the general meeting resolves to dissolve the company;
- (iii) dissolution is necessary due to a merger or division of the company;
- (iv) the business licence is revoked or the company is ordered to be closed or revoked in accordance with laws;
- (v) where the company encounters serious difficulties in its operation and management and its continuance shall cause a significant loss in the interest of shareholders, and where this cannot be resolved through other means, shareholders who hold more than 10% of the voting rights of the company may present a petition to a people’s court for the dissolution of the company with the support of the judgment.

Where the company is dissolved in accordance with item (i) above and has not distributed any property to shareholders, it may carry on its existence by amending its articles of association or by a resolution of the general meeting, which must be approved by the shareholders present at the general meeting holding more than two-thirds of the voting rights. Where the company is dissolved pursuant to item (i), (ii), (iv) and (v) above, a liquidation committee shall be established and the liquidation shall commence within 15 days after the occurrence of an event of dissolution. The liquidation committee shall be composed of directors, unless otherwise stipulated in the articles of association or appointed by a resolution of the general meeting. If a liquidation committee is not established within the prescribed period or fails to proceed with liquidation after establishment, any stakeholders may apply to the people’s court to designate relevant individuals to form a liquidation committee for the liquidation. The people’s court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during the liquidation period:

- (i) to liquidate the company’s properties and respectively prepare a balance sheet and a list of properties;
- (ii) to notify creditors by notice or public announcement;
- (iii) to deal with the outstanding business of the company involved in the liquidation;
- (iv) to pay all outstanding taxes and taxes arising in the course of liquidation;
- (v) to liquidate claims and debts;
- (vi) to allocate the remaining properties of the company after paying off debts;
- (vii) to participate in civil litigations on behalf of the company.

Upon liquidation of the company’s properties and the preparation of the balance sheet and list of properties, the liquidation committee shall draw up a liquidation plan and submit this plan to the general meeting or the people’s court for confirmation. The company’s remaining properties, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company’s debts, shall be distributed to shareholders in proportion to their contribution in the case of a limited liability company or their shareholding in the case of a joint stock limited company.

The company shall continue its existence during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company’s properties shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company’s properties and the preparation of the balance sheet and list of properties, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people’s court for a bankruptcy liquidation. After the people’s court accepts the bankruptcy application, the liquidation committee shall hand over liquidation affairs to the administrator designated by the people’s court.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the general meeting or the people’s court for verification. Thereafter, the report shall be submitted to the company registration authority for deregistration of the company.

If the company has not incurred any debts during its subsistence, or has settled all its debts, it may, with the undertaking of all shareholders, deregister the company through the simplified procedure in accordance with relevant regulations. To deregister through the simplified procedure, the company shall publish a notice on the National Enterprise Credit Information Publicity System for a period of at least 20 days. If there is no objection after the publication period, the company may apply to the company registration authority for deregistration within 20 days.

Members of the liquidation committee shall fulfil liquidation responsibilities with a duty of loyalty and diligence. Any member of the liquidation committee who neglects his/her liquidation responsibilities and causes losses to the company shall be liable for compensation; if losses are caused to any creditor due to intent or gross negligence, such member shall be liable for compensation.

SECURITIES LAWS AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating the public offering of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. On 29 March 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on 22 April 1993 provide the application and approval procedures for the public issuance of shares, trading in shares, the acquisition of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information with respect to a listed company, investigation and penalties and dispute arbitration.

The Regulations of the State Council Concerning the Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》), which were promulgated by the State Council and came into effect on 25 December 1995, mainly provide for the issue, subscription, trading and payment of dividends of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (hereinafter referred to as the “PRC Securities Law”), which was amended by the Standing Committee of the NPC on 28 December 2019 and came into effect on 1 March 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, stock exchanges, securities companies and the duties and responsibilities of securities regulatory authorities under the State Council in the PRC, and comprehensively regulates activities in the PRC securities market. The PRC Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

OVERSEAS LISTING

On 17 February 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”), together with 5 supporting guidelines (together with the Overseas Listing Trial Measures, the “Overseas Listing Regulations”). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted.

On 24 February 2023, the CSRC and three other relevant government authorities jointly promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), or the Provision on Confidentiality. Pursuant to the Provision on Confidentiality, where a domestic enterprise provides or publicly discloses any document or material involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing. The working papers formed within the territory of the PRC by the securities companies and securities service agencies that provide corresponding services for the overseas issuance and listing of domestic enterprises shall be kept within the territory of the PRC, and cross-border transfer shall go through the examination and approval formalities in accordance with the relevant provisions of the state.

FULL CIRCULATION OF H SHARES

Pursuant to the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-share Companies (2023 Amendment) (《H股公司境內未上市股份申請「全流通」業務指引(2023修正)》), or the Guidelines on “Full Circulation”, promulgated and implemented by the CSRC on 14 November 2019 and amended on 10 August 2023, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China.

According to the Notes on the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《關於〈境內企業境外發行證券和上市管理試行辦法〉的說明》), the New Regulations Filing aims to strengthen institutional inclusiveness and deepen opening-up, and lays out “full circulation” arrangements. For the overseas offering and listing by a domestic company, holders of its domestic unlisted shares are allowed after filing to convert such domestic unlisted shares into overseas listed shares and circulate them on overseas trading venues.

According to the Overseas Listing Trial Measures, “full circulation” represents the shareholders of domestic unlisted shares of domestic companies, which directly offer and list securities in overseas markets, converting its domestic unlisted shares into overseas listed shares circulating in overseas markets. Shareholders of domestic unlisted shares shall authorise the domestic company to file the “full circulation” application with the CSRC by filing materials on key compliance issues, including whether the “full circulation” has fulfilled adequate internal decision-making procedures, necessary internal approvals and authorisations, and whether the “full circulation” involves approval or filing procedures set out in the laws, regulations and policies for state-owned asset administration, industry supervision and foreign investment, and if so, whether such approval or filing procedures have been performed.

According to the Measures for Implementation of H-share “Full Circulation” Business (《H股「全流通」業務實施細則》), or the Measures for Implementation, promulgated by the China Securities Depository and Clearing Corporation Limited, or the CSDC, and Shenzhen Stock Exchange, or the SZSE, on 31 December 2019, the businesses of cross-border transfer registration, maintenance of deposit and holding

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

details, transaction entrustment and instruction transmission, settlement, management of participants, services of nominal holders, etc. in relation to the H-share “full circulation business”, are subject to the Measures for Implementation. Where there is no provision in the Measures for Implementation, it shall be handled with reference to other business rules of the CSDC and China Securities Depository and Clearing (Hong Kong) Company Limited, or the CSDC (Hong Kong), and SZSE.

In order to fully promote the reform of H-share “full circulation” and clarify the business arrangement and procedures for the relevant shares’ registration, custody, settlement and delivery, the CSDC promulgated the Circular on Issuing the Guide to the Programme for Full Circulation of H Shares (《關於發佈〈H股「全流通」業務指南〉的通知》) on 7 February 2020, which specifies the business preparation, account arrangement, cross-border transfer registration and overseas centralised custody, etc.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the People’s Republic of China (《中華人民共和國仲裁法》) (the “Arbitration Law”) was adopted by the Standing Committee of the NPC on 31 August 1994, became effective on 1 September 1995 and was amended on 27 August 2009 and 1 September 2017 and last amended on 12 September 2025 and effective on 1 March 2026. Under the Arbitration Law. Where the parties have by agreement provided arbitration as the method for dispute resolution, the people’s court will refuse to handle the case except when the arbitration agreement is declared invalid or otherwise provided by law.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement. A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any irregularity on the procedures or composition of arbitrators specified by law or the award exceeds the scope of the arbitration agreement or is beyond the jurisdiction of the arbitration commission.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “New York Convention”) adopted on 10 June 1958 pursuant to a resolution of the Standing Committee of the NPC adopted on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognised and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will only recognise and enforce foreign arbitral awards on the principle of reciprocity and (ii) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People’s Court for the mutual enforcement of arbitral awards. On 18 June 1999, the Supreme People’s Court adopted the Arrangements of the Supreme People’s Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on 1 February 2000, and promulgated the Supplemental Arrangement of the Supreme People’s Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on 26 December 2020. In accordance with these arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in the PRC.

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

JUDICIAL JUDGMENT AND ITS ENFORCEMENT

On 14 July 2006, the Supreme People’s Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the 2006 Arrangement). Under the 2006 Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. On 18 January 2019, the Supreme People’s Court of the PRC and Hong Kong entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “2019 Arrangement”), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between the PRC court and Hong Kong court. The 2006 Arrangement was superseded upon the effectiveness of the 2019 Arrangement on 29 January 2024.

APPENDIX V**SUMMARY OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY**

SHARES AND REGISTERED CAPITAL

The Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry the equal rights.

Shares of the same class issued at the same time shall be issued under the same condition and at the same price. Shares subscribed by subscribers shall be paid for at the same consideration.

INCREASE AND REDUCTION OF CAPITAL AS WELL AS REPURCHASE AND TRANSFER OF SHARES**Increase of Capital**

The Company may, based on its operating and development needs, increase its capital in the following ways pursuant to the requirements of laws and regulations and subject to the resolutions passed at the general meetings:

- (i) by offering of shares to unspecified parties;
- (ii) by offering of shares to specific parties;
- (iii) by allotting bonus shares to its existing shareholders;
- (iv) by converting common reserve fund into share capital;
- (v) by any other means which is stipulated by law and administrative regulations.

Reduction of Capital

The Company may reduce its registered capital in accordance with the provisions of the Articles of Association. The Company shall reduce its registered capital in accordance with the Company Law, the Listing Rules as well as the procedures stipulated in the Articles of Association.

The Company shall inform its creditors of the reduction in capital within 10 days and make public announcements on the National Enterprise Credit Information Publicity System, qualified media and the website of the Hong Kong Stock Exchange (www.hkexnews.hk) within 30 days. The creditors shall, within 30 days since the date of receiving a written notice or within 45 days since the date of the public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee.

When the Company reduces its registered capital, it may not reduce its capital in proportion to the shares held by shareholders, provided that such reduction shall be approved by shareholders representing more than two-thirds of the voting rights being present at the meeting. The registered capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

Repurchase of Shares

The Company shall not repurchase its shares, except in any of the following circumstances:

- (i) to reduce registered capital of the Company;
- (ii) to merge with another company that holds the shares of the Company;
- (iii) to utilise shares in the employee share ownership scheme or for share incentive;
- (iv) to acquire the shares upon request by shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

- (v) to use the shares in the conversion of the convertible corporate bonds issued by the Company;
- (vi) necessary to protect the Company’s value and the shareholders’ equity;
- (vii) other circumstances permitted by laws, administrative regulations, departmental rules and the Hong Kong Listing Rules.

Where the Company acquires its shares under the reasons set out in items (i) and (ii) of the preceding paragraph, it shall be subject to the resolution of the general meeting. Where the Company acquires its shares under the circumstances set out in items (iii), (v) and (vi) of the preceding paragraph, it shall be subject to the resolution of the board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles or the authorisation of the general meeting.

The shares repurchased by the Company in accordance with the Articles shall be processed in the following ways: for the circumstance in item (i), such shares shall be cancelled in 10 days after the date of acquisition; for the circumstance in item (ii) or (iv), such shares shall be transferred or cancelled in 6 months; for the circumstance in item (iii), (v) or (vi), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled in three years.

The Company acquires its own shares shall perform the obligation of information disclosure according to the provisions of the PRC Securities Law and the Hong Kong Listing Rules.

Transfer of Shares

Shares issued by the Company prior to its public offering shall not be transferred within 1 year as of the date on which the shares are listed and traded in the stock exchange where the Company’s shares are listed.

The directors and senior management of the Company shall regularly declare the number of shares (including preferred shares) held by them and the relevant changes. The number of shares transferred each year during their term of office as determined at the appointment shall not exceed twenty-five percent of the total number of shares of the same class held by them. The shares of the Company held by them shall not be transferred within 1 year as of the listing date of the shares of the Company. The shares of the Company held by them shall not be transferred within six months after their resignation.

SHAREHOLDERS AND SHAREHOLDERS’ GENERAL MEETINGS

Shareholders

The Company shall establish a register of shareholders with the information provided by the securities registration authority. The register of shareholders shall be sufficient evidence of the holding of the shares of the Company by the shareholders. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

Rights and Obligations of Shareholders

Shareholders of the Company shall entitle the following rights:

- (i) to the Company for dividends and other forms of profit distribution according to the proportion of shares they hold;
- (ii) to request, convene, hold, participate or authorise proxies to attend shareholders’ general meetings in accordance with the laws, and to exercise voting rights accordingly (unless individual shareholders are required to abstain from voting rights in respect of individual matters in accordance with the relevant requirements of the places where the Company’s securities are listed);

APPENDIX V**SUMMARY OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY**

- (iii) to supervise the operations of the Company and to make suggestions or inquiries;
- (iv) to transfer, give or pledge the shares held by them in accordance with the laws, administrative regulations and the Articles;
- (v) to inspect and copy the Articles, register of shareholders, minutes of shareholders' general meetings, resolutions of the board meetings financial and accounting reports;
- (vi) to participate in the distribution of the remaining property of the Company according to the proportion of shares they hold when the Company is terminated or liquidated;
- (vii) to require the Company to buy back its shares in the event that shareholders objecting to resolutions of the general meeting concerning merger or division of the Company;
- (viii) other rights set out in laws, administrative regulations, departmental rules and the Articles.

A shareholder requesting for inspection of information or access to materials referred to in the preceding Article shall produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.

Shareholders of the Company shall assume the following obligations:

- (i) to abide by the laws, administrative regulations and the Articles;
- (ii) to make a capital contribution according to the shares they subscribe for and the capital participation method;
- (iii) not to withdraw their shares unless otherwise provided by laws and regulations;
- (iv) not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's legal person status or the shareholders' limited liability to harm the interests of the Company's creditors;

If a shareholder of the Company abuses shareholder rights and causes a loss to the Company or other shareholders, he or she shall be held liable for damages in accordance with laws. If a shareholder abuses the independent legal person status of the Company and the limited liability of shareholders in order to evade debts and thereby seriously damages the interests of the Company's creditors, he or she shall assume joint and several liability for the Company's debts. Where the Hong Kong Listing Rules and other applicable laws and regulations provide for the protection of minority investors, the Company shall implement such provisions.

- (v) Other obligations to be assumed by the Shareholders according to the laws, administrative regulations and the Articles.

SHAREHOLDERS' GENERAL MEETING**General Rules for the Shareholders' General Meeting**

The general meeting acts as the authority of the Company which, according to laws, exercises the following functions and power:

- (i) to elect and replace the directors and decide on matters relating to the remuneration of the directors;
- (ii) to review and approve the reports of the board of directors;
- (iii) to review and approve the Company's profit distribution plans and loss recovery plans;

APPENDIX V

**SUMMARY OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY**

- (iv) to decide on the increase or reduction of the Company’s registered capital;
- (v) to decide on the issue of bonds by the Company;
- (vi) to decide on merger, division, dissolution, liquidation of the Company, or changes in the form of the Company;
- (vii) to amend the Articles;
- (viii) to decide on the appointment or dismissal of the accounting firms responsible for the auditing of the Company;
- (ix) to review and approve the guarantee matters stipulated in Article 47 of the Articles of Association;
- (x) to review the matters of purchase and sale by the Company within one year of significant assets exceeding 30% of the latest audited total assets of the Company;
- (xi) to review and approve the change of the use of the raised funds;
- (xii) to review stock incentive plans and employee stock ownership plans;
- (xiii) to review other matters which, according to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or these Articles of Association, are subject to shareholders’ decisions in general meetings;

The following external guarantees given by the Company shall be considered and approved by the general meeting:

- (i) any guarantee to be provided by the Company and its controlling subsidiaries after the total amount of external guarantees exceeds 50% of the audited net asset of the Company for the most recent period;
- (ii) any guarantee to be provided after the total amount of external guarantee provided by the Company has exceeded 30% of the audited total assets for the most recent period;
- (iii) guarantees to be provided in favour of a guarantee recipient whose gearing ratio exceeds 70%;
- (iv) guarantees with a single guaranteed amount in excess of 10% of the audited net asset of the Company for the most recent period;
- (v) guarantees to be provided by the Company with an amount more than 30% of the audited total assets of the Company for the most recent period when being aggregated with guarantees incurred in the preceding 12 consecutive months;
- (vi) guarantees to be provided in favour of any shareholder, de facto controllers and their respective connected parties;
- (vii) other guarantees and circumstances of connected transactions as stipulated in the Articles of Association;

The external guarantee matters to be considered by the shareholders’ meeting must be reviewed and approved by the board of directors before they can be submitted to the shareholders’ meeting for consideration.

APPENDIX V**SUMMARY OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY**

When a guarantee is raised for consideration and discussion at a board meeting, it shall be considered and approved by at least two-thirds of the directors attending the board meeting. When shareholders' general meeting makes resolution on guarantee matter in item (v) of paragraph 1, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting. When the general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller or connected parties, the said shareholder or the shareholders controlled by the said de facto controller shall be abstained from voting on the proposal, and the proposal shall be subject to approval by half or more of the voting rights of the other attending shareholders. Where the Company provides guarantees for a wholly-owned subsidiary or for a holding subsidiary and other shareholders of such holding subsidiary provide equal guarantee in proportion to their respective shareholdings without prejudice the interest of the Company, the provisions under item (i), item (ii) and item (v) above may be exempted.

The Company shall convene an extraordinary general meeting within 2 months of occurrence of any of the following cases:

- (i) when the number of directors is less than the number prescribed by the Company Law or less than 2/3 of the amount required by the Articles;
- (ii) when the Company's uncovered losses amount to 1/3 of the total paid-up share capital;
- (iii) when shareholders, individually or collectively, holding more than 10% of the shares of the Company request;
- (iv) when the board of directors deems it necessary;
- (v) when the audit committee proposes to convene it;
- (vi) other circumstances as stipulated by laws, administrative regulations, departmental rules or the Articles.

CONVENING OF SHAREHOLDERS' GENERAL MEETINGS

The board of directors shall convene a general meeting of the shareholders on time and within the prescribed time limit.

Upon approval by a simple majority of all independent non-executive directors, the independent non-executive directors shall have the right to propose the convening of an extraordinary general meeting to the board of directors. In response to such a proposal, the board of directors shall provide written feedback within 10 days of receiving the proposal, indicating whether it agrees or disagrees to convene the extraordinary general meeting in accordance with applicable laws, administrative regulations and the provisions of the Articles of Association. If the board of directors agrees to convene the meeting, it shall issue a notice convening the general meeting within 5 days after the relevant resolution is passed; if the board of directors disagrees, it shall state the reasons and make an announcement accordingly.

When the audit committee proposes the convening of an extraordinary general meeting to the board of directors, it shall submit such proposal in writing. The board of directors shall, provide written feedback within 10 days of receiving the proposal indicating whether it agrees or disagrees to convene the extraordinary general meeting, in accordance with applicable laws, administrative regulations and the provisions of the Articles of Association.

If the board of directors agrees to hold an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the resolution of the board of directors is made, and any changes to the original request in the notice shall be subject to the consent of the audit committee. If the board of directors does not agree to convene an extraordinary general meeting, or fails to give a response within 10 days after the receipt of the proposal, the board of directors is deemed to be unable or failed to perform its duty of convening the general meeting, and the audit committee may convene and preside over the meeting by itself.

APPENDIX V**SUMMARY OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY**

Shareholders individually or jointly holding more than 10% of the Company’s shares (including preference shares with voting rights restored) shall have the right to make a request to the board of directors in writing to convene an extraordinary general meeting. Pursuant to the laws, administrative regulations and the Articles, the board of directors shall provide written feedback on whether to agree or not to convene an extraordinary general meeting within 10 days after receiving the request. If the board of directors agrees to hold an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the resolution of the board of directors is made, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the board of directors does not agree to convene an extraordinary general meeting, or fails to give a response within 10 days after the receipt of the request, the shareholders individually or jointly holding more than 10% of the Company’s shares (including preference shares with voting rights restored) shall have the right to propose to the audit committee in writing to convene an extraordinary general meeting. If the audit committee agrees to hold an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the receipt of the request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the audit committee fails to issue a notice calling the general meeting by the prescribed deadline, the audit committee is deemed to be not convening and presiding over general meeting. In such case, shareholders individually or jointly holding more than 10% of the shares (including preference shares with voting rights restored) of the Company consecutively for at least 90 days may himself/herself/themselves convene and preside over such meeting.

Where the audit committee or shareholders decide to convene a general meeting on their own, they shall notify the board of directors in writing, and in accordance with relevant laws and regulations and Hong Kong Listing Rules, file a case with the stock exchange (if needed).

The shareholding proportion (including preference shares with voting rights restored) of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the shareholders’ meeting.

NOTIFICATIONS OF SHAREHOLDERS’ GENERAL MEETINGS

The convener shall inform each shareholder of the annual general meeting 20 days before the meeting and shall inform each shareholder of the extraordinary general meeting 15 days before the meeting. If the laws, regulations, and stock exchanges of the place where shares of the Company are listed have regulations otherwise, such regulations shall prevail.

The notice of the general meeting shall include the following contents:

- (i) the time, venue, and duration of the meeting;
- (ii) matters and proposals to be considered at the meeting;
- (iii) a prominent written statement as follows: all common shareholders (including shareholders of preference shares with voting rights restored) and shareholders of special voting rights have the right to attend the general meeting, and may authorise in written form a proxy, who need not necessarily be a company shareholder, to attend and vote at the meeting;
- (iv) the equity registration date for determining those shareholders who have the right to attend the general meeting;
- (v) the names and telephone numbers of the permanent contact persons;
- (vi) voting time and voting procedures online or by other means.

APPENDIX V**SUMMARY OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY**

The specific details of all proposals shall be adequately and fully disclosed in all general meeting notices and supplementary notices. Where matters to be discussed require independent non-executive directors' opinions, the opinions and reasons given by the independent non-executive directors shall be disclosed when the general meeting notice or supplementary notice is issued.

Where a shareholders meeting of the Company will be held online or otherwise, the notice of shareholders meeting shall specify the voting time and procedures online or otherwise. There shall be no more than 7 working days between the date of record and the date of the meeting. Once confirmed, the date of record shall not be changed.

If the election of directors is proposed to be discussed at a shareholders meeting, the notice of the meeting shall fully disclose the detailed information on the director candidates, which shall at least include:

- (i) personal particulars, including academic qualifications, working experience and concurrent positions;
- (ii) whether or not have any connected relationship with the Company, its controlling shareholders or actual controller;
- (iii) the disclosure of the number of shares of the Company held by such candidate;
- (iv) whether there are circumstances which nomination of directors is prohibited; whether such candidates in compliance with qualifications as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles; whether such candidates have ever been punished by the CSRC and other relevant authorities or disciplined by a stock exchange.

Except for electing directors by cumulative voting, each candidate for director shall be nominated in a separate proposal.

- (v) information relating to newly appointed, re-elected or re-designated directors required to be disclosed pursuant to the Hong Kong Listing Rules.

RESOLUTIONS AT THE GENERAL MEETINGS

The resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be adopted by more than half of the voting rights held by the shareholders (including shareholders' proxies) present at the general meeting.

Special resolutions of the general meeting shall be adopted by more than two-thirds of the voting rights held by the shareholders (including shareholders' proxies) present at the general meeting.

The following matters shall be resolved by way of ordinary resolution of the general meeting:

- (i) work reports of the board of directors;
- (ii) proposals formulated by the board of directors for distribution of profits and for making up accrued losses;
- (iii) appointment and removal of members of the board of directors, their remuneration and method of payment of their remuneration;
- (iv) all matters required to be approved by way of special resolution under laws, the provisions of administrative regulations or the provisions of the Articles.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The following matters shall be resolved by way of special resolution of the general meeting:

- (i) the increase or reduction of the registered capital by the Company;
- (ii) the division, merger, dissolution and liquidation of the Company;
- (iii) the amendment to the Articles;
- (iv) the amount of purchase and the sale of major assets or the guarantee by the Company within one year exceeds 30% of the latest audited total assets of the Company;
- (v) the share incentive schemes;
- (vi) other matters which the laws, administrative regulations or the Articles require to be adopted by special resolutions and which the general meeting, by an ordinary resolution, considers to have a material impact on the Company and therefore require to be adopted by a special resolution.
- (vii) other matters which Hong Kong Stock Exchange require to be adopted by special resolutions.

Shareholders (including shareholders’ proxies), may exercise voting rights in the amount of the voting shares they represent and each share shall have one vote, except for Shareholders of class shares.

When the shareholders’ meeting considers any significant matter that affects the interests of small and medium-sized investors, the votes cast by such investors shall be counted separately. The separate voting results shall be promptly and publicly disclosed.

Shares held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

When a connected transaction is considered at a general meeting, the connected shareholders shall abstain from voting, and the number of voting shares represented by them shall not be counted in the total number of valid votes.

When a shareholder purchased the Company’s voting shares in violation of the provisions of the first and second paragraphs under Article 63 of the PRC Securities Law, such shares in excess of the prescribed proportion shall not be exercised for voting within thirty-six months from the date of purchase, nor be counted in the total number of voting shares present at the general meeting.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at the general meeting for a term of 3 years and may be removed from office prior to the expiry of their tenure by shareholders’ meeting. Directors may be re-elected upon the expiration of the term.

The manager or other senior management members may concurrently serve as directors, provided that the total number of directors who concurrently serve as manager or other senior management members and directors who are employee representatives shall not exceed half of the total number of directors of the Company.

Board of Directors

The Company shall set up a board of directors. The board of directors shall consist of 8 directors and have 1 chairman, with at least 3 independent non-executive directors and accounting for at least 1/3 of the members of the board of directors of the Company. At least one of the independent non-executive directors

APPENDIX V

**SUMMARY OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY**

shall meet the requirement of having appropriate professional qualifications or accounting or related financial management expertise as well as in compliance with the Hong Kong Listing Rules. The number of directors who concurrently serve as senior management members and who are employee representatives within the board shall not exceed 1/2 of the total number of directors.

The board of directors shall exercise the following functions and powers in accordance with laws:

- (i) to convene general meetings and report on its work to the general meetings;
- (ii) to implement the resolutions of the general meeting;
- (iii) to determine the operation plans and investment plans of the Company;
- (iv) to formulate the profit distribution plans and loss recovery plans of the Company;
- (v) to formulate proposals for the increase or reduction of the Company’s registered capital, the issuance of bonds or other securities and listing plans;
- (vi) to formulate plans for material acquisitions, repurchase of shares of the Company or merger, division, change of corporate form and dissolution;
- (vii) to decide on matters such as external investment, acquisition and sale (including disposal) of assets, pledge of assets, external guarantees, entrusted wealth management, connected transactions and external donations of the Company within the scope of authorisation of the general meeting and in accordance with the provisions of the Hong Kong Listing Rules.
- (viii) to determinate the setup of the Company’s internal management organisations;
- (ix) to decide on the appointment or dismissal of the Company’s manager and secretary to the board of directors; to decide on the appointment or dismissal of the Company’s deputy manager, chief financial officer and other senior management according to the nomination of the manager and to decide on matters over the remunerations and rewards and punishments thereof;
- (x) to formulate the proposals for the allowance standard of the independent non-executive directors (if any);
- (xi) to formulate the basic management system of the Company;
- (xii) to formulate the amendment to the Articles of Association;
- (xiii) to manage the information disclosure of the Company;
- (xiv) to request the general meeting to engage or replace the accounting firm that provides audits for the Company;
- (xv) to listen to the work report of the manager of the Company and inspect the work of the manager;
- (xvi) other functions and powers authorised by the general meeting or prescribed by laws, administrative regulations, departmental rules or the Articles of Association.

The chairman of the board shall exercise the following functions and powers:

- (i) to preside over general meetings and to convene and preside over meetings of the board of directors;
- (ii) to supervise and inspect the implementation of the resolutions of the Board of Directors;

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

(iii) other than matter to be considered and approved by the general meeting and the board of the Company or considered and approved by the general manager with the authorisation of the board, other matters shall be decided by the chairman; provided that such matter is connected to the chairman, it shall be decided by the board.

(iv) other functions and powers conferred by the board of directors.

Board meetings shall be held at least four times a year. The meeting shall be convened by the chairman of the board by giving notice in writing to all directors 10 days prior to the meeting.

When shareholders representing more than 1/10 of voting rights, more than 1/3 of directors, the audit committee, the chairman and the manager propose or the securities regulatory authorities request the holding of meetings, the chairman of the board of directors shall, within 10 days of receipt of such proposal or request, convene and preside over the meeting of the board of directors.

Voting at board meetings is conducted by open ballot, with each director having one vote. Resolutions of the board of directors shall be passed by more than half of all directors.

GENERAL MANAGER

The Company shall have one general manager, who shall be appointed or dismissed by the board of directors.

The manager shall be accountable to the board of directors and exercise the following functions and powers:

- (i) to be in charge of the production, operation and management of the Company, to organise and implement the resolutions of the board of directors, and to report on his/her work to the board of directors;
- (ii) to organise and implement the Company’s annual operational plan and investment plan;
- (iii) to formulate the plan for establishment of the Company’s internal management organisation;
- (iv) to formulate the Company’s basic management system;
- (v) to formulate the detailed rules and regulations of the Company;
- (vi) to request the board of directors to engage or dismiss financial officer of the Company;
- (vii) to decide on the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the board of directors;
- (viii) other functions and powers conferred by the Articles or the board of directors.

The manager shall attend board meetings.

SECRETARY TO THE BOARD

The Company shall have one board secretary, being the company secretary under the Hong Kong Listing Rules, whose responsibilities include preparing general meetings and board meetings of the Company, maintaining documents and managing shareholder information of the Company, and handling the information disclosure of the Company.

The secretary to the board of directors shall comply with relevant provisions of the laws, regulatory rules of the place where the Company’s shares are listed administrative regulations, departmental rules, and these Articles of Association.

APPENDIX V

SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY

The board of directors of the Company shall have audit committee and the audit committee shall exercise the functions and powers prescribed by the Company Law. The audit committee shall have 3 members, being non-executive directors who are not senior management members of the Company.

FINANCIAL AND ACCOUNTING SYSTEM

The Company shall formulate its own financial and accounting systems in accordance with the laws, regulatory rules of the place where the Company's shares are listed administrative regulations and the requirements of relevant state departments.

The accounting year of the Company follows the Gregorian calendar, which an accounting year shall commence on 1 January and end on 31 December of each year. Within 3 months from the closing date of an accounting year, the Company shall submit to the board the annual financial and accounting reports; within 2 months from the closing date of the first 6 months of an accounting year, the Company shall submit to the board the interim financial and accounting reports; within 1 month from the closing date of the first 3 months and the first 9 months of an accounting year, the Company shall submit to the board the quarterly financial and accounting reports. The above-mentioned periodical reports shall be prepared in accordance with the relevant laws, administrative regulations and the Hong Kong Listing Rules.

The financial and accounting reports of the Company shall be made available at the Company twenty days or earlier before the convening of the annual general meeting for shareholders' review. Every shareholder of the Company shall be entitled to receive the financial and accounting reports mentioned in this chapter.

The Company shall disclose periodical reports and interim reports in accordance with laws.

PROFIT DISTRIBUTION

The profit distribution of the Company shall attach importance to the reasonable return to investors. The profit distribution policy shall maintain continuous and stable.

The Company may implement interim cash dividends.

The Company may distribute its profits in the form of cash or shares. On the premise of ensuring the funds required for normal production, operation and development, the Company shall distribute cash dividends in an appropriate proportion.

DISSOLUTION AND LIQUIDATION OF THE COMPANY

The Company may be dissolved for any of the following reasons:

- (i) the term of business operation prescribed in the Articles expires or other circumstance for dissolution prescribed in the Articles occurs;
- (ii) the general meeting resolves to dissolve the Company;
- (iii) dissolution is required due to merger or division of the Company;
- (iv) the Company is revoked of its business licence, ordered to close down or annulled according to laws;
- (v) there is severe difficulty in the operation and management of the Company, and the continued existence of the Company will have material prejudice to the interests of its shareholders and there is no other way to resolve, shareholders who hold an aggregate of over 10% of the whole voting rights can make a petition to the people's court to dissolve the Company.

Where any of the circumstances prescribed in above items (i) occurs, the Company may continue to exist through the amendment to the Articles.

APPENDIX V**SUMMARY OF THE ARTICLES OF ASSOCIATION
OF THE COMPANY**

The amendment to the Articles pursuant to the preceding paragraph shall be approved by shareholders representing more than 2/3 of the voting rights being present at the general meeting.

If the Company is dissolved under the above item (i), item (ii), item (iv), and item (v) of the Articles, a liquidation group shall be set up, which shall start liquidation within 15 days from the date of occurrence of the cause for dissolution. The members of such liquidation group shall be determined by the directors or the general meeting. If the liquidation group is not established within the prescribed period, creditors can submit an application to the people’s court to appoint relevant officers to establish such liquidation group to carry out the liquidation.

The liquidation group shall notify its creditors within a period of ten days since the date it is established, and make announcements in the company’s designated information disclosure media within sixty days. Creditors shall, within thirty days since the date of receiving the notice, or for creditors who do not receive the notice, within forty five days since the date of the public announcement, report their creditors’ rights to the liquidation group.

If the liquidation group, having thoroughly examined the Company’s property and prepared a balance sheet and schedule of assets, discovers that the Company’s property is insufficient to pay its debts in full, it shall apply to the people’s court for a declaration of bankruptcy in accordance with laws.

After the people’s court has ruled for the Company to declare itself bankrupt, the Company’s liquidation group shall refer the liquidation matters to the people’s court.

Following the completion of liquidation of the Company, the liquidation group shall formulate a liquidation report, submit the same to the general meeting or the people’s court for confirmation, and submit the aforementioned documents to the company registration authority to apply for company deregistration, and announce the Company’s termination.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Company shall amend the Articles of Association under any of the following circumstances:

- (i) after the Company Law, the Listing Rules or relevant laws and regulations are amended, the provisions of the Articles of Association are in conflict with the provisions of the amended ones;
- (ii) there has been a change to the Company, resulting in inconsistency with the contents in the Articles of Association;
- (iii) the general meeting decides to amend the Articles of Association.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Establishment of Our Company

Our Company was established as a limited liability company in the PRC on 19 July 2010 and was converted into a joint stock company with limited liability on 10 September 2015 under the laws of the PRC. As of the Latest Practicable Date, the registered share capital of the Company was RMB94,248,310.

Our Company has established a principal place of business in Hong Kong at 40/F, Dah Sing Financial Centre, 248 Queen’s Road East, Wan Chai, Hong Kong and has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) on 22 May 2025. Ms. Au Wing Han has been appointed as the authorised representative of the Company for acceptance of service of process in Hong Kong whose correspondence address is the same as our place of business in Hong Kong.

As our Company was established in the PRC, its operations are subject to the relevant PRC laws and regulations of the PRC. A summary of the relevant aspects of PRC laws and regulations and the Articles of Association is set out in Appendix IV and Appendix V to this document, respectively.

2. Changes in Share Capital

Our Company was established as a limited liability company in the PRC on 19 July 2010 with an initial registered capital of RMB10,000,000 and was converted into a joint stock company with limited liability on 10 September 2015 under the laws of the PRC. As of the Latest Practicable Date, our registered share capital increased to RMB94,248,310. The following sets out the changes in the issued share capital of our Company during the two years immediately preceding the date of this document:

On 13 December 2023, the registered capital of our Company decreased from RMB100,181,196 to RMB96,809,596.

On 23 September 2024, the registered capital of our Company decreased from RMB96,809,596 to RMB94,248,310.

For further details, see “History, Development and Corporate Structure”. Save as disclosed above, there has been no alteration in the share capital of the Company during the two years immediately preceding the date of this document.

3. Changes in Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in note 1 to the Accountants’ Report as set out in Appendix I to this document. Save for the subsidiaries mentioned in the Accountants’ Report set out in Appendix I to this document, the Company has no other subsidiaries.

On 24 April 2025, Keyvida was incorporated under the laws of Spain with the issue share capital of 650,000 Euros.

On 26 September 2024, Keysing Singapore was incorporated as a private company limited by shares under the laws of Singapore with issued share capital of 450,000 Singapore dollars.

On 28 February 2024, Shanghai Kaiming was established under the laws of the PRC with an initial registered capital of RMB1 million.

On 26 December 2023, the registered capital of Shanghai Jiakai increased from RMB6,000,000 to RMB10,000,000.

On 17 July 2023, the registered capital of Changzhou Jinshen increased from RMB2,300,000 to RMB5,000,000.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Save as disclosed above, there has been no alteration in the share capital or registered capital of any of the subsidiaries of the Company within the two years immediately preceding the date of this document.

4. Resolutions of the Shareholders of Our Company

Pursuant to a general meeting of our Shareholders held on 7 May 2025, the following resolutions were passed by our Shareholders:

- (i) the issue by the Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange be issued;
- (ii) the number of H Shares to be issued shall not be more than 25% of the total issued share capital of our Company as enlarged by the [REDACTED], and the grant to the [REDACTED] (or their representatives) of the [REDACTED] of not more than 15% of the number of H Shares issued pursuant to the [REDACTED];
- (iii) subject to the filing with CSRC is completed, upon completion of the [REDACTED], up to [REDACTED] Domestic Shares will be converted into H Shares on a one-for-one basis;
- (iv) subject to the completion of the [REDACTED], the adoption of the Articles of Association which shall become effective on the [REDACTED], and the authorisation to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and
- (v) authorisation of our Board to handle all relevant matters relating to, among other things, the issue and [REDACTED] of the H Shares.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

1. The [REDACTED]; and
2. [REDACTED].

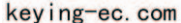
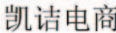
2. Intellectual Property Rights

(1) Registered Trademarks

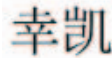
As of the Latest Practicable Date, we had the following registered trademarks in the PRC which we consider to be or may be material to our business:

No.	Trademark	Owner	Registration Number	Validity Period	Class
1		Shanghai Magkey	50403450	21 August 2021 - 20 August 2031	39
2		Shanghai Magkey	50401139	7 August 2021 - 6 August 2031	9

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Owner	Registration Number	Validity Period	Class
3		Our Company	50395219	7 October 2021 - 6 October 2031	35
4		Our Company	44434843	7 December 2020 - 6 December 2030	9
5		Our Company	44394486	7 December 2020 - 6 December 2030	35
6		Our Company	44386770	7 December 2020 - 6 December 2030	35
7		Our Company	36515158	28 February 2020 - 27 February 2030	39, 44
8		Our Company	36513694	21 October 2019 - 20 October 2029	39, 41, 42, 44
9		Our Company	36494942	14 December 2019 - 13 December 2029	35, 39, 41, 42, 44
10		Our Company	15335263	21 October 2015 - 20 October 2035	44
11		Our Company	15335216	21 October 2015 - 20 October 2035	39
12		Our Company	15335209	21 October 2015 - 20 October 2035	42
13		Our Company	15335208	21 October 2015 - 20 October 2035	41
14		Our Company	15335151	21 October 2015 - 20 October 2035	35
15		Shanghai Monster	40598528	7 July 2020 - 6 July 2030	39
16		Shanghai Monster	40169234	28 March 2020 - 27 March 2030	41
17		Shanghai Monster	38433971	21 January 2020 - 20 January 2030	39
18		Shanghai Monster	38426938	14 January 2020 - 13 January 2030	42
19		Shanghai Monster	38411134	7 April 2020 - 6 April 2030	35

APPENDIX VI STATUTORY AND GENERAL INFORMATION

No.	Trademark	Owner	Registration Number	Validity Period	Class
20		Shanghai Xingkai	36471056	7 October 2019 - 6 October 2029	35, 39, 41, 42
21		Shanghai Jiakai	57194199	14 January 2022 - 13 January 2032	9, 35, 39, 41, 42
22		Shanghai Kaichong	36470193	21 October 2019 - 20 October 2029	35, 39, 41, 42, 44
23		Our Company	68547327	14 August 2023 - 14 August 2033	35

As of the Latest Practicable Date, we had the following registered trademarks outside of the PRC which we consider to be or may be material to our business:

No.	Trademark	Owner	Registration Number	Validity Period	Class
1.		Our Company	6288289	3 September 2020 - 3 September 2030	35
2.		Our Company	6299116	1 October 2020 - 1 October 2030	35
3.		Our Company	6299117	1 October 2020 - 1 October 2030	35
4.		Our Company	6299118	1 October 2020 - 1 October 2030	35
5.		Our Company	6299119	1 October 2020 - 1 October 2030	35
6.		Our Company	7188955	10 October 2023 - 10 October 2028	10
7.		Our Company	306783274	14 January 2025 - 13 January 2035	35

(2) Registered Patent

As of the Latest Practicable Date, we had been granted the following patent which we consider to be or may be material to our business.

No.	Patent	Patent Owner(s)	Type	Patent No.	Date of Application	Patent Term
1.	Bottle cover (Wine bottle type) (瓶罩 (酒瓶型))	Our Company	Appearance design	ZL202130474487.8	26 July 2021	15 years

APPENDIX VI STATUTORY AND GENERAL INFORMATION

(3) Copyrights

As of the Latest Practicable Date, our Group had the following registered copyrights registered in the PRC which we consider to be or may be material to our business:

No.	Copyright	Registered Owner	Registration Number	Registration Date
1.	Kaijie Distribution Management System (凱詒分銷管理系統)	Our Company	2021SR1093530	23 July 2021
2.	Kaijie WMS Warehouse Management System (凱詒WMS倉儲管理系統)	Our Company	2021SR1100814	26 July 2021
3.	Kaijie Business Middle Platform Management System (凱詒業務中台管理系統)	Our Company	2021SR1100815	26 July 2021
4.	MagKey Business Intelligence “Crowd Asset” Management Software v1.0 (MagKey商業智能「人群資產」管理軟件v1.0)	Our Company	2021SR1100816	26 July 2021
5.	MagKey Business Intelligence Membership Management Software v1.0 (MagKey商業智能會員通管理軟件v1.0)	Our Company	2021SR1257086	24 August 2021
6.	Kaijie MagKey Business Intelligence Dashboard Management Software v1.0 (凱詒MagKey商業智能儀錶盤管理軟件v1.0)	Our Company	2021SR1448456	28 September 2021
7.	Kaijie OMS Order Management System (凱詒OMS訂單管理系統)	Our Company	2021SR1968101	1 December 2021
8.	MagKey Business Intelligence Unlimited Membership Management Software v1.0 (MagKey商業智能無限會員管理軟件v1.0)	Our Company	2023SR0319397	13 March 2023
9.	MagKey Business Intelligence Permission System Management Software v1.0 (MagKey商業智能權限系統管理軟件v1.0)	Our Company	2023SR0319396	13 March 2023

3. Domain names

As of the Latest Practicable Date, we had registered the following domain names.

No.	Domain Name	Registered Owner	Date of Registration	Expiration Date
1.	kaijie.com	Our Company	24 October 2001	24 October 2027
2.	keying-ds.com	Our Company	2 February 2016	2 February 2027
3.	kaizii.com	Our Company	3 July 2014	3 July 2026
4.	kaizzi.com	Our Company	17 November 2010	17 November 2026
5.	mykeying.com	Our Company	28 October 2016	28 October 2027
6.	keying-ec.com	Our Company	24 March 2015	24 March 2026
7.	cdkaicheng.cn	Chengdu Kaicheng	27 August 2021	27 August 2026
8.	mgkeying.com	Shanghai Magkey	14 April 2023	14 April 2027
9.	mgkyun.com	Shanghai Magkey	14 April 2023	14 April 2027

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS, CHIEF EXECUTIVES AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interest

(1) *Interests and short positions of our Directors and the chief executives of the Company in the share capital of the Company and its associated corporations following completion of the [REDACTED]*

Immediately following the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised, the interests or short positions of our Directors, Supervisors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or its associated corporation (within the meaning of Part XV of the SFO) which (i) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the Shares are [REDACTED] on the Stock Exchange, are as follows:

(a) *Interest in Shares*

Name of Director/Chief Executive	Position	Nature of interest ⁽³⁾	Class of Shares	Number of Shares ⁽¹⁾	Approximate percentage of interest in the Company immediately after the [REDACTED] ⁽²⁾
Mr. Xu	Executive Director and chairman of the Board	Beneficial owner, Interest held by controlled corporations, Interest held jointly with another person	H Shares	66,858,398 (L)	[REDACTED]%
Mr. Han	Executive Director and General Manager	Beneficial owner, Interest held by controlled corporations, Interest held jointly with another person	H Shares	66,858,398 (L)	[REDACTED]%
Mr. You Minyong	Non-executive Director	Beneficial owner, Interest held jointly with another person	H Shares	66,858,398 (L)	[REDACTED]%

Notes:

- (1) The letter “L” represents such person’s long positions in our Shares.
- (2) The calculation is based on the total number of [REDACTED] Shares in issue upon completion of the [REDACTED], comprising [REDACTED] Domestic Shares and the [REDACTED] H Shares, assuming the [REDACTED] is not been exercised.
- (3) On 29 August 2022, Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen entered into the AIC Agreement, pursuant to which (i) Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen undertook to act in concert to ensure that the decisions regarding the Company’s production and operations as well as other significant matters are consistent during the period they remain as the Shareholders of our Company and that (ii) in the event of any disagreement, the decisions of Mr. Xu shall prevail. Therefore, Mr. Xu, Mr. Han, Mr. You Minyong and Mr. Xu Zhiwen are deemed to be parties acting in concert. Mr. Xu, Mr. Han, Mr. You Minyong, Mr. Xu Zhiwen, Shanghai Chuyuan, Shanghai Haozhong and the Controlled Entities are regarded as a group of Controlling Shareholders, and together were entitled to exercise voting rights attached to the 66,858,398 Shares.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

(2) *Interests of substantial Shareholders*

For information on the persons who will, immediately following the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see “Substantial Shareholders” for further details.

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [REDACTED] and assuming that the [REDACTED] is not exercised, be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such share capital.

2. **Service Contracts**

Each of our Directors has entered into a service contract or a letter of appointment with our Company. The principal particulars of these service agreements and appointment letters are: (a) each of the agreement or letter is for a term of three years following the commencement date of his/her term of office; and (b) each of the agreement or letter is subject to termination in accordance with their respective terms. The service agreements and appointment letters may be renewed in accordance with our Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of our Directors has or is proposed to have entered into any service contract with any member of our Group (excluding contracts expiring or determinable by any member of our Group within one year without payment of compensation other than statutory compensation).

3. **Directors’ and Supervisors’ Remuneration**

See “Directors, Supervisors and Senior Management — Compensation of Directors, Supervisors and Five Highest Paid Individuals” for further details of our Directors’ and Supervisors’ remuneration.

4. **Agency Fees or Commissions Received**

The [REDACTED] will receive an [REDACTED] commission and may receive a discretionary incentive fee in connection with the [REDACTED], as detailed in “[REDACTED] — Commissions and Expenses”. Save in connection with the [REDACTED], no commissions, discounts, brokerages or other special terms have been granted by our Group to any person (including our Directors and experts referred to in “— E. Other Information — 10. Qualifications and Consents of Experts” below) in connection with the issue or sale of any capital or security of the Company or any member of our Group within the two years immediately preceding the date of this document.

5. **Directors’ Competing Interests**

Save as disclosed in “Relationship with Our Controlling Shareholders” in this document, none of our Directors are interested in any business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the business of the Group.

6. **Disclaimers**

Save as disclosed in this document:

- (a) None of our Directors nor any of the experts referred to in “— E. Other Information — 10. Qualifications and Consents of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of our Group, or are proposed to be acquired or disposed of by, or leased to, any member of our Group.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

- (b) Save in connection with the [REDACTED], none of our Directors nor any of the experts referred to in “— E. Other Information — 10. Qualifications and Consents of Experts” below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group.
- (c) None of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (d) Save as disclosed in “Relationship with our Controlling Shareholder” in this document, neither the Controlling Shareholders nor our Directors are interested in any business apart from our Group’s business which competes or is likely to compete, directly or indirectly, with the business of our Group.
- (e) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the [REDACTED] or related transactions as mentioned.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Group or any of our subsidiaries.

2. Litigation

Save as disclosed in this document and so far as our Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of our Group that could have a material adverse effect on our financial condition or results of operations as of the Latest Practicable Date.

3. The Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee for a [REDACTED] of, and permission to deal in, the H Shares to be issued pursuant to the [REDACTED]. All necessary arrangements have been made enabling the H Shares to be admitted into [REDACTED].

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor will receive an aggregate fee of HK\$5.25 million for acting as the sponsor for the [REDACTED].

4. Taxation of Holder of H Shares

(1) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of the Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

(2) Consultation with professional advisers

Potential investors in the [REDACTED] should consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding and disposing of, or dealing in Shares. It is emphasised that none of us, The Sole Sponsor, the [REDACTED], the [REDACTED] and the [REDACTED] and their respective directors or any other parties involved in the [REDACTED] accepts responsibility for any tax effects on, or liabilities of, persons resulting from the application for, or purchasing, holding and disposal of, or dealing in Shares.

5. No material adverse change

Our Directors believe that there has been no material adverse change in the financial or trading position since 31 December 2025 (being the date on which the latest audited consolidated financial statements of the Group were made up).

6. Restrictions on Repurchase

For details, see “Appendix IV — Summary of Principal Legal and Regulatory Provisions” and “Appendix V — Summary of the Articles of Association of the Company” to this document.

7. Preliminary Expenses

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses.

8. Promoter

The promoters of our Company are eight Shareholders of our Company as of 7 September 2015 before our conversion into a joint stock company with limited liability. The promoters of our Company are Mr. Xu, Ms. Wang Xia (王霞), Mr. Xu Zhiwen (徐智文), Mr. Tang Yuanxin (唐元新), Mr. Han, Shanghai Keytier, Star Culture, Shanghai Kaixian. Save as disclosed above, within the two years immediately preceding the date of this document, no cash, securities or other benefits have been paid, allotted or given to the promoters in connection with the [REDACTED] or the related transactions described in this document.

9. Compliance Adviser

Our Company has appointed Maxa Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules.

10. Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document are as follows:

Name of Expert	Qualification
China Securities (International) Corporate Finance Company Limited	Licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditor
Allbright Law Offices	PRC legal advisers
China Industry Insights Consultancy Limited	Independent industry consultant

Each of the experts above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Save as disclosed in this document, none of the experts named above has any shareholding interest in the Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any of our subsidiaries.

11. Binding Effect

This document shall have the effect, if an application is made in pursuance of it, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

12. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

13. Miscellaneous

- (a) Save as disclosed in this document:
 - (i) within the two years preceding the date of this document, no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (b) The Company has no founder shares, management shares or deferred shares in the capital of the Company.
- (c) There is no arrangement under which future dividends are waived or agreed to be waived.
- (d) None of the equity and debt securities of the Company is listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought.
- (e) The Company has no outstanding convertible debt securities or debentures.
- (f) None of the experts set out in “— E. Other Information — 10. Qualifications and Consents of Experts in this section”:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group save in connection with the [REDACTED].
- (g) No company within our Group is presently listed on or dealt in any other stock exchange and no such listing or permission to list is being or is proposal to be sought.
- (h) The English text of this document shall prevail over their respective Chinese text.
- (i) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.

APPENDIX VII DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

- (a) the written consents referred to in “Appendix VI — Statutory and General Information — E. Other Information — 10. Qualifications and Consents of Experts” to this document; and
- (b) copies of the material contracts referred to in “Appendix VI — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk up to and including the date which is 14 days from the date of this document:

- (a) the Articles of Association;
- (b) the Accountants’ Reports and unaudited [REDACTED] financial information of our Group prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I and Appendix II, respectively, to this document;
- (c) the audited consolidated financial statement of the Group for the years ended 31 December 2023, 2024 and 2025;
- (d) the PRC Companies Law, the PRC Securities Law, and the Overseas Listing Trial Measures together with unofficial English translation thereof;
- (e) the PRC legal opinions issued by Allbright Law Office, the Company’s legal adviser on PRC law, in respect of certain matters of our Group in the PRC;
- (f) the industry report prepared by China Insights Industry Consultancy Limited referred to in the section headed “Industry Overview” in this document;
- (g) the service contracts and letters of appointment referred to in “Appendix VI — Statutory and General Information — C. Further Information About our Directors, Supervisors and Substantial Shareholders — 2. Service Contracts” to this document;
- (h) the material contracts referred to in “Appendix VI — Statutory and General Information — B. Further Information about our Business — 1. Summary of Material Contracts” to this document;
- (i) the written consents referred to in “Appendix VI — Statutory and General Information — E. Other Information — 10. Qualifications and Consents of Experts” to this document.