MISSION

Empowering catering with simplicity

VISION

Bringing authentic Chinese flavor to every corner of the world

WHO WE ARE

We are a leading provider of customized compound seasonings in China. According to Frost & Sullivan, we are the largest third-party provider of customized Chinese-style compound seasonings in China. Guided by our mission to "empower catering with simplicity," we provide customers, which primarily are catering businesses, with comprehensive flavor design and total solutions covering a broad range of product categories and dimensions of flavor. Our one-stop solution integrates market insights, research and development, application support, and intelligent production to help restaurant chains achieve flavor standardization and operational efficiency. We believe culinary excellence is as much an art as it is a science. As such, we adopt a science-driven approach to transform traditional, experience-reliant Chinese culinary flavors into standardized scalable seasoning solutions with consistent and reliable quality. Our value proposition to customers is simple: we help them discover regional signature flavors with broad commercial potential, and through scientific methodologies, transform those traditionally experience-reliant artisan cooking methods into standardized, reproducible flavor solutions suitable for mass production while retaining the authentic essence of wok frying. In doing so, we enable our customers to craft dishes that bring exceptional flavors to the table and captivate consumers' palates, while simultaneously improving kitchen efficiency.

As one of the first few customized compound seasoning companies in China, we have been growing alongside our customers since our inception in 2008 and have become a key enabler of the chain-based development of the Chinese catering industry. With nearly two decades of extensive experience in the compound seasoning industry, we have accumulated deep industry insights and developed strong R&D capabilities, customer-centric service system, smart production facilities and robust supply chain management capabilities. Through continuous technological innovation, service upgrades, and ecosystem development, we have formed competitive edge across the value chain.

Leading market position

- Largest provider of third-party Chinese-style customized compound seasonings in China
- Fourth largest provider of customized compound seasonings in China

- One of the first few customized compound seasoning companies in China
- Nearly 20 years of deep industry experience

- Nationwide network of 30 application centers
- Customized compound seasoning company with the largest service network of application centers

Superior R&D capabilities

- Pioneered the industry-first Super Reactor technology, moving compound seasoning production from manual workshops to an industrialized and intelligent era

- Full-chain R&D system covering foundational research, formula development, application development and process development
- Active participation in the formulation of 13 industry standards and ownership of 100+ patents, copyrights, and technologies

- One of the few companies in the industry obtaining both CMA and CNAS dual certifications for quality testing

Premium customer base

- Customized compound seasoning company serving one of the largest number of customers covering a broad range of customer types in catering and foodservice industry
- Serving 130,000+ catering stores

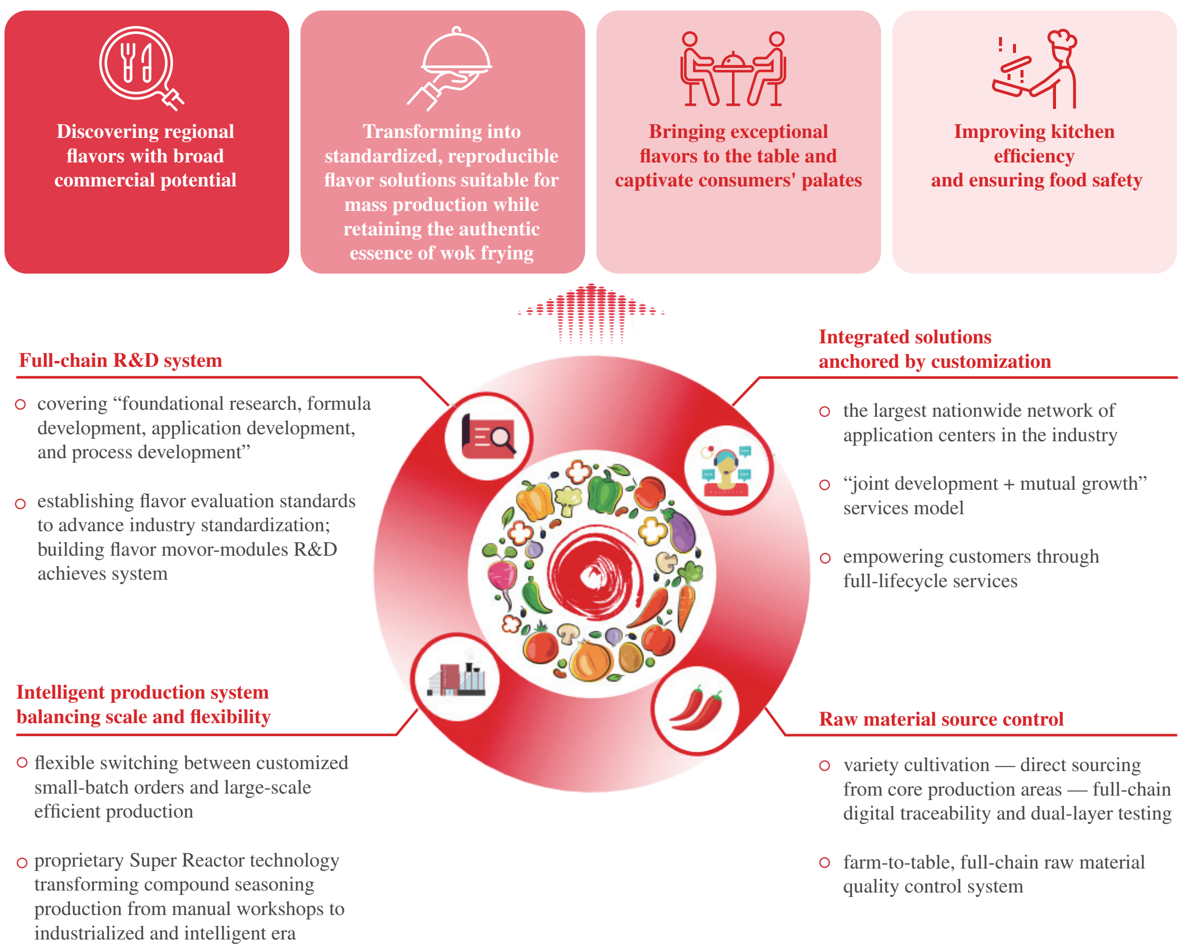
- Premium customer base including Haidilao (海底撈), Xiabu Xiabu (呷哺呷哺), Laoxiangji (老鄉雞), YONNY (魚你在一起) and Meetrice (蒙自源)
- Serving four of the top 5 hot pot restaurant chains in China and three of the top 5 Chinese-style fast food restaurant chains in China

- An average of 6.7 years of business relationship for top 10 customers
- Yearly customer repurchase rate reached 72.1%

Our leadership is not merely a function of volume. It is rooted in a long track record of setting industry benchmarks, from pioneering customized compound seasoning flavors to driving the promotion of regional signature flavors. With our strong R&D system and extensive library of validated formulas in China, we served as the preferred business partner for our catering customers during the Track Record Period. As of the Latest Practicable Date, we had an average of 6.7 years of business relationship with our top 10 customers during the Track Record Period. Our yearly customer repurchase rate, defined as the number of customers who placed an order in a given period and also placed an order in the previous period, divided by the total number of customers who placed an order in that period, increased from 54.2% in 2023 to 55.4% in 2024 and further to 72.1% in 2025. These metrics further demonstrate our reputation as a definitive leader in China's seasoning innovation landscape.

Our market opportunity stems from the chain-based and industrialized development of China's catering industry. The catering industry in China is shifting from fragmentation to consolidation, with leading catering chain brands rapidly expanding their store networks. China's chain restaurant penetration reached 22.9% in 2025, still well below the 56.9% in the United States and 53.2% in Japan, indicating significant headroom for growth. As restaurant chains scale across regions, they face challenges in flavor consistency, operational efficiency, cost and food safety control, and supply chain reliability. Yet, flavor, the core of Chinese cuisine, remains the hardest element to standardize. Customized compound seasonings offer a one-stop solution for flavor standardization and differentiated flavor development tailored to the needs of different chain brands, making them a critical enabler of chain expansion. This creates a historic opportunity for leading customized compound seasoning companies with strong R&D capability, flexible production, food safety control, and end-to-end service capabilities. Meanwhile, stricter food safety and corporate compliance regulations are accelerating the exit of small, workshop-style producers, driving market share toward industry leaders and significantly increasing market concentration, which creates a favorable market condition for our continued expansion.

Our philosophy is to grow alongside our catering customers throughout their entire lifecycle. We do more than just provide customized compound seasoning solutions and a rich portfolio of scenario-based products. We act as a long-term strategic partner, leveraging our end-to-end capabilities to create mutual success. To that end, we have built a closed-loop system integrating four core capabilities: full-chain R&D, customized solutions, raw material source control, and smart production. This forms a self-reinforcing growth flywheel. Built on top of our core capability flywheel, we help our customers address the challenges they face in the growth of their business such as inconsistent flavors across locations and reliance on chef experience by delivering one stop solutions from flavor architecture design and customized product development to application deployment and scalable production. This value chain ultimately delivers measurable outcomes for catering customers, including chain wide flavor consistency, operational efficiency, differentiated menu innovation, and uncompromised food safety. Over the course of our operations, this flywheel has continuously evolved and reinforced itself, not only strengthening our competitive advantages, but also improving our ability to deliver value to our customers, positioning us as an indispensable enabler of the standardization and industrialized and chain-based expansion of the catering industry in China.



OUR STRENGTHS

As a leading supplier of customized compound seasonings, we empower scaled expansion of catering businesses with scientific flavoring and full-chain services.

China's catering industry is at a pivotal stage of rapid chain expansion and standardization. As the sector becomes more systematic and integrated, restaurant brands face mounting pressure to deliver consistent taste and quality across stores, improve operational efficiency, and meet higher standards for food safety and supply chain reliability. Flavor, the core of a restaurant's competitive edge, has long relied on chef experience, making it difficult to standardize at scale. This bottleneck has held back the scaled expansion of Chinese cuisine. A scientific approach to flavoring, grounded in food science, can solve the challenge of delivering both great taste and consistency. This creates a historic growth opportunity for customized compound seasoning providers with end-to-end capabilities covering in-depth R&D, flexible production, and food safety control.

As one of the leading customized compound seasoning providers in the industry, we are poised to capture this opportunity by leveraging our end-to-end capabilities from market insights and foundational research to customized R&D, flexible production, and on-the-ground support. We also differentiate ourselves in the industry as a benchmark enterprise driven by R&D and scientific flavoring. As a leading supplier of customized compound seasonings, we empower scaled expansion of catering businesses with scientific flavoring and full-chain services. By applying data-driven approaches and scientific flavoring systems, we transform traditional Chinese culinary flavors, which was once reliant on chef experience, into reproducible and quantifiable standardized products with consistent quality. This enables chain restaurants to achieve consistent flavor across regions, positioning us as critical infrastructure serving over 130,000 catering stores and enabling consistent flavor delivery across thousands of restaurant locations.

As one of the earliest companies in China engaging in the production of customized compound seasonings, we have grown alongside our customers since the early days of the chain-based development of China's catering industry. Over the years, we have accumulated a premium customer base comprising thousands of restaurant chains, catering channel distributors, and new retail customers. During the Track Record Period, we had over 5,000 customers placing orders with us in each of 2023, 2024 and 2025, and approximately 3,000 customers placing order with us in each of the first quarter of 2025 and 2026. We have established stable and recurring customer relationships. As of the Latest Practicable Date, we had an average of 6.7 years of business relationship with our top 10 customers during the Track Record Period. Our yearly customer repurchase rate increased from 54.2% in 2023 to 55.4% in 2024 and further to 72.1% in 2025. During the Track Record Period, we served a total of over 130,000 catering stores across China. According to Frost & Sullivan, we are the largest third-party provider of customized Chinese-style compound seasonings in China. Our customers include flagship restaurant chain brands such as Haidilao, Xiabu Xiabu, Laoxiangji, YONNY and Meetrice and new retail customers including top-notch online and offline marketplaces. As of the Latest Practicable Date, we have served four of the top 5 hot pot restaurant chains in China in terms of the number of stores in 2025 and three of the top 5 Chinese-style fast food restaurant chains in China in terms of sales value in 2025. Leading restaurant chains impose stringent standards on seasoning customization, flavor consistency, scaled production, and food safety. Our ability to meet these requirements demonstrates our core competitiveness. This broad and premium customer base is also a testament to our science-driven and service-based approach and further cements our leading position in the industry.

Our full-chain R&D system forms core competitive moats and drives sustained product leadership.

Led by a management team with science backgrounds, we have taken a science-driven approach since our inception, aiming to reengineer traditional Chinese culinary logic, which relies heavily on chef experience and is hard to replicate at scale, with modern standards in food science. By applying science, standardization, and data-driven approaches, we crack the long-standing industry challenge of Chinese flavors that are hard to replicate, stabilize, and scale, driving standardization and scaled expansion of Chinese catering. We believe we are the only company in the sector with explainable, replicable, and transferable R&D across every link from foundational flavor science to production-ready formulas.

Underpinning our science-driven approach is our full-chain R&D system, which spans foundational research, formula development, application development, and process development. Our full-chain R&D system forms core competitive moats and drives sustained product leadership. We have embedded our science-driven approach throughout our operations and enabled seamless synergy across R&D, production, marketing and service.

- **Foundational research: Building a scientific flavor system to define Chinese culinary flavor standards.** Precise flavor control is part of the essence of compound seasonings. Using scientific techniques, we analyze dynamic changes between aroma and flavor and how raw material composition translates into flavor and sensory perception. In particular, we study the relationship between flavor and sensory perception by employing electrocardiogram (ECG) technology to study on the physiological and neural mechanisms of flavor perception enable us to accurately identify and quantify the key sensory attributes that drive consumer preference, transforming the traditionally subjective experience of "good taste" into objective and measurable metrics. The resulting flavor sensory evaluation system (風味感官評價體系) informs our product development, customer communication, and marketing efforts. As of March 31, 2026, we had established evaluation standards for 131 flavored ingredients across seven major taste profiles: sour, sweet, bitter, spicy, salty, umami and numbing.

- **Formula development: Building a comprehensive flavor database for efficient, modular customization.** With nearly 20 years of industry experience and extensive collaboration with catering customers, we have built a flavor database and standardized formula module library, which forms a multi-dimensional, modular formula system. As of March 31, 2026, we had developed over 1,200 flavor modules and thousands of compound seasoning formulas. This allows us to quickly assemble and tailor solutions based on different dining scenarios, flavor profiles, and customer preferences and enables us to deliver responsive customization, precise flavor matching, and consistent quality.

- **Application development: Client-focused agile responsiveness.** We are customer oriented. Our application-level R&D team in our application centers applies compound seasonings and directly presents the final dishes to our customers for immediate feedback, forming a complete closed loop from market insight and R&D proposal to product development, application validation, and market rollout. Critically, our application centers are staffed with application-level R&D engineers who have deep familiarity with local consumer taste preferences, enabling us to assist customers in developing region-specific flavors that resonate with local palates. Beyond their deep local knowledge, these application R&D engineers also provide cross regional services and coordination, making our nationwide customer service more competitive. For example, we are able to adapt the formula to suit different regional taste profiles by modulating levels of spiciness, sourness, or umami as needed so that the final product aligns seamlessly with local eating habits. With efficient R&D workflows and management, we respond quickly to customer requests, deliver samples, and launch new products.

- **Process development: Process innovation for efficient formula-to-production translation.** We take an integrated "formula–process–equipment" approach to optimize efficiency and quality throughout the journey from formula development to mass production. We pioneered the application of Super Reactor technology (超釜技術) in the manufacturing of compound seasonings, moving beyond traditional wok-frying. For specialty products such as fermented items and spices, we have developed customized processes including bio-fermentation, ultrafine grinding, and flexible sterilization to create suitable mass production pathways for each formula. Take our Guizhou Red Sour Soup as an example: we apply molecular biology techniques to select superior bacterial strains and build a green symbiotic fermentation system, shortening the traditional fermentation cycle from over one month to less than one week. This delivers consistent flavor, stable quality, and food safety while enabling large-scale production and facilitating the cross-regional and nationwide expansion of an authentic regional flavor.

Leveraging our strong R&D capabilities, we have built a diversified product portfolio that integrates customized products including scenario-based blockbuster products, and standardized offerings. As of March 31, 2026, we had over 19,000 SKUs covering all major dining scenarios various Chinese cuisine formats such as hot pot and other Chinese dishes, barbecue and fast food. We have rolled out blockbuster products such as Laoyouji 1983 product series and Guizhou Red Sour Soup product series, winning major industry awards. We identified the potential of the Guizhou Red Sour Soup product series years before it gained mainstream market acceptance, and began investing in its research, development, and formulation optimization. By the time this regional flavor was widely embraced by the market, we had already developed over 200 application solutions for Guizhou Red Sour Soup series covering different types of dishes. This track record demonstrates our ability to anticipate emerging flavor trends and translate early market foresight into tangible product readiness. For different scenarios and customer segments, we have developed scenario-specific products under "Hot Pot Cube" (火鍋魔方) and "Chuan Hao Mei" (川好美) brands, offering small and medium-sized catering customers cost-effective, flexible, and diverse product combinations. In parallel, we continuously curate and refine standardized products suitable for both catering customers and new retail customers, strengthening our capability for generating blockbuster products.

The institutional foundation supporting our full-chain R&D system is our Flavor Research Institute (味來研究院) and Product Development Center. The two internal departments support our R&D from foundational research to commercialization. Over 70% of our R&D team holds a bachelor's degree or above. In particular, for the Flavor Research Institute, which is responsible for conducting fundamental research, the foundation of our overall R&D capabilities, approximately 65% of the R&D staff hold a master's degree or above. The Flavor Research Institute, led by Dr. Wu Xiao with over 20 years of food science experience, focuses on foundational and forward-looking research, while the Product Development Center turns concepts into scalable products. In addition, we also collaborate with outside institutions such as China National Institute of Standardization (中國標準化研究院) and Southwest University (西南大學) to conduct joint R&D. These partnerships are designed not only to conduct joint R&D but also to systematically cultivate and reserve talents for both the industry and us, ensuring a continuous pipeline of skilled professionals. As of the Latest Practicable Date, we had also participated in the formulation of 13 industry standards and held over 100 patents and copyrights (including 16 invention patents), building a strong IP moat.

Superior customization capability enables us to build a premium and loyal customer ecosystem covering top-notch restaurant chain brands.

Superior customization capability is the core moat of our business. We position ourselves as a partner to our customers in joint menu development and mutual growth. We offer far more than just compound seasonings. We deliver complete, ready-to-implement solutions. Drawing on nearly 20 years of industry insights, we actively participate in our customers' menu development and even their menu strategy, turning initial ideas into mature seasoning formulas and dishes that win consumer palates. Our customization services span solution proposals, joint menu development, scenario-based applications, and ongoing after-sales support, among other value-added offerings. Once deployed, our flavor solutions become seamlessly woven into the daily rhythm of our customers' kitchens, supporting their standard operating procedures and brand identity across every outlet. Such deep integration naturally fosters long term relationships: our customers tend to stay with a seasoning system that consistently delivers reliable taste, operational efficiency, and consumer appeal. We grow alongside our customers, empowering them throughout their lifecycle with partnerships that are built to last.

To better serve our customers, as of March 31, 2026, we had established a service network of 30 application centers across China. According to Frost & Sullivan, we are operating the largest service network in the compound seasoning industry in China. Our service network is supported by a team of approximately 100 application R&D engineers, who are R&D specialists and professional chefs. This national footprint allows us to stay close to customer needs, respond rapidly to product development and menu development requests, and efficiently deliver customized solutions to our customers. Staffed with culinary scientists and chefs, our application centers also function as on-the-ground R&D consultancies for our customers, providing free menu development support, co-creation of new recipes, and troubleshooting of operational challenges on-site. In-depth services to customers create structural switching costs: once a customer has co-developed recipes with our team, those formulas become embedded in their operations.

Meanwhile, we host multiple tasting events and industry salons from time to time in our application centers, strengthening product exposure and maintaining ongoing engagement with both new and existing customers. For example, we hold 617 Leading Restaurant Summit (617餐飲龍頭大會) each year. This platform brings together upstream suppliers and downstream top restaurant brands to form a collaborative ecosystem. We also organize "Flavor Exploration" trips at least twice a year to places of origins of major food ingredients and popular flavors. During the Track Record Period, we took over 360 catering customers to Guizhou and Yunnan as well as other regions to jointly explore classic local flavors and develop seasoning formulas, aiming to create catering bestsellers recognized by the market.

Through extensive and in-depth involvement in our customers' menu development, we form deeply bonded strategic relationships. Such relationships are far stronger than pure product selling arrangements and significantly enhance our customer stickiness. During the Track Record Period, our yearly customer repurchase rate increased from 54.2% in 2023 to 55.4% in 2024 and further to 72.1% in 2025. As of March 31, 2026, our average relationship tenure with our top 10 customers was 6.7 years.

Our intelligent production system balances flexibility and efficiency, laying a solid foundation for customer service and scalable expansion.

In serving our customers, we have identified diverse production needs across the catering industry. Small and medium-sized customers and innovative dishes require flexibility and rapid response, while large customers and high-volume products demand scale, efficiency, and highly consistent delivery. To address this range of needs, we have built a production system that balances flexibility with scale. Our Hechuan base is designed for flexible production, while our Fuling base focuses on large-scale production with uncompromising quality stability.

Flexibility is one of the core elements of customized production. We have built an industry-leading flexible production system that spans traditional wok-frying, automated wok-frying, and reactor-based cooking. This allows us to match the optimal production mode to each product type and order size, maximizing overall efficiency. Our flexible lines support small batches, a wide variety of products, and rapid changeovers, precisely meeting the customization and trial production needs of diverse customers. At the same time, we have established a modular production system, turning common flavor bases into independent semi-finished modules. Through module modification and combination, we can quickly develop new products and scale up production, significantly simplifying processes, shortening delivery cycles, and enhancing quality consistency, providing efficient support for the commercialization of customized compound seasonings.

Our proprietary Super Reactor technology has moved compound seasoning production from manual workshops to industrial scale. It rests on three key innovations: (i) rapid dewatering through specialized fractionation; (ii) multi-parameter continuous process curve control to ensure flavor consistency; and (iii) flavor module recombination for intelligent processing. The technology delivers six major advantages: intelligence, high efficiency, labor savings, time savings, stability, and environmental friendliness. Compared to traditional processes, it significantly reduces labor dependence, improves raw material utilization, and achieves a 30% reduction in energy consumption, a 60% decrease in exhaust emissions, and a 50% increase in production efficiency. We have also developed a technology that condenses and recovers aroma for reinfusion, overcoming flavor loss in closed environments and preserving the rich, mellow aroma of hand-stirred cooking. For example, our Laoyouji 1983 products, produced with Super

Reactor technology, accurately replicates the flavor of aged oil using fresh oil, enabling standardized and scalable production while retaining traditional flavor and cost advantages and fundamentally eliminating the food safety risks of traditional methods.

We are driving digital and intelligent upgrades across production, using data and smart systems to connect manufacturing and quality control into a visible, controllable, and traceable smart factory. On the manufacturing side, we have deployed MES and SCADA systems, achieving 100% digitalization of key equipment and real-time production monitoring, which has increased core line efficiency by approximately tenfold. Super Reactor technology employs over 10,000 high-precision sensor points collecting 200,000 real-time data readings to precisely regulate temperature, moisture, pressure, and other variables, enabling intelligent standardized manufacturing that ensures product consistency and stability. On the quality control side, automated data collection has replaced manual checks, reducing human error and improving quality stability and traceability, thereby supporting large-scale, high-quality, sustained product delivery.

End-to-end supply chain management ensuring exceptional flavor, high quality and food safety while practicing green and sustainable development.

We have been pursuing exceptional flavor, high quality and uncompromising food safety while maintaining cost efficiency. Through deep upstream collaboration, we ensure full-chain quality control from farm to table, laying a solid foundation for product quality, reliable supply, customer trust, and long-term growth.

Chili peppers, Sichuan peppercorns, and other spices are among the key to flavors. To achieve stability and quality, we have built a comprehensive quantitative indicator library covering all major raw material categories, standardizing metrics such as aroma intensity, spiciness level, color value, and other key sensory attributes. This library enables us to precisely match raw material specifications to customer taste profiles, while also providing a scientific basis for hedging against price fluctuations through substitute sourcing or formulation adjustments. To continuously enrich and validate this library, we have institutionalized an annual nationwide raw material sourcing program, in which cross functional teams from R&D, procurement, and quality jointly travel to origin regions to discover, evaluate, and secure the best available ingredients. For example, for chili peppers, we were among the first in China to collaborate with leading seed companies on breeding research, working with academician workstations to cultivate superior varieties with high uniformity in pungency, color, and yield. We have also established contract farming relationships with high-quality growers, achieving full-chain control from seed to finished product, creating a unique, hard-to-replicate flavor and quality advantage at the source. In addition, we use strategic reserves and cyclical procurement to secure high-quality raw materials, ensuring flavor consistency while maintaining cost efficiency. For our core raw materials, we combine direct sourcing from main production regions with a multi-area backup approach. By keeping multiple qualified suppliers for each category, we significantly lower single-source reliance and the risk of sudden price increases, strengthening the resilience of our supply chain.

We believe that food safety and product quality are fundamental to customer trust and our long-term development. We have built a professional inspection and testing center and a comprehensive quality and safety control system. We are among one of the few companies in the industry with both CNAS and CMA accreditations, and we also maintain five major management system certifications (ISO9001, FSSC22000, HACCP, ISO14001, ISO45001) as well as FDA certification, establishing a high-standard food safety control mechanism. Our testing center performs over 40 types of tests and can issue legally and internationally recognized test reports. Leveraging our traceability, testing capabilities, and robust quality control system, during the Track Record Period and up to the Latest Practicable Date, we did not experience any material food safety or product quality incidents.

Our ERP system enables digital management across the supply chain, with a raw material traceability mechanism covering procurement, inspection, warehousing, production, and shipment. During procurement, we maintain indicator analysis and long-term tracking for raw material origins, and have built a nationwide ingredient map to rigorously select suppliers meeting our standards. Incoming materials undergo strict inspections covering physicochemical, microbiological, and heavy metal levels, with dual assurance through internal lab self-testing and third-party spot checks, which eliminates quality and safety risks at the source. This mechanism ensures every batch is traceable and verifiable, allowing us to deliver, safe and flavor-consistent compound seasonings. On the supplier front, we have established a multi-tier access, full-cycle evaluation, and dynamic selection system, creating a stable and diversified supplier base. During the Track Record Period, we procured from approximately 300 suppliers annually, with average cooperation periods of 5.5 years in 2023, 6.3 years in 2024, and 6.9 years in 2025, reflecting mature and stable relationships.

We have fully integrated green, ecological, and health concepts across R&D, production, and operations, achieving harmonious outcomes for the enterprise, environment, and society. In R&D, we seek to capture the very essence of each ingredient's original flavor. In production, our ultrafine grinding process increases raw material utilization by approximately 30%, significantly reducing waste and losses. In energy management, we have implemented photovoltaic power, condensate water recovery, and variable frequency retrofits. Our Hechuan production facility has been recognized as a Chongqing Green Factory.

Visionary management team and a robust and stable R&D talent system.

We are led by an experienced management team, with core leaders possessing many years of experience across the entire business chain, combining professional scientific research knowledge with industry insights. Our founders, Mr. Gou and Mr. Wang, both have strong scientific research backgrounds and have worked together in the compound seasoning industry for more than 20 years. Since the beginning of their entrepreneurial journey, they have been committed to breaking away from the traditional R&D and production models of seasoning companies, guiding product design, process iteration, and R&D system development with the rigorous logic of modern food science. Our Vice Chairman, Mr. Wu, has a lustrous career of over 20 years of experience in financial services management with elite global financial institutions. Mr. Wu is responsible for leading our industry ecosystem development and capital operations. Science background, deep industry insights and capital operations experiences of our core management team provide strong support for our operations.

We have also established a robust organizational governance and talent development system, leveraging digitalization to foster talent cultivation, knowledge accumulation, and organizational efficiency. The business practices, R&D outcomes, flavor data, and industry insights we have accumulated since our inception are systematically organized into a corporate knowledge asset platform. Supported by digital and AI technologies, this platform drives R&D innovation, process optimization, and knowledge reuse, while strengthening talent pipeline development and professional skills transfer. By continuously enhancing our core organizational capabilities, we support long-term, stable operations and strategic execution, and steadily advance our transformation into a technology-driven manufacturing and service enterprise. We strive to create a workplace that fosters employee happiness and work together with our people in the pursuit of exceptional flavor.

OUR STRATEGIES

Our strategies are designed to compound the advantages we have already built: deepen customer lock-in through superior service; expand the range of Chinese culinary applications we can address; intelligent production to further enhance flexibility and agility; and build the digital infrastructure that makes all of this faster and more efficient. Each strategy reinforces the others – customer insight informs R&D, R&D promotes scalable production, and production capacity enables us to serve more customers.

Continuing our pursuit of exceptional flavor, building an enabling ecosystem for the catering industry

Pursuing exceptional flavor is the foundation of our business. As part of the fundamental human need for food, our long-standing mission is to drive the standardization of Chinese cuisine. We strive to bring safer, more stable, and authentic Chinese flavors to millions of households, continuously improving the quality of daily dining and the well-being of consumers.

Flavor Standardization: Leveraging our strong R&D capabilities and applying modern food science, we are transforming Chinese culinary flavor from an experience-based craft into a standardized, science-driven discipline. This frees regional specialties from the constraints of seasonality, manual skill, and geographic origin and enables year-round stability, nationwide replication, and global sharing. Rooted in thousands of years of Chinese culinary heritage, we deconstruct the fundamental rules of "cooking" and "seasoning" using food science. On this basis, we convert non-standardized traditional flavors into quantifiable, transferable, and standardized scalable products while striking the right balance between great taste and consistency, traditional wok aroma and modern efficiency, and regional character and mass expansion. Going forward, we will continue to expand our product portfolio and application scenarios, covering hot pot, Chinese full-service dining, barbecue, and fast food. We will keep developing standardized products that deliver outstanding flavor, uncompromising food safety, and strong adaptability, helping authentic Chinese flavors reach an ever-wider audience.

Industry Ecosystem Development: We position ourselves as indispensable to China's catering industry as a strategic partner in our customers' scaled expansion. We conduct in-depth research into end-consumer trends in age demographics, taste preferences, food safety expectations, and healthy eating habits while closely following the industry's evolution from a hot pot-dominated landscape toward multi-format synergy and accelerated chain development. By systematically researching end-consumer trends across demographics, taste preferences and food safety standards, we help customers anticipate where the market is heading before they ask. We are building and deepening a "pyramid + waterfall" industry enabling system. At the top, we work with leading restaurant chains as benchmark partners, honing our R&D and service capabilities to the highest level. Then, through enablement, knowledge sharing, and standardized output, we cascade these premium resources down to regional leaders and a broad base of small and mid-sized restaurant customers. This creates a development structure where top players drive breakthroughs, mid-tier players upgrade quality, and grassroots players gain access to professional enablement. In doing so, we elevate overall industry efficiency and quality, building a sustainable, scalable, and mutually beneficial catering ecosystem.

Advancing science-driven R&D and building an open, shared industry platform

We will continue to deepen our dual-driven R&D strategy of science and flavor, guided by the belief that "flavor is half art, half science." By interpreting flavor through technology, we are building an explainable, replicable, and transferable R&D system that provides the core technological foundation for large-scale development of Chinese cuisine.

Addressing Core Industry Challenges: Our R&D will remain focused on solving the major challenges in large-scale development of the Chinese catering industry: balancing chef experience with modern food science, great flavor with consistency, regional authenticity with nationwide replication, and artisanal character with production efficiency. We will continue to make breakthroughs in key areas such as bio-fermentation and stepped-temperature bionic cooking. By integrating Chinese culinary culture with modern restaurant operating models, we have formed a closed-loop R&D mechanism of capturing customization needs, accumulating R&D capabilities, validating through real-world scenarios, and feeding back into chain-scale expansion. This process steadily strengthens our long-term technical moat and innovation edge.

Building a Scientific R&D System: Over the next three years, we will systematically codify the underlying principles of Chinese seasoning and cooking, establishing a professional research system anchored in scientific flavor evaluation. Grounded in nearly 20 years of catering supply chain practice and deep industry understanding, this system will transform traditional cooking experience into a quantifiable, standardizable, and scalable scientific framework, filling a critical gap in China's modernization of culinary theory and application. Together with the China National Institute of Standardization, we will develop and promote scientific quality evaluation standards for seasonings, guiding the industry away from experience-based methods and toward data-driven, standards-based, science-led product innovation and quality upgrades.

Building a Culinary Joint Development Platform: Leveraging our 617 Leading Restaurant Summit, we will build an industry-leading culinary joint development platform, bringing together leading restaurant chains, food ingredient suppliers, and other quality partners along the value chain. Together, we will develop product solutions and foster an open, pioneering, top-tier R&D ecosystem. With our nationwide application center network as the physical backbone, we will establish professional culinary incubation centers for validating R&D outcomes, testing scenario models, and driving joint industry innovation. This will elevate our in-house R&D capabilities into a shared public infrastructure for the entire industry.

Deepening omni-channel presence, building a business landscape anchored by customized compound seasonings with full-channel synergy

Our customized compound seasoning business allows us to build deep customer relationships, while our standardized and new retail businesses extend our product reach. Rather than competing priorities, these channels are mutually reinforcing under our omni-channel strategy: customization helps us secure major catering customers, standardization drives repurchases across a wider range of SKUs, and new retail strengthens our engagement with end consumers.

We will focus on strengthening customization capabilities, expanding new retail channels, and achieving synergy. By concentrating on areas of strength while cautiously expanding our boundaries, we aim to deliver high-quality and sustainable growth.

Customized Compound Seasonings: In our customized compound seasoning business, we will fully execute a "pyramid + waterfall" nationwide coverage strategy. At the top, we will deepen long-term partnerships with national restaurant chains and regional key players, setting industry benchmarks while continuously building cutting-edge R&D capabilities and an extensive product library. From this foundation, we will work through our network of professional service providers to extend mature product solutions, R&D outcomes, and service capabilities to a broad base of small and mid-sized restaurant customers. At the same time, we will continue to strengthen our brand. Leveraging the strong reputation we have earned by serving top restaurant chains, we will amplify our influence through industry collaborations, participation in major summits, and targeted media outreach, evolving from passively responding to customer needs to actively defining and shaping industry trends.

New Retail Expansion: In the new retail segment, we will increase resource allocation to build a high-potential, high-elasticity growth engine. We will deepen partnerships with our new retail customers. Leveraging our strong customization capabilities, we will continue to refine cross-scenario universal solutions, accumulate end-consumer insights, and build differentiated competitive advantages.

Synergy and Expansion: On the omni-channel synergy front, we will proactively develop universal products and solutions tailored for home consumption, small-format, and on-the-go scenarios. Through scenario-based innovation, we will capture emerging consumption trends to support strategic long-term growth. We are now operating our own brands for standardized offerings under Hot Pot Cube and Chuan Hao Mei. However, we do not plan to operate independent consumer brands at the current stage. We may explore brand acquisitions or selectively launch our own consumer brands when the time is right. On the overseas front, leveraging our early mover advantage, robust food safety compliance capabilities, and accreditations such as CNAS and CMA, we will steadily expand alongside our domestic restaurant customers as they go global, achieving natural growth in international markets. In addition, we may consider horizontal strategic acquisitions along the value chain, product matrix, and channel capabilities when appropriate. As of the Latest Practicable Date, we had no definitive acquisition plans or arrangements. Any future acquisitions will be prudently evaluated with the goal of enhancing our business portfolio and integrated service capabilities.

Optimizing production and supply chain, advancing end-to-end digital and intelligent transformation

Guided by customer needs and driven by efficiency, we are fully advancing an end-to-end digital and intelligent upgrade strategy. By integrating digital systems, leveraging AI technologies, and iterating smart manufacturing, we will build a data-driven, flexible yet scalable, and highly efficient production and supply chain support system and achieve seamless synergy between high-volume standardized production and agile customized services.

Flexible Smart Production: Under our digitalization strategy, we will continue to refine the division of labor and intelligent manufacturing setup between our two production facilities. The Fuling base will focus on large-scale smart production of major standardized products, improving both flavor quality and efficiency through advanced processes. The Hechuan base will focus on diverse customization needs, using a flexible manufacturing system for rapid response across multiple specifications. Together, they create a production dynamic where rigid scale efficiency and agile customization work in synergy. We will also upgrade our packaging system to cover all product specifications, steadily expand into low-temperature cold chain categories and preservation technologies. Leveraging our customization advantage, we will offer integrated supply chain value-added services such as inventory management, warehousing, and shipping for key large customers, increasing customer stickiness.

End-to-End System Integration: We have independently integrated our CRM, PLM, ERP, MES, and WMS systems for our customization business, achieving end-to-end visibility from customer request and order placement through approval, R&D, production, to shipment. This integrated digital backbone delivers three layers of tangible value. For our customers, it enables real time order tracking, giving them transparency into production progress and delivery timelines. For frontline employees, it provides clear, actionable task guidance at each stage of production. For management, it offers full chain data visibility, supporting informed decision making and operational oversight. Going forward, we will continue to invest in system coordination and data integration, enabling customers to track order progress in real time and ensuring seamless collaboration between R&D and production, thereby improving operational transparency, agility, and responsiveness.

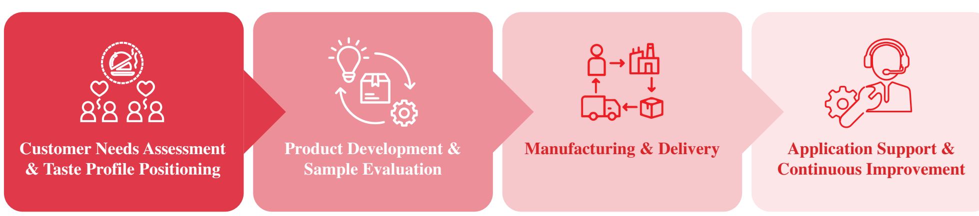
AI-Powered Application: We will integrate AI into our operations. Internally, we will leverage AI to assist R&D, evaluate order feasibility, and intelligently schedule production, reducing reliance on human experience and boosting efficiency. Externally, drawing on years of accumulated data, we will offer customers value-added services such as menu innovation, SOP standardization, and menu design optimization, driving the transition from experience-reliant to data-driven. We will strive to have real-time visibility from customer order to production output lets us reduce lead times, cut waste, and fulfill customized orders with industrial reliability. Fewer peers have achieved this integration.

OUR BUSINESS MODEL

We are principally engaged in the research and development, manufacturing, sales and distribution of compound seasonings rooted in Chinese cuisine and extending to a broader spectrum of Asian flavors. Leveraging our uncompromising pursuit of flavor and robust R&D capabilities, we empower over 130,000 restaurant outlets across the catering and food industry customers to rapidly capture evolving market demands. Through continuous innovation in compound seasoning formulas and product solutions, we help our customers enhance product consistency, operational efficiency and flavor profile, enabling them to win over consumers' palates and satisfy consumers' craving for excellent cuisine.

We primarily provide customized compound seasonings to our catering and food industry customers, which primarily are large restaurant chains. We work closely with large restaurant chains throughout the menu development process. Drawing upon our strong R&D capabilities in compound seasoning formulation and application, we translate culinary concepts into scalable and application-ready compound seasoning solutions, enabling our customers to deliver distinctive, consistent and flavorful menu offerings and differentiate themselves in a highly competitive market. While our revenue is mainly generated from product sales, our engagement with customers adopts a proposal-based service approach, wherein we collaborate with customers from the early stages of menu development or enhancement. This involves providing comprehensive support including flavor positioning, dish concept design, and promotional strategy formulation, which are integral to our product offering and customer service model. We also offer cost-effective standardized compound seasonings to our customers, enabling them to provide customers with high-quality and price-competitive dishes.

The following diagram illustrates a typical operation workflow of our sales of customized compound seasonings.



The sale process for our customized compound seasonings generally begins with customer needs assessment and taste profile positioning, leveraging our close engagement with catering and food industry customers. Based on identified requirements, products are developed and evaluated through sample testing. Manufacturing feasibility and product consistency are verified through trial production conducted on production lines and processes tailored to the specific product category and production scale. These processes are designed to accommodate variations in formulations, batch sizes and processing parameters, ensuring quality, stability, scalability and alignment with customers' operational requirements. Confirmed orders then proceed through standardized production, warehousing and delivery processes. Following delivery, we provide ongoing application support through our nationwide application teams and incorporate customer feedback for continuous improvement and long-term cooperation.

In comparison, the sales process for our standardized compound seasonings is relatively streamlined. As these products are based on established formulations, customer engagement is typically lighter-touch and focuses on application-level adaptation within predefined usage frameworks, rather than formulation-level development. Such adaptation may involve adjusting application methods or combining predefined flavor modules to address customers' specific operating scenarios. Standardized products therefore primarily follow an order-driven sales and delivery process. Notwithstanding slight differences in sales process, all of our products share a unified R&D platform and flavor database, centralized procurement and supply chain management, as well as coordinated production and unified quality control.

OUR PRODUCTS

We offer a diversified portfolio of compound seasonings designed primarily for the catering and foodservice market, covering a wide range of Chinese cuisine applications and dining scenarios and extending to broad Asian flavors. Our products are structured to serve both customers with customization needs and those seeking flavor solutions that support scale expansion and regional market penetration, enabling us to address a broad spectrum of customer profiles and operating models.

Our product portfolio is strategically structured into two primary categories: (i) customized compound seasonings, which primarily include hot pot compound seasonings and non-hot pot compound seasonings, and are developed to meet specific formulation, flavor and operational requirements of customers; and (ii) standardized compound seasonings, which are developed based on established formulations and modular application frameworks to address broader market demand with efficiency and consistency.

The following table sets forth the breakdown of our revenue by product category, in absolute amount and as a percentage of our total revenue:

	Year Ended December 31,						Three Months Ended March 31,			
	2023		2024		2025		2025		2026	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*	*RMB'000*	*%*
							(Unaudited)			
Customized compound Seasonings	**1,003,050**	**97.4**	**1,084,170**	**95.5**	**1,055,100**	**95.4**	**234,233**	**95.1**	**284,251**	**95.7**
– Hot pot compound seasonings	619,872	60.2	685,397	60.4	668,541	60.5	153,886	62.5	182,309	61.4
– Non-hot pot compound seasonings	383,178	37.2	398,773	35.1	386,559	35.0	80,347	32.6	101,942	34.3
Standardized compound seasonings	27,294	2.6	51,416	4.5	50,710	4.6	11,970	4.9	12,781	4.3
Total revenue	**1,030,344**	**100.0**	**1,135,586**	**100.0**	**1,105,810**	**100.0**	**246,203**	**100.0**	**297,032**	**100.0**

During the Track Record Period, the average selling prices of customized compound seasonings were approximately RMB21.6/kg in 2023, RMB21.1/kg in 2024, and RMB19.9/kg in 2025, and RMB20.4/kg in the three months ended March 31, 2025 and RMB19.3/kg in the three months ended March 31, 2026. While the average selling prices of standardized compound seasonings was approximately RMB23.5/kg in 2023, RMB22.9/kg in 2024 and RMB21.6/kg in 2025, and RMB21.6/kg in the three months ended March 31, 2025 and RMB21.7/kg in the three months ended March 31, 2026. During the Track Record Period, we proactively adjusted our pricing strategy to respond to market competition and enhance our market share. We expect that the selling prices may be adjusted from time to time in the future, subject to factors including raw material costs, market demand and overall pricing strategies.

Customized Compound Seasonings

We develop and supply customized compound seasonings tailored to customers' menu positioning, flavor requirements and operational needs. Our business model emphasizes close collaboration with customers throughout product development, enabling us to translate signature and regional flavors into scalable, repeatable products suitable for chain operations. This approach supports customers in achieving both "consistent taste across multiple stores" for chain expansion and "multiple taste profiles within an individual store" to address diversified consumer demand.

Our customized compound seasonings mainly cover the following categories:

- ***Hot pot compound seasonings:***

  Hot pot is one of the most highly standardized segments in Chinese cuisine, where flavor serves as a core competitive factor, primarily delivered through hot pot compound seasonings centered on hot pot bases. Hot pot compound seasonings constitute a core category within our customized compound seasoning offerings. These products are used for hot pot soups and related spicy or non-spicy dishes and are developed to deliver stable flavor performance under prolonged heating conditions. Leveraging our formulation capabilities and process technologies, we are able to reproduce and standardize complex flavor profiles, such as traditional Chongqing-style hot pot and regional specialty variations, while supporting customers' requirements for consistency across multiple outlets and different operating environments.

- ***Non-hot pot compound seasonings:***

  Non-hot pot compound seasonings are applied across a wide range of Chinese catering applications, including Chinese dishes, barbecue, fast food and other dining formats covering sauces, pastes, soup bases, powders and other blended formulations, these products are designed to help foodservice customers deliver consistent taste experiences across diverse menu items and operating models. With broad adaptability and strong standardization potential, non-hot pot compound seasonings are well positioned to support the continued expansion and upgrading of the Chinese catering market.

Culinary innovation and market trends evolve rapidly. Through continuous product co-development with our customers, supported by our product development capabilities and application teams, we regularly introduce new formulas and product solutions in response to flavor iteration, menu innovation and diverse consumption scenarios. This enables large restaurant chains and foodservice operators to launch differentiated dishes efficiently while maintaining operational efficiency. Customized compound seasoning account for the majority of our sales, reflecting both the depth of our ongoing customer relationships and the continuous expansion of our customer base. During the Track Record Period, we launched 3,142 new products in total for our customized compound seasoning customers.

Representative product series

Hot pot compound seasonings

We provide customized compound seasonings product combinations and one-stop application solutions tailored to customers' specific taste preferences, application scenarios, and operational needs. The 12688 series represents one of our core product systems for hot pot compound seasonings and is structured around a modular product matrix designed to support a wide range of hot pot formats, while helping hot pot catering companies achieve a one-stop integrated application solution. The framework comprises five key components: "1" flagship traditional Chongqing-style hot pot base, "2" seasoning powders, "6" red soup bases, "8" clear soup bases including representative product Guizhou Red Sour Soup product and "8" dipping sauces.

The "1" component represents a flagship product line for traditional Chongqing-style old hot pot, namely Laoyouji 1983 (佬油集1983), which is characterized by complex oil-based aroma layers and a flavor profile designed to replicate local taste experiences. These products emphasize rich beef tallow notes, layered spice expression and strong flavor persistence, providing a standardized solution for replicating authentic regional hot pot flavors at scale.

The "2" component of the 12688 series consists of seasoning powders, including beef-flavored and chicken-flavored formulations, which are typically used in combination with hot pot bases to enhance or adjust flavor delivery. The beef-flavored seasoning powder is primarily applied in red soup (spicy) hot pot bases to strengthen umami and oil richness, while the chicken-flavored seasoning powder is used in clear soup bases to provide a clean and savory profile. These products also support cost optimization and flexible formulation across different operating scenarios.

The "6" red soup base series includes multiple representative Chongqing-style spicy hot pot bases, such as peppery (椒香型), fresh-chili (生香型), rich-fat (脂香型), value spicy, water hot pot and specialty variants (such as bullfrog and fish hot pot). These products are developed to deliver differentiated flavor profiles under a consistent formulation logic, with varying levels of spiciness, oil richness and aroma intensity to meet diverse regional taste preferences and menu positioning requirements.

The "8" clear soup base series covers a broad range of non-spicy or mildly flavored soup bases, including tomato-based, mushroom-based, chicken-based and regional specialty broths. These products are designed to provide complementary offerings within hot pot menus, addressing consumer demand for lighter, healthier and more diverse flavor options while maintaining standardized production and consistent quality. Our Guizhou Red Sour Soup is a representative example. For this product, we apply molecular biology techniques to screen superior bacterial strains and develop a standardized fermentation process, which shortens the traditional fermentation cycle from more than one month to less than one week.

The second "8" category comprises a range of dipping sauces and compound seasonings designed to complement hot pot consumption at the table. This series includes various oil-based and sauce-based products that enhance flavor layering, allowing end consumers to customize taste intensity and flavor profiles according to personal preference. These dipping sauces are developed to work in coordination with both spicy and non-spicy soup bases, providing additional depth and flexibility in the dining experience.

Through the 12688 product system, we are able to modularize hot pot seasoning solutions into interchangeable components, enabling flexible product combinations, efficient customization and scalable supply. This approach supports customers in achieving consistent flavor replication across locations while adapting to different regional preferences, cost structures and operational requirements.

Non-hot pot compound seasonings

Our non-hot pot compound seasonings cover a broad range of Chinese catering applications, including grilled fish, Chinese fast food, regional flavor profiles beyond Sichuan and Chongqing and other Chinese dishes. Among these, grilled fish is one of the representative application scenarios. We have developed the "6+1" grilled fish seasoning framework, which is designed as a modular solution centered on core flavor bases and extended taste variants. This system comprises "1" core grilled fish oil and "6" classic flavor profiles, including mala, garlic, pickled vegetable, green pepper, chopped chili and soy-based flavors, with further extensions ("N") developed to support continuous product innovation and regional flavor adaptation.

The grilled fish product series reflects our understanding of Chongqing Jianghu-style cuisine, which emphasizes bold, layered and oil-driven flavor expression. Within this framework, oil-based systems are not only a flavor carrier but also a key driver of aroma perception beyond hot pot applications. Compared with soup-based seasoning systems that primarily provide base taste, oil enables more pronounced aroma release and sensory impact at the dish level, and plays a critical role in activating the characteristic grilled and roasted notes of grilled fish dishes.

Under this system, the core grilled fish oil functions as a base carrier to deliver key attributes such as oil aroma, flavor integration and deodorization, while the standardized flavor variants provide differentiated taste profiles for various menu offerings. Products are developed to address key application requirements in grilled fish dishes, including enhancing natural grilled aroma, improving oil fragrance, reducing fishy odor and enhancing the perceived freshness and sweetness of fish meat.

Through the "6+1" system, we are able to combine standardized base products with modular flavor components to support flexible menu design, efficient product customization and consistent output quality, enabling customers to replicate signature grilled fish flavors at scale while adapting to different consumer preferences and dining scenarios.

Another example of our non-hot pot compound seasonings is their application in noodle and rice noodle dishes. In China, fast food restaurants including noodle restaurants have shown significant growth and potential within the catering market. We have developed a soup base system focused on delivering three core sensory attributes: a rich soup base, layered flavor complexity and appealing aroma. This product line reflects our understanding of noodle and rice noodle applications, where consumers value authentic taste, balanced flavor layers and a strong appetite-appealing aroma.

Our noodle seasoning solutions are built on real ingredients, traditional low-heat simmering and standardized process control. The soup base portfolio includes signature original broths, classic clear broths, rich mushroom broths and rich hearty broths, as well as flavor profiles such as tomato, sour-spicy, Tom Yum and curry, supported by sour, sweet and umami notes. This enables us to meet a wide range of customer needs across mass-market and premium applications.

Aroma is another key focus of this application scenario. Through the use of chili oil, critical-point aroma locking and pour-over serving formats, we enhance aroma release and sensory appeal while supporting efficient kitchen operations. Supported by slow simmering, oil-water dual-phase structuring, texture and freshness locking, and critical-point aroma locking, our soup base system delivers consistent, layered and scalable flavor while preserving the sensory qualities of freshly prepared dishes.

Customer profile and profitability model of customized compound seasonings

We offer customized compound seasonings primarily to large restaurant chains, fast-growing catering brands and catering groups with higher requirements for menu differentiation, flavor innovation and scalability. Although we generate revenue from selling customized compound seasonings to our customers, we do not view ourselves purely as a product vendor. To better serve our customers, we believe that, in addition to addressing the needs of our direct customers, we should also place greater emphasis on understanding end consumers, the people who ultimately enjoy the dishes. As such, we engage with our customers early in the menu development or upgrade stage and work closely with them to develop recipes with compelling features that ultimately win over consumers' palates. To that end, we have built a sensory evaluation lab that translates flavors into data and products into modular components. Combined with market intelligence on trending flavors and dishes, we can provide our customers with actionable guidance on how to cook a dish and to what degree it sells best.

Based on customers' target flavor profiles, positioning of individual dishes and operational requirements, we formulate solutions for our customers in the form of final dishes to be presented to end consumers. The solutions we provide to customers include standard of procedures showing our customers how our products are applied to the final dishes. As of March 31, 2026, we had 30 application centers in major cities across China. To support customer development, we proactively invite potential customers to visit a nearby application center. At the application center, our application R&D engineers, including R&D specialists and experienced chefs, demonstrate how our products are applied in menu development and prepared dishes.

After product specifications are confirmed, we proceed with trial production and application verification, focusing on factors such as flavor consistency, operational suitability and batch stability. For key customers, we also send our application R&D engineers to provide onsite services and instructions on the application of our products to final dishes. Following validation, the finalized products are supplied on a recurring basis to support customers' standardized operations across multiple outlets. Through this full life-cycle customer service model, we are able to strengthen customer relationships, sustain revenue stability and continuously introduce new products aligned with market trends.

Our services to large restaurant chains are primarily centered on product customization, technical coordination and application support in relation to compound seasonings. In certain cases, we may also provide ancillary support in relation to customers' promotional or marketing activities, primarily to facilitate product application and enhance flavor presentation. In addition to menu development, we seek to further empower our customers by offering value-added services such as industry training courses and industry insights or reports free of charge.

By supporting our customers' chain expansion through tailored compound seasoning solutions and menu development, we develop close and enduring strategic relationships. Such relationships are far stronger than pure product selling arrangements and significantly enhance our customer stickiness, which allows us to benefit from our customers' business growth. During the Track Record Period, we have successfully served a portfolio of prominent large-scale restaurant chains and expanded our customer base. We have established stable and recurring customer relationships. As of the Latest Practicable Date, we had an average of 6.7 years of business relationship with our top 10 customers during the Track Record Period. Our yearly customer repurchase rate increased from 54.2% in 2023 to 55.4% in 2024 and further to 72.1% in 2025. These customers include prominent large-scale restaurant chains such as Haidilao, Xiabu Xiabu, Laoxiangji, YONNY and Meetrice. For the customers we served during the Track Record Period, 24% of which had maintained a business relationship of five years or above as of March 31, 2026. We believe that long-term business relationship with prominent large-scale restaurant chains is a testament to our comprehensive service capabilities. As of the Latest Practicable Date, we have served four of the top 5 hot pot restaurant chains in China in terms of the number of stores in 2025 and three of the top five Chinese-style fast food restaurant chains in China in terms of sales value in 2025.

Standardized Compound Seasonings

Building on our sales of customized compound seasoning business, we develop and sell a range of standardized compound seasonings primarily to serve regional catering customers.

These products are positioned to deliver stable flavor, a broad variety of flavor options, reliable quality and reasonable pricing. Offering standardized compound seasonings can effectively help us expand customer coverage, improve capacity utilization and complement our customized compound seasonings. During the Track Record Period, we launched over 30 new products in total for our standardized compound seasonings customers.

Although standardized products are based on established formulations, they are supported by a light-service model that focuses on application-level adaptation rather than formulation-level development. For example, customers may adapt usage patterns or combine predefined application options within standardized product frameworks to suit different dishes, operating styles or consumption scenarios. This approach allows standardized products to support broad applicability while maintaining scalability and cost efficiency.

Key products and representative brands

We have developed a portfolio of standardized compound seasonings designed to support broad downstream applications while maintaining a standardized and scalable product structure. These products are positioned as modular flavor solutions that can be flexibly adapted to different channels and usage scenarios through differentiated branding, packaging and application positioning.

Under this approach, we have developed multiple scenario-oriented product sub-lines centered on differentiated channel positioning and downstream applications such as Hot Pot Cube (火鍋魔方) and Chuan Hao Mei (川好美). Hot Pot Cube is positioned as our dedicated brand for the hot pot segment, while Chuan Hao Mei is positioned for non-hot pot compound seasoning applications, and both brands primarily serve small and medium-sized catering operators across a wide range of Chinese Cuisine applications. Through our distributor network, we further extend the market coverage of both brands and enhance their penetration into a broader range of distribution channels.

While these product lines differ in channel focus, target channels and application positioning, they are developed based on a shared underlying R&D framework and standardized formulation methodology, which serves as a foundational capability supporting efficient product development, quality control and operational execution across product lines. This enables us to address diverse market needs without proportionally increasing research and development complexity or operational costs.

Customer profile and profitability model of standardized compound seasonings

We offer standardized compound seasonings primarily to a diversified customer base, emerging catering brands, new retail customers and small-to-medium restaurant operators mainly through catering channel distributors. These customers typically seek products with stable quality, clear application positioning and broad applicability, rather than fully customized menu solutions.

Our standardized product offerings focus on scenario-based, channel-adaptable products that are developed on top of common flavor bases and formulation systems. Through differentiated branding, packaging and application framing, the same underlying product can be positioned as distinct scenario-oriented offerings tailored for different channels and consumption contexts. This allows us to address diverse customer needs while maintaining a high degree of standardization in research and development, production and quality control.

Unlike our customized compound seasoning business, our standardized compound seasonings are designed to follow a "wide application, light service" model. These products are intended to be applied across a broad range of dishes, cuisines and operating environments, reducing the need for intensive customer-specific technical support or on-site services. We generally do not participate in customers' menu development processes or day-to-day kitchen operations for standardized products. Our role is primarily limited to product development, standardized production, channel adaptation and ongoing supply.

This business model enables us to achieve scalable distribution and efficient market penetration while controlling service-related costs. Revenue from standardized products is generated mainly through repeated sales across multiple channels and customer segments, supported by product lifecycle management and periodic product iteration in line with market trends. We believe that this standardized approach complements our customized business by broadening our addressable market, enhancing operational leverage and contributing to overall revenue stability.

RESEARCH AND DEVELOPMENT

Our R&D system

Our research and development capabilities form a core competitive pillar of our business and underpin our ability to deliver stable, scalable and differentiated compound seasoning solutions to the catering and foodservice market. Guided by "flavor is half art, half science", by interpreting flavor through technology, we have established an explainable, replicable, and transferable full-chain R&D system that provides the core technological foundation for large-scale development of Chinese cuisine. Our full-chain R&D system integrates (i) foundational research, (ii) formulation development, (iii) application development, and (iv) process development, enabling us to convert culinary concepts and regional flavors into standardized, reproducible and application-ready products suitable for diverse operating scenarios. See "– Our Strengths."

Within this integrated framework, our R&D process follows a coordinated and iterative approach, in which research on flavor perception and raw materials informs formulation design, followed by validation through dish-level application testing, and then developed into scalable manufacturing processes. Through our nationwide network of application centers, our application-level R&D personnels work closely with our customers to further refine customized compound seasonings so that our products meet customers' requirements and expectations.

Our R&D activities are carried out through two core functions: the Flavor Research Institute and our Product Research and Development Center. The Flavor Research Institute focuses on foundational and forward-looking research in areas such as flavor science, fermentation mechanisms and processing technologies, with the objective of building long-term technical reserves. Our Product Research and Development Center focuses on translating such research outcomes into commercially viable products that meet customer and market requirements.

Core Technologies

Our core process technologies encompass bio-fermentation technology (生物發酵技術) and "Super Reactor" technology (超釜技術). Together with our flavor sensory evaluation system (風味感官評價體系) developed in partnership with the China National Institute of Standardization, these capabilities form the technical backbone of our flavor science platform.

Bio-fermentation technology

A representative example of our proprietary bio-fermentation technology is our application to Guizhou Red Sour Soup products. We identified the potential of the Guizhou Red Sour Soup product series years before it gained mainstream market acceptance, and conducted long-cycle research into fermentation mechanisms and flavor stabilization, including microbial strain screening and controlled co-fermentation studies supported by temperature-controlled facilities. Through the application of microbiological and molecular biology techniques, we established a green co-fermentation process that significantly shortened traditional fermentation cycles from over one month to within one week, while effectively addressing issues such as flavor inconsistency, quality instability and food safety risks. Our bio-fermentation technology enhances both the layering and the balance of distinct taste notes, creating a more rounded and harmonious flavor profile. This technology enabled us to preserve characteristic regional flavors while achieving standardized, scalable and efficient production. By the time this regional flavor was widely embraced by the market, we had already developed over 200 application solutions for Guizhou Red Sour Soup series covering different types of dishes. This track record demonstrates our ability to anticipate emerging flavor trends and translate early market foresight into tangible product readiness.

Super Reactor technology

To address the challenge of preserving the authentic aroma and wok-style flavor of traditional cooking during large-scale production while overcoming the limitations of manual wok-frying that hinder scalability, we developed our proprietary Super Reactor technology, a temperature controlled bionic stir-frying system (階梯控溫仿生炒製系统). This intelligent reactor based technology replicates the art of manual wok frying by precisely controlling temperature, moisture, and pressure at millisecond level accuracy, capturing the authentic essence of "wok hei" (鍋氣) from high temperature browning while significantly reducing the artificial notes often associated with large-scale production. Our system is built on three core innovations: (i) specialized fractionation (特殊分餾技術), which rapidly separates the oil water system, reducing the cooking cycle from several hours to just minutes; (ii) multi-parameter continuous process curve control (多重連續工藝參數曲線控制法), deploying over 10,000 sensors and 200,000 real time data points to regulate key variables with unprecedented precision; and (iii) flavor module recombination (風味模組化重組技術), enabling the production of complex flavor profiles that traditionally required multiple equipment setups, all within a single Super Reactor through a combination of multi enzymolysis and multi stage thermal reaction, achieving one vessel finalization of intricate taste systems. In addition, we employ ultra fine processing (超微細化工藝), which enables controlled particle size and distribution to improve mouthfeel consistency and flavor release, as well as flexible sterilization (柔性殺菌), which applies differentiated sterilization parameters by product category to ensure food safety while preserving flavor characteristics.

By converting the tacit knowledge of veteran chefs into verifiable, replicable process parameters including three progressive stages of heating and cooling that faithfully reproduce traditional steps, our technology ensures that every batch delivers the same rich, layered flavor as a master prepared dish. This gives our customers both the soul of traditional cooking and the consistency of modern manufacturing, enabling scalable production without compromising on authenticity.

Flavor sensory evaluation system

Underpinning all of these core technologies is our flavor sensory evaluation system, developed in close collaboration with the China National Institute of Standardization. Our flavor sensory evaluation system addresses the fundamental challenge of objectively evaluating taste. We study how taste buds perceive different flavor compounds and how those perceptions translate into distinct heart activity patterns captured by electrocardiography (ECG). By correlating neural signals with sensory experience, we transform the traditionally subjective question of "good taste" into objective and quantifiable metrics. This scientific foundation enables us to precisely engineer compound seasonings that consistently deliver our customers' desired flavor targets with accuracy and stability at scale. In partnership with the China National Institute of Standardization, we have developed a standardized flavor evaluation framework that covers seven major taste profiles across 131 flavored ingredients.

Together, these core technologies support flexible production, efficient switching across multiple products and batch sizes, and high repeatability by converting experiential know-how into standardized, parameterized manufacturing controls.

R&D team

As of March 31, 2026, we had an internal research and development team comprising 69 professionals, all of whom possessed relevant educational backgrounds or working experience in food science, flavor technology, fermentation research or consumer-related sectors. Over 70% of our R&D team holds a bachelor's degree or above. In particular, for the Flavor Research Institute, which is responsible for conducting fundamental research, the foundation of our overall R&D capabilities, approximately 65% of the R&D staff hold a master's degree or above.

We continue to invest in R&D and maintain an active intellectual property portfolio covering extraction, blending, reaction, aroma modulation and fermentation technologies. As of the Latest Practicable Date, we had been granted 16 invention patents, and 50 copyrights including five software copyrights and 45 work copyrights at national and municipal levels. We also actively and deeply participate, as a important member, in the formulation of 13 industry standards as of the Latest Practicable Date, contributing our technical know-how and application experience in compound seasonings. For the years ended December 31, 2023, 2024, 2025 and three months ended March 31, 2026, our research and development expenses amounted to RMB29.1 million, RMB33.1 million, RMB31.5 million and RMB6.7 million, respectively.

PRODUCTION

Production Processes

We primarily manufacture compound seasonings in semi-solid and solid forms. Our typical production processes include:

Semi-solid compound seasonings:

- *Pre-treatment.* Raw materials are inspected upon receipt and undergo initial processing, such as cleaning, sorting and preliminary handling, in preparation for subsequent production steps.

- *Batching.* Pre-treated raw materials are weighed and batched in accordance with standardized or customized formulations to ensure consistency and accuracy.

- *Cooking / Stir-frying.* Batched materials are cooked or stir-fried under controlled temperature and time parameters, and Super Reactor technology may be applied during the process to develop the desired flavor profile and texture.

- *Filling.* Finished products are filled into designated containers using standardized filling procedures to ensure portion accuracy and product integrity.

- *Outer packaging.* Filled products are packed into outer packaging, inspected in accordance with quality control procedures and transferred to storage or distribution.

Solid compound seasonings:

For solid compound seasonings, the manufacturing process is generally similar to semi-solid compound seasonings, except that the cooking or stir-frying step is replaced by a mixing process, during which batched raw materials are evenly blended under controlled conditions to achieve the required formulation consistency before filling and outer packaging.

Moreover, certain products may include additional processing steps. For example, for fermented products, raw and auxiliary materials are combined with our cultivated bacterial cultures and subjected to a controlled fermentation process. The resulting fermented material is then utilized as an in-house intermediate component in subsequent cooking stages to produce the final product, which is stable and non-fermenting.

Production Facilities

We operate two major production bases in Chongqing, namely Fuling base and Hechuan base, each equipped with modern manufacturing and packaging lines, with a site area of approximately 33,000 and 84,900 square meters, respectively. Our production facilities are supported by a combination of automation equipment and digital management systems, which enhance production efficiency, batch stability and product consistency across different product categories.

Through a modular production structure and intermediate product management, we are able to flexibly allocate production capacity between standardized and customized products. Certain semi-finished or intermediate components are produced and managed in a standardized manner and subsequently used across different formulations and final products. This approach enables us to respond efficiently to customized requirements while maintaining stable quality and operational efficiency.

Base	Location	Major applications	Key characteristics
Fuling base (涪陵基地)	Fuling Bonded Zone, Hefeng Avenue, Fuling District, Chongqing, China	Sauces, bases, oils	Batch production; supports standardized and large customized orders
Hechuan base (合川基地)	Industrial Park, Nanjin Street Subdistrict, Hechuan District, Chongqing, China	Sauces, bases, chili oil, soup/powder products	Batch and flexible small-batch production

The Fuling base primarily focuses on batch-oriented production and serves as a core manufacturing base for standardized products as well as large-volume customized orders, benefiting from its scale and production efficiency. In particular, its Super Reactor equipment provides a distinct advantage in single-batch large-scale output, enabling us to efficiently meet demand for products with higher production volume requirements. By contrast, the Hechuan base emphasizes production flexibility, enabling efficient handling of multiple product types, diversified production requirements and shorter lead times. Together, the two bases form a complementary manufacturing system that supports both large-scale standardized production and responsive, multi-variety customized delivery.

Our production bases are equipped with a range of key equipment and machinery tailored to the manufacturing of compound seasonings. These facilities and equipment support efficient product switching, consistent quality control and scalable production, and are aligned with our modular production and intermediate product strategy.

The following table sets forth information on production capacity, production volume and utilization rate of our production bases during the Track Record Period:

	Year Ended December 31,									Three Months Ended March 31,		
	2023			2024			2025			2026		
	Designed Production Capacity(1)	Actual Production(2)	Utilization Rate(3)	Designed Production Capacity(1)	Actual Production(2)	Utilization Rate(3)	Designed Production Capacity(1)	Actual Production(2)	Utilization Rate(3)	Designed Production Capacity(1)	Actual Production(2)	Annualized Utilization Rate(3)
	tons	*tons*	*%*	*tons*	*tons*	*%*	*tons*	*tons*	*%*	*tons*	*tons*	*%*
Fuling base	15,000	2,656	17.7	15,000	9,143	61.0	15,000	8,225	54.8	15,000	2,385	63.6
Hechuan base	54,000	48,803	90.4	54,000	52,977	98.1	69,000	50,067	72.6	69,000	13,035	75.6

Notes:

(1) The designed production capacity for the year/ period is calculated based on the following assumptions: (i) all production lines are functioning at full capacity; and (ii) our production bases operate 10 hours per day and 288 days per year.

(2) The actual production volume during the year/ period is the total volume of the products produced during the year/ period.

(3) The utilization rate during the year/ period equals the actual production volume divided by the designed production capacity during the same year/ period.

Primary factors affecting the utilization rate of our production facilities include (i) fluctuations in production volumes resulting from seasonality in customer demand, (ii) changes in production mix among different types of compound seasonings, including standardized and customized products, and (iii) testing, commissioning and process validation activities required for new products and process adjustments prior to mass production. During the Track Record Period, the utilization rates of our production facilities exhibited fluctuations primarily due to changes in market demand and production planning, as well as the ramp-up and optimization of certain production lines. In particular, variations in product mix and scheduling between customized compound seasonings and standardized compound seasonings may lead to short-term fluctuations in capacity utilization.

In 2023, the utilization rate of Fuling base was relatively low primarily because the plant was still in the ramp-up and optimization stage. In addition, fluctuations in customer demand, production scheduling and product mix, as well as testing and validation activities for new products and process adjustments, also affected capacity utilization. In 2024, the utilization rate increased significantly as production volumes improved following stronger market demand, more stable production planning and further optimization of production lines, which allowed the plant to operate at a higher level of efficiency. In 2025, the utilization rate of the Hechuan base declined primarily due to the commissioning of the newly built production facility in April 2025, which expanded the base's production capacity. For the three months ended March 31, 2026, the relatively high utilization rate of our production bases was primarily attributable to the concentration of production orders during the period.

Our key production facilities generally have useful lives of approximately ten to 40 years, and such useful lives may be extended through appropriate repair and routine maintenance. We believe that our production facilities are well maintained, in good operating condition and suitable for their current production purposes.

We have established and implemented a set of internal rules, procedures and operating guidelines covering the use, management and maintenance of our production facilities, with such procedures tailored to different types of equipment, production lines and process specifications. Regular inspections are carried out to assess the operating condition of our facilities, and preventive maintenance and timely repairs are conducted in accordance with established maintenance schedules.

During the Track Record Period, we did not experience any material or unexpected suspension of production operations due to major equipment failure or facility malfunction.

SEASONALITY

Our business is subject to certain seasonality, primarily reflecting consumption patterns in the catering industry. Demand is generally higher prior to the Chinese New Year and National Day holidays, with relatively lower demand in traditional off-peak periods. However, given our diversified customer base and broad application scenarios across catering formats, such seasonality has not had a material adverse effect on our overall operations.

RAW MATERIAL AND SUPPLIER

Raw Materials Procurement

We procure a wide range of raw materials for our production mainly from China, primarily including oils and fats, spices, food ingredients and other ingredients, as well as packaging materials. Our key raw materials include soybean oil, beef tallow, chili products and Sichuan peppercorns, which are critical to the flavor profile and overall quality of our products. During the Track Record Period and up to the Latest Practicable Date, we did not experience any shortage or delay in supply of raw materials, and the raw materials provided by our suppliers did not have any significant quality issues.

We primarily adopt a centralized procurement model, under which specialized teams are responsible for supplier sourcing and development, commercial and cost management, and order execution. This approach enhances procurement efficiency, strengthens cost control and supports the establishment of stable supplier relationships. We have also established a structured procurement, quality control and traceability system covering supplier admission, procurement execution, logistics monitoring, inspection and testing, and performance evaluation, with full traceability from finished products to raw material batches.

To ensure supply stability and product quality, we work closely with our quality control and product development functions to enforce standardized raw material specifications, and all materials are subject to inspection prior to acceptance. For certain key agricultural products, we may procure directly from production areas or designated suppliers. In addition, we maintain diversified sourcing channels, establish substitution plans and alternative formulations for certain ingredients, and adjust procurement and production plans as needed to respond to supply fluctuations.

To manage procurement costs and mitigate the impact of price volatility, we continuously monitor market trends of key raw materials and may conduct bulk purchasing or strategic inventory building during periods of favorable pricing. We also implement supplier structure optimization and, where appropriate, enter into long-term supply arrangements. These measures enable us to enhance cost efficiency and partially mitigate the impact of raw material price fluctuations on our profitability.

Suppliers

We maintain a diversified supplier base and typically engage multiple qualified suppliers for key raw materials. We have established a comprehensive supplier management system, including supplier admission, evaluation and periodic review mechanisms. Supplier selection is based on factors such as qualifications, product quality, production capacity, pricing competitiveness and reliability. Approved suppliers are subject to ongoing performance evaluation, and we optimize supplier allocation through a competitive mechanism to ensure cost efficiency and supply stability. We also maintain a pool of potential suppliers, which allows us to respond flexibly to supply fluctuations.

Major suppliers

During the Track Record Period, purchases from our five largest suppliers accounted for 28.7%, 19.0%, 27.5% and 31.3% of our total purchases in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively. During the same periods, purchases from our largest supplier for each such period accounted for 8.8%, 5.7%, 8.0% and 10.0% of our total purchases, respectively. We typically settle payments with our major suppliers through bank transfer in accordance with agreed payment terms, which are generally on a monthly settlement basis, prepayment, or cash on delivery.

During the Track Record Period, none of our Directors, their respective associates, nor any shareholders of our Company (who or which to the knowledge of the Directors owned more than 5% of our Company's issued share capital) had any interest in any of our five largest suppliers. None of our major suppliers are our major customers and vice versa. All of our five largest suppliers during the Track Record Period were Independent Third Parties.

The tables below set forth certain information of our five largest suppliers during the Track Record Period.

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Payment term	Supplier background	Products and/or services purchased
	(RMB in millions)	*(%)*				
For the year ended December 31, 2023						
Supplier A	59.5	8.8	2018	Monthly settlement	A private-owned company primarily engaged in the production and sale of edible animal fats, edible vegetable oils and condiments, situated in Henan, with registered capital of RMB0.5 million	Oil and fats
Supplier B	49.0	7.2	2017	Monthly settlement	A private-owned company primarily engaged in the R&D and production of hot pot beef tallow and condiments, situated in Chongqing, with registered capital of RMB20.0 million	Oil and fats
Supplier C	41.0	6.1	2022	Cash on delivery	A private-owned company primarily engaged in the sale of edible vegetable oils, situated in Tianjin, with registered capital of RMB50.0 million	Oil and fats

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Payment term	Supplier background	Products and/or services purchased
	(RMB in millions)	*(%)*				
Supplier D	22.6	3.3	2018	Prepayment	A private-owned company primarily engaged in the processing and sale of edible vegetable oils, situated in Chongqing, with registered capital of RMB332.0 million	Oil and fats
Supplier E	21.9	3.2	2016	Prepayment	A public company listed on the Main board of the Shanghai Stock Exchange primarily engaging in the R&D, production and sale of amino acids and their derivatives, situated in Tibet, with registered capital of RMB2,804.2 million	Food ingredients
Total	**194.1**	**28.7**				
For the year ended December 31, 2024						
Supplier F	42.9	5.7	2023	Cash on delivery	A private-owned company primarily engaged in food wholesale and sales, situated in Sichuan, with registered capital of RMB6.1 million	Oil and fats
Supplier G	27.6	3.7	2016	Monthly settlement	A private-owned company primarily engaged in chili pepper cultivation, R&D, processing and sales, situated in Chongqing, with registered capital of RMB5.0 million	Spices
Supplier H	26.7	3.6	2023	Cash on delivery	A private-owned company primarily engaged in food manufacturing and sales, situated in Hangzhou, with registered capital of RMB6.0 million	Oil and fats
Supplier I	23.8	3.2	2019	Prepayment	A private-owned company primarily engaged in food wholesale and sales, situated in Chongqing, with registered capital of RMB1.0 million	Oil and fats

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Payment term	Supplier background	Products and/or services purchased
	(RMB in millions)	*(%)*				
Supplier J	21.6	2.9	2018	Monthly settlement	A private-owned company primarily engaged in food wholesale and sales, situated in Sichuan, with registered capital of RMB12.0 million	Oil and fats
Total	**142.7**	**19.0**				
For the year ended December 31, 2025						
Supplier K	50.4	8.0	2023	Monthly settlement	A private-owned company primarily engaged in the processing and sale of agricultural and sideline food products, situated in Liaoning, with registered capital of RMB13.3 million	Oil and fats
Supplier H	40.0	6.4	2023	Monthly settlement	A private-owned company primarily engaged in food manufacturing and sales, situated in Hangzhou, with registered capital of RMB6.0 million	Oil and fats
Supplier L	38.3	6.1	2025	Prepayment	A private-owned company primarily engaged in food wholesale and sales, situated in Chongqing, with registered capital of RMB2.0 million	Oil and fats
Supplier M	24.1	3.8	2020	Prepayment	A private-owned company primarily engaged in food wholesale and sales, situated in Sichuan, with registered capital of RMB5.0 million	Spices
Supplier I	20.2	3.2	2019	Prepayment	A private-owned company primarily engaged in food wholesale and sales, situated in Chongqing, with registered capital of RMB1.0 million	Oil and fats
Total	**173.0**	**27.5**				

Supplier	Purchase amount	Percentage of purchase contribution	Commencement of collaboration	Payment term	Supplier background	Products and/or services purchased
	(RMB in millions)	*(%)*				
For the three months ended March 31, 2026						
Supplier L	16.3	10.0	2025	Prepayment	A private-owned company primarily engaged in food wholesale and sales, situated in Chongqing, with registered capital of RMB2.0 million	Oil and fats
Supplier K	14.9	9.1	2023	Monthly settlement	A private-owned company primarily engaged in the processing and sale of agricultural and sideline food products, situated in Liaoning, with registered capital of RMB13.3 million	Oil and fats
Supplier H	8.7	5.3	2023	Monthly settlement	A private-owned company primarily engaged in food manufacturing and sales, situated in Hangzhou, with registered capital of RMB6.0 million	Oil and fats
Supplier M	5.9	3.6	2020	Prepayment	A private-owned company primarily engaged in food wholesale and sales, situated in Sichuan, with registered capital of RMB5.0 million	Spices
Supplier I	5.4	3.3	2019	Prepayment	A private-owned company primarily engaged in food wholesale and sales, situated in Chongqing, with registered capital of RMB1.0 million	Oil and fats
Total	**51.2**	**31.3**				

Supplier selection management

We have established a structured supplier selection and management framework to support the quality, reliability and continuity of our raw material supply. We maintain an approved supplier list and a pool of potential suppliers, categorized by material type and updated on an ongoing basis in line with our sourcing activities.

Supplier admission is subject to standardized qualification requirements. Depending on the nature of the suppliers and materials, such requirements generally include valid business licenses, relevant production or distribution permits, inspection reports and compliance with applicable food safety standards, as well as our internal raw material specifications and quality requirements. Suppliers are also required to provide batch-level inspection documentation to support traceability and are expected to demonstrate adequate production capacity, logistics capabilities and appropriate hygiene and safety standards.

Potential suppliers are subject to qualification assessments, which typically include document review, sample testing and, where appropriate, on-site or remote audits led by our quality control function with the participation of the procurement team. Our audit team with our quality control and procurement team generally assesses the supplier's production capability, quality control system, hygienic conditions, on-site management practices, and overall operational stability, with a particular focus on compliance with food safety requirements and the ability of supplied materials to meet our standardized raw material specifications, to ensure they align with our requirements an can mitigate risks of product contamination or quality inconsistency. Commercial assessments, including quotation comparison and internal price approval procedures, are conducted prior to approval.

We conduct periodic supplier performance evaluations in accordance with our internal policies, under which suppliers are assessed and scored against predefined quantitative and qualitative criteria, including quality performance, delivery reliability, commercial terms and service levels. Evaluation criteria also include ongoing compliance with food safety standards and consistency in meeting our internal raw material specifications, and the results form an important basis for supplier classification and procurement volume allocation for subsequent periods.

The frequency and depth of our on-site audits are tiered, with inspection requirements varying based on the supplier's classification, the strategic importance of the supplied materials, and historical performance records. Evaluation results are also considered as part of our ongoing supplier management and review processes, with the objective of enhancing cost efficiency, supply stability and overall supply chain quality.

Key arrangement with suppliers

We generally enter into procurement agreements or framework arrangements with our suppliers. Such agreements typically specify the contractual framework for pricing mechanisms, quality standards, delivery arrangements, payment terms, compliance obligations and liability allocation, while the specific terms of individual transactions, including product type, quantity, price and delivery schedule, are determined on a purchase order basis.

The procurement framework agreements generally have initial terms of approximately one year. Renewal is subject to mutual agreement between the parties. Either party may terminate the agreements upon expiry, by mutual consent or, in certain circumstances, by giving prior written notice or upon the occurrence of events such as material breach, insolvency or force majeure, in accordance with the contractual provisions. Payment terms vary depending on the nature of the raw materials and commercial arrangements and generally include prepayment, payment upon delivery or periodic settlement, primarily on a monthly basis, subject to product acceptance and invoice verification.

Prices are determined with reference to agreed price arrangements and prevailing market conditions, as set out in separate supply agreements or purchase orders. Depending on the nature of the materials and supply requirements, our pricing mechanisms generally include (i) volume-based arrangements with agreed purchase quantities, which may support supply planning and procurement stability, (ii) fixed-price arrangements for specified periods, and (iii) batch-based pricing determined on a periodic basis (such as monthly pricing), particularly for commodities with relatively higher price volatility. Prices are typically fixed under the agreed pricing mechanism for the relevant period or batch, and any adjustments are subject to mutual negotiation and written confirmation. The relevant agreements generally do not provide for automatic price escalation beyond the agreed terms, and price revisions are conducted on a case-by-case basis, taking into account market conditions and supply dynamics.

Suppliers are required to comply with applicable quality standards, specifications and regulatory requirements. Quality assurance, inspection procedures, handling of non-conforming products, returns and liability for quality issues are governed by contractual arrangements and applicable laws and regulations. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material breaches of such agreements or disputes with suppliers that had a material adverse impact on our operations or financial condition.

Warehousing and Inventory Management

Warehousing

We maintain warehousing facilities at our production sites, which are primarily used for the storage of raw materials, semi-finished products and finished products. Our raw materials inventory mainly includes key ingredients such as Sichuan peppercorns, chili, salt, sugar, monosodium glutamate, vegetable oils, animal fats and meat products. Raw materials that are critical to production or subject to supply volatility are generally maintained at reasonable safety stock levels.

Raw materials are received based on procurement plans and are subject to inspection by our quality control function prior to storage. Accepted raw materials are stored under batch-based and location-specific management, with the application of a first-in-first-out principle. Storage and issuance of raw materials are aligned with production plans, and materials are issued against proper documentation. Any exceptional circumstances, such as scrapping or abnormal consumption, are handled in accordance with established internal procedures.

Semi-finished products generated during the production process are stored in designated areas under controlled conditions and managed on a batch basis. The storage, transfer and further processing of semi-finished products are coordinated with production schedules to ensure traceability, quality consistency and orderly production flow.

Finished products are stored after completion of production and quality inspection. They are sorted and stored by region and order requirements and are dispatched based on delivery schedules, also under a first-in-first-out principle, with shipment information accurately recorded.

To maintain inventory safety and product quality, we have implemented a comprehensive stock monitoring and management system. This system is designed to proactively manage shelf life and warehouse aging risks. Key raw materials and products that approach predefined internal control thresholds for storage duration or remaining shelf life are automatically flagged for enhanced review and management actions. These actions may include priority allocation, quality re-inspection, or other measures to mitigate potential obsolescence or quality deterioration risks. Our internal control procedures ensure timely reporting and escalation of any inventory items requiring special attention, thereby supporting overall inventory health and product integrity.

Inventory management

Our inventory management is coordinated across multiple functions, including procurement, planning, production, warehousing and finance. We adopt a demand-driven production and procurement approach, whereby production plans are formulated based on sales forecasts and existing inventory levels, and procurement is arranged accordingly to maintain balanced inventory levels.

During the Track Record Period, our inventory levels and turnover remained within a manageable range, with inventory balances of approximately RMB116.9 million, RMB196.9 million, RMB127.0 million and RMB108.6 million as of December 31, 2023, 2024 and 2025 and March 31, 2026, respectively, and inventory turnover days of approximately 46 days, 76 days, 77 days and 51 days for the corresponding periods. See “Financial information – Discussion of Certain Key Items of Consolidated Balance Sheets – Inventories.”

We rely on an enterprise resource planning system, namely the UFIDA U8+ ERP system, to manage and monitor inventory in real time. The system enables the tracking of inventory balances by material type and batch. Based on production planning and current inventory levels, the planning function generates procurement requisitions where necessary. We also distinguish slow-moving or idle materials in both physical and accounting records and implement targeted management measures.

We conduct regular inventory reviews and physical stocktakes to ensure consistency between physical inventory and system records. In the event of temporary increases in inventory aging due to order fluctuations, production preparation or seasonal factors, we implement measures such as stricter production planning, enhanced first-in-first-out execution, and adjustments to procurement and safety stock levels. For materials identified as idle, measures including alternative use, reprocessing or disposal at discounted prices may be adopted as appropriate.

SALES AND MARKETING

Sales and Distribution

Our products are sold primarily in China through direct sales and distributor-based sales, with direct sales being our principal sales channel and distributor-based sales serving as a complementary channel. As of March 31, 2026, we had established 30 application centers across China, which primarily support the direct sales of our customized compound seasonings. Standardized compound seasonings are sold primarily through distributors. As of March 31, 2026, we had engaged 90 distributors and established a distribution network covering 25 provincial regions in China. During the Track Record Period, revenue generated through distributor-based sales accounted only for approximately 2.6%, 4.5%, 4.6% and 4.3% of our total revenue in 2023, 2024 and 2025 and the three months ended March 31, 2026, respectively.

Direct sales

We have established a direct sales model that primarily serves catering customers, enabling us to interact directly with customers, understand their operational needs and support product application and iteration. Direct sales allow us to obtain first-hand market and customer feedback, which we consider important for refining our product development, application solutions and commercialization strategies, while also enabling us to provide more responsive and tailored services to our customers and strengthen customer loyalty.

Our direct sales customers are primarily comprised of catering foodservice industry customers, including restaurant chains and catering operators of varying sizes, food processing companies and customers from emerging retail and new consumption channels. Commencing in 2025, we initiated online sales, with revenue from this channel accounting for less than 1% of our total sales in both 2025 and the three months ended March 31, 2026.

For customers with customization requirements, we engage closely with them to develop products aligned with their flavor positioning, operational requirements and target consumer preferences. Such products are supplied upon the completion of validation and testing processes. For standardized products, we offer scenario-adapted compound seasonings designed for broad applicability and ease of use, which can be efficiently deployed across multiple outlets and regions to support standardized and scalable operations.

The specifications, pricing and supply arrangements of our products sold through direct sales are determined pursuant to agreements entered into with the respective customers. Payments are generally settled by payment in advance or in accordance with agreed credit terms following delivery and acceptance of the products. Through our direct sales activities, we are able to deepen customer relationships, enhance product fit with practical usage scenarios and support long-term customer cooperation.

In addition, we conduct limited direct sales through selected online channels from time to time. Such online sales activities are primarily intended to support product exposure, brand communication and market testing, rather than serving as our primary sales channel. We do not rely on online retail channels as a core driver of our revenue, and our overall sales strategy remains focused on serving catering customers and professional foodservice operators.

Distributorship

Consistent with industry practice, we conduct part of our sales through an authorized network of distributors. Standardized compound seasonings are sold through our distributor network, enabling us to reach a broader base of small- and medium-sized end customers through distributors' channels. During the Track Record Period, we maintained seller-buyer relationships with distributors, pursuant to which they purchase our products from us and resell them primarily to small- and medium-sized catering customers through offline channels. Distributor-based sales mainly cover standardized products and certain light-customized products, and are complementary to our direct sales of customized solutions to mid-to-large catering customers.

In addition, our distribution network operates in a service-oriented manner. In addition to product supply, we provide distributors with application guidance, technical support and product training, enabling them to better serve downstream catering customers and facilitate effective product adoption and usage in real kitchen environments. This approach allows us to extend our service capabilities beyond direct sales channels while maintaining operational efficiency.

Leveraging distributors' local market knowledge, channel resources and logistics capabilities, we are able to expand our market coverage in a cost-effective manner and enhance brand presence in a broad range of regions. Our distributor network is primarily focused on the domestic market and currently covers the majority of provinces in China.

The following table sets forth the key metrics of our distributors for the periods indicated.

	Year Ended December 31,			Three Months Ended March 31,
	2023	**2024**	**2025**	**2026**
Number of distributors at the beginning of the year/period	120	82	132	133
Number of new distributors	40	82	39	3
Number of exiting distributors	78	32	38	46
Number of distributors at the end of the year/period	82	132	133	90

Our historical sales through distributors were generally recurring, except for circumstances where we terminated our relationship with certain distributors. During the Track Record Period, we discontinued business relationships with certain distributors primarily due to (i) our efforts to optimize the distributor network by phasing out underperforming distributors, (ii) non-compliance with contractual obligations, including pricing and regional restrictions, and (iii) changes in distributors' business focus or operational capabilities.

During the Track Record Period and up to the Latest Practicable Date, we did not experience material breach of distribution agreements that had a significant impact on our business, nor did we have any material disputes with or experience any return or exchange of products from our distributors that had a material adverse effect on our business. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, all of our distributors were Independent Third Parties and have no employment, financing or family relationship with us, except for one distributor (which had a total revenue contribution of less than 0.04% for each year/period during the Track Record Period) being our former employee. To the best of our knowledge, except for the business relationship with us pursuant to the distribution arrangements, there is no other relationship between the distributors and each of our Company, our subsidiaries, our Shareholders who own 5% or more of our total issued Shares, Directors or senior management or any of their respective associates.

Principal terms of distribution agreements

We typically enter into standard distribution agreements with our distributors. The principal terms of such agreements generally include:

- ***Term and termination.*** Distribution agreements are generally entered into for a fixed term, typically on an annual basis, and may be terminated prior to expiry in the event of material breach, including unauthorized sales activities, pricing violations or failure to meet agreed sales or operational requirements.

- ***Sales territory and channels.*** We may designate sales regions or customer scopes for distributors based on their capabilities and market coverage. Distributors are generally required to operate within their authorized scope and comply with our channel management policies.

- ***Pricing and sales policies.*** Distributors are required to comply with our pricing policies. Product pricing is determined based on market conditions, product types and order volumes.

- ***Payment terms.*** Distributors are generally required to make full payment prior to shipment of products.

- ***Delivery and logistics.*** Delivery arrangements are agreed between the parties, and we may be responsible for delivering products to locations designated by distributors. Risk of loss is generally transferred upon delivery or acceptance, as agreed in the contract.

- ***Quality assurance and returns.*** We provide product specifications and quality standards, and distributors are required to comply with applicable storage and handling requirements. Product returns are generally not permitted unless there are quality issues attributable to us, which is consistent with industry practice.

- ***Compliance and integrity.*** Distributors are required to comply with applicable laws and regulations, as well as our internal compliance policies, including anti-bribery and business integrity requirements.

Distributor selection and management

We adopt a structured process in selecting distributors, focusing on candidates with appropriate financial resources, market coverage, logistics capabilities, sales teams and compliance records. Distributor admission is subject to internal review and approval procedures.

We implement ongoing performance management for our distributor network, including regular assessment of sales performance, compliance with pricing and territorial restrictions, and inventory management. Based on performance reviews, we may provide operational guidance, adjust cooperation terms or terminate relationships with underperforming distributors.

Our distribution agreements require distributors to operate in compliance with applicable laws and regulations. We are not liable for losses arising from distributors' non-compliance. Compliance is monitored through contractual controls, periodic reviews and reporting mechanisms. Some distributors may sell our products to downstream retailers or catering operators, which is a common industry practice. We generally do not enter into contractual arrangements with such downstream parties and do not exercise control over their operations.

Channel stuffing and cannibalization risk management

We have implemented the following measures to mitigate the risk of channel stuffing:

(i) Payment discipline. Distributors are generally required to make payment prior to shipment, reducing incentives for excessive or speculative ordering;

(ii) Return restrictions. Distributors are not permitted to return products except in limited circumstances such as quality issues;

(iii) Performance monitoring. Distributor sales and inventory levels are reviewed on an ongoing basis; and

(iv) Inventory controls. Distributors are required to maintain reasonable inventory levels and comply with first-in, first-out inventory practices.

We have adopted the following measures to mitigate the risk of cannibalization among distributors and across sales channels: (i) designated sales territories and authorized channels under distribution agreements; (ii) differentiated product offerings and brand positioning across channels; (iii) unified pricing frameworks and monitoring of market prices; and (iv) reporting and investigation mechanisms for suspected unauthorized distribution.

Pricing Strategies

We adopt differentiated pricing policies based on customer types, product categories and cooperation models. In general, we consider both cost factors (including raw materials, labor, packaging materials, logistics and manufacturing) and market factors when pricing our products, and we seek to maintain reasonable margins in line with market practice.

For customized products, we typically price based on product cost, R&D input, process complexity and customers' price expectations, and we may also take into account long-term cooperation and procurement scale.

For standardized products, we generally reference market prices for comparable products and consider our cost structure and brand or channel positioning. Distributors and channel customers typically set their own end-market prices within agreed pricing arrangements.

We adjust pricing periodically or as needed. We update pricing models based on manufacturing, R&D and operating cost assessments, and we maintain authorization and approval mechanisms to allow price adjustments where necessary to support sustainable commercial cooperation.

Marketing

We adopt an integrated online and offline marketing approach focused on professional content and industry insights. During the years ended December 31, 2023, 2024 and 2025 and three months ended March 31, 2026, our advertising and other marketing expenses were RMB5.9 million, RMB9.8 million, RMB8.7 million and RMB1.8 million, representing 0.6%, 0.9%, 0.8% and 0.6% of our total revenue, respectively.

Online marketing is conducted through e-commerce and new media channels for brand display, lead generation and customer management, targeting chefs and catering operators. In addition to product promotion, we are progressively advancing from a product-led approach to a more systematic brand-building strategy. Centered on our core positioning of "scientific compound seasoning, modern supply chain capabilities and Chinese cuisine industrialization service capabilities", we continuously communicate our customer cases, product value, R&D capabilities and industry insights to strengthen our market recognition as a professional long-term service partner to catering brands.

Offline marketing is driven by our application centers and distributor network. As of March 31, 2026, we operated 30 application centers that engage with kitchens for product promotion and application, including tastings and demonstrations. We also organize customer engagement activities such as visits to ingredient origins and benchmark stores. In addition, we actively build a media and KOL ecosystem by establishing close and stable cooperative relationships with leading industry media outlets and key opinion leaders within the catering industry, thereby increasing our visibility and trust among key catering decision-makers.

We have also collaborated with leading domestic video platforms such as Douyin (TikTok) to launch themed campaigns, including the Douyin Hotpot Season, leveraging content marketing, influencer engagement and topic-based operations to amplify the strengths of our hotpot products and table-set solution offerings. These initiatives have helped us further deepen our industry presence, strengthen brand awareness and accumulate long-term brand equity.

Customers

Our customers mainly include direct sales customers and distributors in the forms of corporate entities and sole proprietorships, primarily comprising catering and foodservice businesses, including restaurant chains and catering operators of varying sizes, food processing companies and customers from emerging retail and new consumption channels, as well as distributors serving the catering and foodservice market. Certain of our sole proprietorship customers settled payments with us through the accounts of the respective operators. Such settlement does not constitute third party payment arrangement considering that, as advised by our PRC Legal Advisor, according to relevant PRC laws and regulations, sole proprietorships are not independent legal entities, and their debts shall be assumed by their business operators with their personal and/or family assets, and as such, payments made by the business operators for purchases ordered by the sole proprietorship enterprises are merely payments of such sole proprietorship enterprises.

During the Track Record Period, revenue generated from our top five customers for each period accounted for 15.1%, 15.1%, 14.6% and 13.5% of our total revenue for the respective periods, and revenue generated from our largest customer for each period accounted for 5.5%, 5.4%, 4.7% and 3.7% of our total revenue in the same periods, respectively. We typically settle payments with our major customers by bank transfer in accordance with agreed credit terms, which are generally 30 to 60 days. Our sales to the five largest customers in each year/period during the Track Record Period were not more than 30% of our total sales for the same years/period.

To the best of our knowledge, all of our five largest customers in each year during the Track Record Period were independent third parties. As of the Latest Practicable Date, none of our Directors, their associates or any of our Shareholders (who or which to the knowledge of the Directors owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period during the Track Record Period.

Logistics

We primarily rely on third-party logistics service providers for product delivery, leveraging the location of our production bases to serve customers nationwide. As of the Latest Practicable Date, we had engaged three logistics service providers.

We engage logistics service providers on an order-by-order basis, typically entering into individual agreements for each shipment. For key transportation routes, we usually maintain primary and secondary providers to ensure operational flexibility and service continuity. We select logistics service providers based on a comprehensive set of rigorous criteria, including their market reputation, operational scale, industry track record and pricing competitiveness. Depending on product characteristics, we utilize appropriate ambient or cold chain logistics arrangements to maintain product quality during storage and transportation. We require logistics providers to maintain appropriate hygiene standards, transportation conditions and relevant certifications to ensure product safety during storage and transit.

We typically adopt standardized logistics agreement templates, which clearly allocate delivery-related risks to the service providers, hold them liable for product contamination during transportation and require them to maintain appropriate insurance coverage. We conduct ongoing performance evaluations of our logistics service providers based on delivery timeliness, transportation capability, service quality and compliance with our food safety standards.

We maintain backup providers for key transportation routes and conduct periodic reviews of logistics performance to ensure service stability. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any material disruption to product delivery or incurred any material losses due to late delivery or mishandling by our logistics service providers.

Product Returns and Warranty

We have established a comprehensive, end-to-end governance framework for product returns, customer complaint resolution and product recall, aligned with PRC food safety regulations and industry practices, to safeguard consumer interests and maintain product quality integrity.

During the Track Record Period, we experienced no material customer complaints, disputes or product recall incidents arising from product quality issues. As a result, we did not record any provision for product warranties during the Track Record Period. Our rigorous quality control policies and practices underpin the consistent high quality of our products and strengthen our market reputation.

During the Track Record Period, our product return rates were approximately 0.5% in 2023, 0.3% in 2024, 0.3% in 2025 and 0.4% in the three months ended March 31, 2026. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant return incidents from major customers, nor were we involved in material disputes or litigation arising from product quality issues. We also did not have any product recall events.

QUALITY CONTROL AND FOOD SAFETY

We believe that food safety and product quality are fundamental to customer trust and our long-term development. We have established a comprehensive quality control and food safety management framework covering the entire supply chain, including raw material sourcing, inspection, production, storage and logistics, to ensure product safety, consistency and traceability.

Leveraging our end-to-end supply chain management capabilities, we maintain stringent control over key raw materials such as chili, Sichuan peppercorns and other spices through a combination of direct sourcing, upstream collaboration and standardized procurement requirements. We emphasize the use of natural ingredients and implement full-chain quality control from source to finished products, supporting stable flavor profiles and reliable product quality.

Our quality control system is supported by a comprehensive traceability mechanism covering procurement, inspection, warehousing, production and shipment, enabling us to track each batch of products to specific suppliers, origins and inspection records. Raw materials are subject to strict inspection procedures prior to acceptance, including physicochemical, microbiological and safety-related testing, with dual assurance through internal testing and third-party verification where appropriate.

We have established a professional testing and inspection center and a comprehensive quality and safety control system. We hold multiple quality and food safety certifications, including CNAS and CMA accreditations, as well as internationally recognized management system certifications such as ISO9001, FSSC22000, HACCP, ISO14001 and ISO45001, reflecting our adherence to stringent quality control and food safety standards.

Supported by our traceability system, testing capabilities and standardized quality control processes, we have consistently maintained stable product quality and food safety performance. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material food safety or product quality incidents.

COMPETITION

We operate in a fragmented and competitive customized seasoning industry. The customized seasoning industry is still at a relatively early stage of development and most of the participants have not yet established advanced technological capabilities or mature operational systems. In China's seasoning and compound seasoning market, the growing penetration of chain restaurants, the increasing demand for regional flavors and the need for standardized supply have accelerated the shift toward more customized and technology-driven seasoning solutions. As a leading participant in the industry embracing an R&D driven approach towards our products and adopting smart technologies to enhance productivity, we are committed to driving innovation proactively, leading market transformation, providing close and responsive customer service, and ensuring timely responses to customer needs.

We believe that our diversified product offerings and customized service model allow us to better serve customers with different taste preferences and operational requirements. By leveraging our integrated research and development, production and service capabilities, we are able to provide tailored solutions that combine flavor development, packaging customization and specification adjustment. We also believe that our commitment to product consistency, food safety and scalable manufacturing supports our ability to maintain long-term customer relationships and strengthen our market position in an industry that continues to consolidate and evolve.

See "Industry Overview."

INSURANCE

We maintain insurance policies in accordance with relevant laws and regulations and based on our assessment of the needs of our operations and industry practices. In accordance with the requirements of relevant laws and regulations, we take out social insurances for our employees working in China, including employer's liability insurance, pension insurance, unemployment insurance, work-related injury insurance, maternity insurance and medical insurance. We also maintain certain property-related insurance covering facilities, machinery and equipment.

In line with general market practice, we do not maintain any business interruption insurance, key man life insurance, or insurance policies covering damages to our network infrastructures or information technology systems, which are not mandatory under PRC laws. See "Risk Factors – Risk Relating to Our Business and Industry – Our insurance coverage may be insufficient to cover all potential liabilities or losses."

EMPLOYEES

As of March 31, 2026, we had 1,456 employees and all of them were based in China. The following table sets forth a breakdown of our full-time employees by function as of March 31, 2026.

	Number of employees	% of total
Production	840	57.7
Sales and marketing	314	21.6
Quality control	78	5.4
Research and development	69	4.7
Administration	47	3.2
Procurement	21	1.4
Finance	21	1.4
Others	66	4.5
Total	**1,456**	**100**

We place strong emphasis on employee training and career development. Through systematic internal training programs, on-the-job skill improvement and targeted management capability development, we continuously enhance the professional competence of our employees and overall organizational efficiency. In addition, we provide regular professional training covering product knowledge, food safety, quality control, operational procedures and compliance requirements, especially for frontline production, R&D and quality control personnel, so as to ensure that all employees fully understand and strictly implement our operational standards and regulatory requirements. We also design clear career development paths and promotion mechanisms for employees at different levels, aiming to motivate employees, improve team stability and support our long-term development.

We believe that we maintain a good working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any significant labor disputes or any difficulty in recruiting staff for our operations.

In line with industry practice, we engage labor dispatching agencies from time to time to provide workers for certain frontline production positions at our manufacturing bases. The labor dispatching agencies we cooperate with are professional agencies with valid labor dispatching qualifications and are primarily located near our production bases, which enables timely staffing based on our operational needs.

We regularly review the qualifications of labor dispatching agencies and set out the rights and obligations of the labor dispatching agencies, dispatched workers and us in the relevant dispatching agreements.

We also engage outsourced personnel for certain sales-related functions in selected cities and temporary workers from time to time to address seasonal fluctuations in production demand, which we consider to be consistent with industry practice.

INTELLECTUAL PROPERTY

We believe that our intellectual property rights, including our patents, copyrights, trademarks, domain names, know-how, proprietary technologies and trade secrets, are important to our business and competitiveness.

As of the Latest Practicable Date, we had 16 registered patents, 50 copyrights including five software copyrights and 45 work copyrights, 130 registered trademarks, and two domain names. For further details of our material intellectual property rights, see "Appendix V – Statutory and General Information – Further Information About Our Business – 2. Intellectual Property Rights."

In addition to protection available under applicable intellectual property laws and regulations, we have implemented a series of measures to safeguard our intellectual property rights. Such measures include entering into confidentiality agreements and other contractual arrangements with our customers, suppliers, employees and other relevant parties.

In the event of any suspected infringement of our intellectual property rights, we may conduct investigations, collect evidence and take appropriate actions, including issuing warning letters and initiating legal proceedings, to protect our rights and interests.

During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any legal proceedings relating to infringement of intellectual property rights that, individually or in the aggregate, would have a material adverse effect on our business, financial condition or results of operations.

For risks relating to the protection and potential infringement of our intellectual property rights, see "Risk Factors – We may not be able to protect our intellectual properties against infringement and unauthorized use in counterfeit products."

PROPERTIES

Headquartered in Chongqing, we own and lease certain properties in China in connection with our business operation. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules. Since our property interests are for non-property activities and the carrying amount of certain of such property interests is above 15% of our total assets, we include a property valuation report on such property interests in this document pursuant to Rule 5.01B(2) of the Listing Rules. See "Appendix III — Property Valuation Report." The total market value of our property interests included in the property valuation report prepared by Cushman & Wakefield was approximately RMB152.8 million as of March 31, 2026. Except for the property interest described in the property valuation, we have no other owned property interest that forms part of our non-property activities that has a carrying amount of 15% or more of total assets pursuant to Rule 5.01(2)(b) of the Listing Rules.

Owned Properties

During the Track Record Period and up to the Latest Practicable Date, we had land use rights for four parcels of land and owned 13 properties in China with an aggregate floor area of

89,693.94 square meters, which were primarily for production and warehousing and other operational purposes.

As advised by our PRC Legal Advisor, as of the Latest Practicable Date, our domestic operating entities legally owned the above land use rights and property ownerships and were entitled to occupy, use, transfer, lease, mortgage or otherwise dispose of such land use rights and property ownerships in accordance with applicable laws.

Leased Properties

As of the Latest Practicable Date, we leased 50 properties with an aggregate site area of 50,754.41 sq.m. in China.

Certain lease agreements were not registered

As of the Latest Practicable Date, 48 lease agreements had not been filed for lease registration. Pursuant to Articles 14 and 23 of the Measures for the Administration of Leasing of Commodity Housing (《商品房屋租賃管理辦法》), lease registration shall be completed within 30 days after the execution of a lease agreement. A failure to do so may result in an order for rectification and administrative penalties. However, in accordance with Article 706 of the Civil Code of the PRC (《中華人民共和國民法典》), failure to complete lease registration does not affect the validity of the lease agreement.

As of the Latest Practicable Date, we had not received any notice from the relevant housing administration authorities requiring it to complete such lease registration, nor had it been subject to any penalty in respect of such non-registration. As advised by our PRC Legal Advisor, based on the above, the failure to complete such lease registration is not expected to have any material adverse effect on our business operations.

Certain lessors failed to provide ownership certificates

As of the Latest Practicable Date, the lessors of 26 leased properties had not provided property ownership certificates or authorisations evidencing their rights to lease the properties (the "**Leased Properties with Title Defects**"). Among such Leased Properties with Title Defects, 16 were used as dormitories, with an aggregate leased area of 2,619.11 square meters, representing 5.16% of the total leased area; and ten were used as offices, with an aggregate leased area of 2,546.04 square meters, representing 5.0% of the total leased area.

As advised by our PRC Legal Advisor, if the relevant lessors fail to provide property ownership certificates, there is a risk that the relevant lease agreements or lease arrangements may be challenged by entitled third parties as invalid or may be determined as invalid by competent authorities, which could result in us being required to vacate such leased premises. Our Directors consider that even if we were required to vacate the leased premises with title defects, it would not be difficult to source suitable alternative premises and would not have a material disruption to our operations. Accordingly, our PRC Legal Advisor is of the view that such circumstances would not have a material adverse effect on our business operations.

Save as disclosed above, our domestic operating entities are entitled to lease and use properties with valid property ownership certificates for the intended purposes, and the relevant lease agreements are legally valid and binding on both parties.

DATA SECURITY

We use information systems to support our day-to-day business operations, including production management, supply chain coordination, sales activities, customer management and internal administration. The data we handle primarily consists of business and operational information. The personal information involved is mainly general personal data, such as recipients' addresses and contact details. We do not, in the ordinary course of our business, collect or process large volumes of sensitive personal data.

We have put in place internal policies and procedures to manage data access and information security. Access to our core business systems and data is controlled through role-based permissions and internal authorization processes. We adopt commercially reasonable administrative and technical measures to help protect our data against unauthorized access, misuse or loss.

Our data protection and information security practices are designed to be appropriate for our current business scale and operating needs. We review our internal controls and procedures from time to time as our business develops and as regulatory expectations evolve.

As advised by our PRC Legal Advisor, we were in compliance with applicable PRC laws and regulations relating to data security and personal information protection in all material respects during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period, we did not experience any material data security incidents, cyber-security breaches or significant loss of business data.

LITIGATION AND COMPLIANCE

Legal Proceedings

We may, from time to time, become a party to various legal, arbitral or administrative proceedings arising in the ordinary course of our business. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral or administrative proceedings and we were not aware of any material pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. See "Risk Factors – Risks Relating to Laws and Regulations in the Jurisdiction(s) Where We Operate – We may be involved in legal proceedings, and the outcome of such proceedings may adversely affect our business."

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had complied with all relevant laws and regulations applicable to us in all material respects concerning our operations. See "Regulatory Overview."

RISK MANAGEMENT AND INTERNAL CONTROLS

We have established and implemented risk management policies and internal control measures covering our business operations, financial reporting and overall compliance. These measures are designed to identify, assess, manage and monitor risks relevant to our business on an ongoing basis. We review and update our internal policies and procedures from time to time to reflect changes in our business operations and regulatory environment.

Our Board is responsible for overseeing our overall risk management and internal control framework. The Audit Committee is authorized to review and evaluate the effectiveness of our financial controls, risk management and internal control systems, and to make recommendations to the Board where appropriate.

We have adopted internal policies and procedures to support compliance with applicable laws, regulations and the Listing Rules, including requirements relating to risk management, connected transactions and information disclosure. We also provide periodic training to our Directors and senior management on regulatory developments, compliance obligations and corporate governance matters.

Third-Party Settlement Arrangements

Background and Implications Relating to the Arrangements

Historically, certain of our customers China (individually or collectively, the "**Relevant Counterparty(ies)**") settled transactions through the accounts of third parties (the "**Arrangements**"). During the Track Record Period, the aggregate amount of payment made under the Arrangements was RMB30.8 million, RMB37.8 million, RMB28.9 million and RMB6.2 million, respectively, representing approximately 3.0%, 3.3%, 2.1% and 2.6% of our total revenue for the respective periods. No individual Relevant Counterparty made a material contribution to our revenue during the Track Record Period.

To the best of our knowledge, the designated third-party payors primarily consisted of affiliated entities of the Relevant Counterparties, persons affiliated with the Relevant Counterparties (such as legal representatives, shareholders, relatives (of the owners, shareholders or controllers) or employees) and business partners of the Relevant Counterparties. In some circumstances where orders were placed through our e-procurement system, our customers would obtain a payment QR code which could be settled by third-party payors. Based on the representation of the Relevant Counterparties and to the best knowledge of our Directors, the Relevant Counterparties utilized the Arrangements mainly because they preferred using their affiliated persons' accounts for convenience, or because they would like to avoid the cumbersomeness of corporate accounts and maintain operational flexibility. According to Frost & Sullivan, it is a common commercial practice in the catering and foodservice industry in China to settle transactions by such arrangements for convenience and flexibility.

During the Track Record Period, (i) we had not proactively initiated any Arrangements or participated in other forms in any of such Arrangements; (ii) we had not provided any discount, commission, rebate or other benefit to any of the Relevant Counterparties to facilitate or incentivize the Arrangements; and (iii) the pricing and payment terms of the agreements we entered into with the Relevant Counterparties were generally in line with those of customers not involved in the Arrangements. During the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contractual relationships. During the Track Record Period, to the best knowledge of our Directors, all Relevant Counterparties and the designated third parties who settled payments under the Arrangements were Independent Third Parties.

During the Track Record Period and up to the Latest Practicable Date, (i) we were not the subject of any investigations, enquiries, penalties, or surcharges as a result of our involvement in the Arrangements; (ii) we had received duly signed confirmation letters from the Relevant Counterparties, the aggregate amount of payment made by whom under the Arrangements accounted for a majority of the aggregate amount of payment made under the Arrangements during the Track Record Period, confirming that we shall not be involved in any risks or disputes arising from the payment arrangements between the Relevant Counterparties and their designated third parties, and that we are under no obligation to return any payments received from the designated third parties, regardless of any such disputes; and (iii) we had not encountered any actual or pending dispute or disagreement or any material claims against us in relation to in relation to the Arrangements.

As advised by our PRC Legal Advisor, (i) the Arrangements are not in breach of mandatory requirements of applicable laws or regulations in China; and (ii) as to the involved customers who have provided duly signed confirmation letters mentioned above, the risks are remote for us to be found obligated to return funds to the customers or their designated third parties, and/or their respective liquidators under the Arrangements. Based on the above, and having considered that (i) we had not been subject to any penalties, sanctions, or investigations related to money laundering due to the Arrangements during the Track Record Period and up to the Latest Practicable Date; and (ii) financial institutions that processed settlements under the Arrangements are required to assume the anti-money laundering obligations under applicable PRC laws, our PRC Legal Advisor is of the view that the risk of the Arrangements being deemed as constituting money laundering under the Criminal Law of the PRC for the purpose of covering up or concealing the source and nature of proceeds or gains is remote.

Enhanced Internal Control Measures

We have implemented enhanced internal control measures against re-occurrence of and risks arising from the Arrangements, including but not limited to the following:

- Our customers are only permitted to make payments: (a) directly from the accounts of the customers or relevant parties who assumed unlimited personal liabilities for the payment obligation thereunder; or (b) through accounts of affiliated entities within the same group as the customer (including parent companies, subsidiaries or branches) or the controlling shareholders or legal representatives of the customers. In the case of (b), such third-party settlement arrangements are subject to our internal control procedures, which may require, where applicable, a tripartite agreement among the customer, the third-party payor and us, under which the third-party payor confirms its payment obligation to us.

- For purchase through our e-procurement system, we enhanced our process to only allow customers to place orders and make payments directly through the same interface.

- We maintain a list of authorized third-party payors. Our staff check the information of payors when we receive payments, and strictly rejecting payments from entities outside the approved scope.

- Before accepting any third-party settlement within the approved scope, we collect information of the designated third-party payor such as identity cards, relationship proofs and rationale of the arrangement to ensure the settlement arrangement complies with our internal policies.

- Our employees are required to reject and/or return all payments made by third-party payers that fail to satisfy the above-mentioned requirements.

- We have notified the above policies and measures to relevant customers.

As of June 1, 2026, we had ceased or rectified all Arrangements, and all payments made thereunder had been fully settled. Our Directors are of the view that the cessation of the Arrangements did not have, nor will have, any material adverse effect on the business, operations and financial results of our Group as (i) all of the Relevant Counterparties who continue to conduct transactions with us since the implementation of enhanced internal control measures cooperated with the rectification process to cease or rectify all Arrangements; (ii) our business continued to operate in the ordinary course before and after the cessation of the Arrangements; and (iii) the cessation of the Arrangements did not affect the payment settlement from our Relevant Counterparties to us.

LICENSES, PERMITS AND APPROVALS

We maintain licenses, permits and approvals that are necessary to operate our business. As advised by our PRC Legal Advisor, as of the Latest Practicable Date, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material to the operation of our existing business. All of our licenses are valid and subsisting.

The table below sets forth a summary of the material licenses and regulatory approvals that we have obtained for our business operations as of the Latest Practicable Date:

Holder	License/Permit	Issuing Date	Expiry Date
Juhui Tech	Food Business License	May 28, 2024	May 27, 2029
Juhui Tech	Food Business Filing Certificate	October 16, 2023	N/A
Chongqing Meixiangyuan	Food Production License	November 5, 2025	December 1, 2026

Holder	License/Permit	Issuing Date	Expiry Date
Chongqing Meixiangyuan	Food Business License	March 14, 2024	March 13, 2029
Chongqing Meixiangyuan	Pollutant Discharge Permit	December 11, 2025	December 10, 2030
Juhao Food	Food Production License	December 23, 2024	September 8, 2026
Juhao Food	Food Business License	August 23, 2024	August 22, 2029
Juhao Food	Pollutant Discharge Permit	November 8, 2023	November 7, 2028

Among all the above, Food Business Filing Certificate is of long term validity. There is no material legal impediment in renewing our licenses, approvals, permits and certificate upon expiry in accordance with applicable laws and regulations.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions we received.

Award/Recognition	Award Year	Awarding Institution/Authority
Outstanding Private Enterprise of Chongqing (重慶市優秀民營企業)	2025	Chongqing Municipal People's Government (重慶市人民政府)
National Key Leading Enterprise of Agricultural Industrialization (農業產業化國家重點龍頭企業)	2024	Ministry of Agriculture and Rural Affairs of the People's Republic of China (中華人民共和國農業農村部)
Municipal-Level Green Factory Demonstration Enterprise (市級綠色工廠示範企業)	2024	Chongqing Municipal Economic and Information Commission (重慶市經濟和信息化委員會)
Chongqing's Technology Innovation Demonstration Enterprise (重慶市技術創新示範企業)	2023	Chongqing Municipal Economic and Information Commission (重慶市經濟和信息化委員會) Finance Bureau of Chongqing Municipality (重慶市財政局)
Chongqing "Specialized and New" Enterprise (重慶市"專精特新"企業)	2022	Chongqing Municipal Bureau of Economy and Information Technology (重慶市經濟和信息化委員會)

Award/Recognition	Award Year	Awarding Institution/Authority
Chongqing Smart Factory (重慶市智能工廠)	2022	Chongqing Municipal Economic and Information Commission (重慶市經濟和信息化委員會)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We place great emphasis on sustainable development and have integrated it into our corporate strategy to create long-term value for our stakeholders. Guided by our ESG vision of "Culinary for Good", we practice our "Sunshine Culture", which is to be responsible to our food product, resources, workforce, and society. We have established robust sustainability mechanism tailored to our business operations, and actively fulfill our social responsibilities, ensuring that our growth and development benefit the community and broader society.

ESG Governance

We are committed to achieving high standards of corporate governance. In strict compliance with applicable laws and regulations, we continuously refine our corporate governance structure and internal control systems, including the general meeting of shareholders and the board of directors. We have established a three-tier sustainability governance framework – "Governance – Management – Execution" – to ensure that all departments clearly fulfill their ESG responsibilities and implement ESG strategic goals.

Our ESG governance structure has three levels. At the top, our Board is the highest responsible body for ESG matters. The Board of Directors is in charge of reviewing material ESG risks and opportunities, approving strategies and policies, and monitoring progress. At the management level, the Sustainability Leadership Team is made up of key senior managers appointed by the Board. This team identifies and assesses ESG risks and opportunities, formulates strategies and work plans, guides implementation, and reports regularly to the Committee and the Board. At the execution level, a Sustainability Working Group coordinates day-to-day ESG tasks across all departments and reports to the Leadership Team and the Committee.

We are dedicated to safeguarding the interests of all our stakeholders, including shareholders and investors, governments and regulators, customers, distributors and suppliers, employees, and the communities we serve. We have established multiple communication channels to engage stakeholders effectively, understand their needs and concerns, and provide timely feedback. Through a series of improvement measures, we address stakeholder priorities, strengthen our governance framework, and continuously enhance our corporate governance standards.

ESG Strategy

To develop and refine our ESG strategy, we have established stakeholder engagement and materiality assessment mechanisms. This process enables us to identify, evaluate, analyze, prioritize, respond to, monitor, and report on ESG issues that are material to our business and external stakeholders, based on their impacts, risks and opportunities, exposure levels, and likelihood. This ensures that we promptly address any potential changes in ESG-related social trends and government policies that may pose risks to our business model and value chain. We plan to develop specific programs for material issues, including setting metrics and targets, formulating action plans, and implementing relevant initiatives to enhance our ESG performance and meet the expectations of our stakeholders.

We are planning to formulate ESG policies to integrate ESG concepts into our key decision-making and business development plans, thereby achieving sustainable development.

ESG Risk Management

We recognize that ESG-related risks can affect our business. Accordingly, we have established an ESG risk management system to identify potential ESG risks, assess their potential impacts, and continuously update. We incorporate ESG-related risks into our overall risk management framework and are systematically managed in alignment with laws, and regulations. We continuously optimize our ESG risk management system, which is built on a "three lines of defense" responsibility framework. Business and functional departments form the first line, identifying and controlling risks within their own areas. Legal, compliance, internal control, and finance departments make up the second line, coordinating risk management measures across our company. The internal audit and supervision department serves as the third line, conducting annual audits to oversee and guide our overall risk management efforts. During the Track Record Period, we did not receive any material administrative penalties for violations of health, safety, or environmental regulations.

ESG Metrics and Management Measures

We regard sustainable development as the foundation of our high-quality growth. We continuously strive for innovation in production and management, integrating the concept of sustainability throughout our entire operations.

Climate Change and Energy Management

We have incorporated climate change considerations into our ESG governance framework. We identify and manage climate-related risks and their potential financial impacts, while actively pursuing low-carbon transition opportunities. By doing so, we continuously enhance our climate resilience to drive high-quality growth across the business. We have established a comprehensive management process to identify, track, control, and continuously monitor climate-related risks and opportunities. We strictly comply with national environmental and energy laws, regulations, and rules. We developed and regularly update internal policies, rules and operating procedures to ensure coverage of employees, suppliers, and other stakeholders.

We have identified two main types of climate change-related risks. Physical risks, such as extreme weather and natural disasters, may disrupt raw material supply, damage facilities, threaten employee safety, and delay deliveries. Transition risks arise from the shift to a low-carbon economy and include policy, technology, market, and reputational challenges, which may require additional investment in areas like renewable energy and sustainable procurement. To address physical risks, we have developed emergency plans and diversified our supplier base across regions to reduce reliance on single-source materials. For transition risks, we track policy developments, allocate dedicated budgets for energy-saving and equipment upgrades to improve energy efficiency, and work to reduce indirect carbon emissions by developing sustainable products. These measures help us to promote waste recycling, adopt green logistics and eco-friendly packaging.

We actively respond to the national "dual carbon" goals and have taken multiple measures to enhance energy management. We strictly comply with the Energy Conservation Law of the People's Republic of China and other laws and regulations. We have implemented a Cost and Waste Management System. Through this system, all departments work together to use energy, water, and raw materials more efficiently. For monitoring, we have built a factory energy consumption matrix and installed energy metering systems. This allows us to track energy use by workshop and by equipment in real time. We also run regular energy-saving training for employees. In terms of technology and equipment, we continuously upgrade for better energy efficiency. We replace low-efficiency equipment with high-efficiency cookers that come with waste heat recovery systems. We also fine-tune the temperatures and times for frying and boiling processes to cut out unnecessary energy use. To improve our energy mix, we installed distributed photovoltaic power stations to use more clean energy.

Water Resources Management

We use municipal tap water as our primary source for production and domestic use, with a stable water supply. However, there is still room for improvement in water use efficiency in production processes and the recycling ratio of cooling water. Thereby, we have advanced water conservation efforts in the areas of water monitoring, water efficiency, and water recycling.

We manage water resources in three ways: monitoring, efficiency improvement, and recycling. For monitoring, we conduct regular water balance tests so we can track and manage water use with data across all workshops and processes. To improve efficiency, we have optimized cleaning and boiling processes, introduced counter-current cleaning, and installed high-efficiency equipment. We also carry out routine checks and repairs on leaks to cut waste at the source. To promote recycling, we use closed-loop cooling systems. We also reuse treated wastewater in non-production processes like cooling and cleaning, which steadily raises our water recycling ratio.

Pollutant Discharge and Waste Management

We strictly comply with applicable environmental laws and regulations and has established internal policies such as the Wastes Emission Management System (三廢排放管理制度) and the Emergency Response Plan for Environmental Incidents (突發環境事件應急預案). We incorporate environmental compliance into the performance indicators of all departments, overseen by the Environmental, Health and Safety (EHS) department, to ensure strict implementation of control requirements for pollutant emissions throughout the entire production process.

For exhaust gas treatment, we have installed "high-efficiency oil fume purification + water spray treatment" facilities in processes such as frying and boiling. We have also optimized the production processes to ensure that emission concentrations of oil fumes, non-methane total hydrocarbons (NMTHC), particulate matter, sulfur dioxide (SO_2), and nitrogen oxides (NO_x) comply with environmental impact assessments, pollutant discharge permits, and national emission standards. For wastewater treatment, we have upgraded our wastewater treatment station and installed online monitoring equipment for real-time control, ensuring that the COD (Chemical Oxygen Demand) emission concentration is in strict compliance with the Integrated Wastewater Discharge Standard. In terms of waste management, we dedicate to optimizing formulations and production processes to reduce raw material losses and the generation of waste residues and waste oil at the source. At the same time, we collaborate with downstream enterprises to convert production waste residues into biomass fuel or organic fertilizer, thereby enhancing resource utilization and achieving coordinated progress in waste reduction and resource recovery. We have obtained ISO 14001 certification for our environmental management system. The Chongqing Meixiangyuan (重慶梅香園實業集團有限公司) production base has been recognized as a Green Factory Demonstration Enterprise (重慶市綠色工廠示範企業) and a Water-Saving Enterprise (重慶市節水型企業) in Chongqing municipality.

The table below sets forth the details of our resource consumption, waste emissions, and pollutant emissions during the historical periods:

	Year Ended December 31		
	2023	2024	2025
Greenhouse gas (GHG) emissions (Scope I and Scope II) (tons of carbon dioxide equivalent)[1]	10,883.53	13,055.95	12,977.00
GHG emissions per unit of production (tons of carbon dioxide equivalent/tons)	0.19	0.22	0.22
Scope I emissions (tons of carbon dioxide equivalent)	7,292.45	8,498.43	8,483.26
Scope II emissions (tons of carbon dioxide equivalent)	3,591.08	4,557.52	4,493.74
Total energy consumption (MWh)	36,932.34	43,939.53	44,137.30
Purchased electricity (MWh)	6,767.96	8,589.37	8,469.17
Renewable energy consumption (MWh)	–	–	776.00
Total water consumption (cbm)	166,596	195,582	226,358
Total wastewater discharge (cbm)	108,710	147,292	156,373
Total non-hazardous waste recycled (tons)	2,586	2,900	2,625
Total non-hazardous waste disposed (tons)	6,351	6,604	6,165
Total amount of hazardous waste disposed (tons)	0.5	1.7	1.1

Note:

(1) GHG emissions are calculated in adherence to the GHG Protocol standards. Scope I emissions include direct greenhouse gas emissions from sources owned or controlled by our Company, including stationary combustion sources, mobile combustion sources, and direct fugitive emissions from anthropogenic systems. Scope II emissions include indirect greenhouse gas emissions from the generation of purchased or acquired electricity, calculated in location-based method.

Food Waste

We implement the concept of "food designed for waste reduction" throughout the entire chain of "research and development (R&D) – production – customer service", actively responding to the national "Empty Plate" campaign.

As a compound seasoning manufacturer, we apply precise spiciness grading technology at the R&D stage to help end consumers "finish the last piece of food" and avoid wasting half pot of chili oil when having hotpot. By reducing inedible portions, we increase the "edible ratio" of our products, thereby improving seasoning utilization at the source and reducing kitchen waste. In the production process, we study and apply advanced technologies such as ultra-fine grinding and reactor systems to efficiently extract and retain flavor compounds from raw materials like spices, enhancing utilization rates and reducing raw material waste. During the customer service process, we proactively extend the waste reduction value chain. Our application R&D engineers visit catering clients' kitchens to diagnose waste flows. Through customized seasoning solutions, we redesign kitchen by-products – such as fruit and vegetable stems and roots, meat trimming offcuts, and spice residues – into sellable, profitable innovative dishes.

Food Safety and Quality

We have deeply integrated sustainability concepts into our food safety and quality management system from the R&D stage, leveraging technological innovation to ensure food safety while ensuring environmental and social benefits.

In response to the food safety concerns associated with the use "lao you" (recycled oil) in traditional Chongqing hotpot, we launched the Laoyouji 1983 products series of hotpot base. Leveraging technological innovation, we replace traditional recycled oil with fresh oil, to ensure safe cooking oil usage while maintaining the "lao you" flavor. These series of products have been supplied to nearly 1,000 catering brands, generating hundred-million-RMB revenue. We also jointly launched a "water-base hotpot (水火鍋)" beef tallow hotpot base with our clients, utilizing water-soluble flavor technology to reduce the usage beef tallow. Through this innovation, we developed healthier hotpot base with less oil and salt content while preserving beef tallow's signature flavor.

We have obtained ISO 9001 quality management system certification and HACCP (Hazard Analysis and Critical Control Points) system certification. Our Chongqing Meixiangyuan (重慶梅香園實業集團有限公司) production base has also obtained ISO 22000 food safety management system certification. During the historical periods, we did not experience any major liability incidents related to food safety or service quality.

Supply Chain Management

We have established a supply chain compliance due diligence system and a tiered supplier management system, with a focus on all tier-one suppliers. The systems cover the entire process from supplier admission to periodic review and renewal review to ensure supply chain compliance and security.

We perform strict compliance checks on all tier-one suppliers before they are admitted. Their qualifications shall be cross-checked, and Priority goes to suppliers with ISO 14001 certification or green product credentials. Suppliers must sign compliance documents covering food safety, environmental protection, and anti-corruption. They also need to submit environmental product ingredient lists along with third-party test reports. For core raw material and strategic suppliers, we carry out joint on-site audits. These audits check production conditions, quality management, traceability, and compliance. All samples must pass testing at our CNAS- and CMA-certified testing center before admission. During periodic and renewal reviews, we apply a dynamic tiered mechanism. This covers qualification re-verification, performance review, and risk reassessment. Suppliers who pass are granted renewal. Those who fail receive a deadline for improvement. If they still do not comply, they are removed from the supplier list.

In addition, we include certifications in occupational health and safety (e.g., ISO 45001), labor rights (e.g., BSCI/SMETA), and voluntary carbon disclosure as bonus evaluation criteria during admission and routine inspections, to incentivize suppliers' proactive management and to promote sustainable development across the supply chain.

Employment Compliance

We are committed to building a "people-oriented" human resources management system. We strictly adhere to the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, and other laws and regulations related to labor and social security systems to protect the legitimate rights and interests of our employees. We uphold the principles of fairness and justice in all aspects of recruitment, promotion, and compensation evaluation. We are determined to make related decisions solely based on job competency and performance, and oppose any form of discrimination based on gender, age, ethnicity, religion, marital status, disability, or any other factors. We foster a diverse and inclusive employment environment, ensuring equal employment opportunities for women, ethnic minorities, and persons with disabilities, and strictly prohibit any illegal use of child labor or forced labor.

Occupational Health and Safety

We have established an occupational health and safety management system including Work Safety Responsibility System (安全生產責任制度), Emergency Response Plans (應急預案), and Regulations on the Management of Labor Protection Supplies (勞動防護用品管理規定), in compliance with laws and regulations such as the Work Safety Law of the People's Republic of China and the Law on the Prevention and Control of Occupational Diseases of the People's Republic of China. We are committed to providing employees with a safe and hygienic working environment.

We implement a full-staff safety responsibility system, with safety responsibility agreements signed at each level. Hazards such as high temperature, steam, mechanical injury, chemical exposure, dust, and noise are regularly assessed and managed through a tiered approach. We organize annual occupational health checks for employees exposed to hazardous factors and maintains individual health records. New employees must complete three-level safety training, and personnel engaged in special operations must hold relevant certifications.

Emergency drills for mechanical injury, chemical leakage, and fire evacuation are conducted semi-annually. To ensure implementation, safety related indicators are incorporated into the performance evaluations of departments and management personnel. Regular safety meetings are held with employee representatives invited to participate in improvement discussions.

We have obtained ISO 45001 occupational health and safety management system certification. During the historical period, we have never experienced any accidents involving fatalities or serious injuries during business operations.

Community Engagement

Guided by our ESG vision of "Culinary for Good," we try to fulfill social responsibilities while pursuing business growth. Over the years, we participate in community philanthropy. We continuously contribute to programs for public good in the areas of education, sports, and culture, thereby fulfilling our commitment to promoting sustainable development in a broader society. In the field of education, our chief executive officer serves as a council member of the Southwest University's Education Foundation, making donations to support educational development. We have also established talent cultivation cooperation mechanisms (人才培養合作機制) with several local colleges, providing students with internship and employment opportunities, to nurture talent for the industry. In addition, we have set up a college entrance examination incentive program (高考激勵機制), supporting employees' offspring to pursue further education. In the areas of sports and culture, we have consistently provided sponsorship for cultural and tourism activities and marathon events in Hechuan District, Chongqing, supporting the development of local cultural, tourism, and sports undertakings.

Business Ethics

We strictly comply with applicable domestic and international laws and regulations, including the Anti-Unfair Competition Law of the People's Republic of China and the U.S. Foreign Corrupt Practices Act. We have established a series of internal compliance and governance policies, such as the Code of Business Conduct (商業行為準則) and the Anti-Corruption Compliance Policy (反腐敗合規政策). We explicitly prohibit commercial bribery, improper gift-giving and money acceptance, and payments made to obtain improper benefits. At the same time, we sign Integrity Agreements (廉潔協議) with suppliers, clearly defining various prohibited behaviors. We require suppliers to establish anti-corruption policies; and conducts internal reviews of business ethics and compliance based on relevant policies. Through the above measures, we are committed to fostering a clean and transparent working environment both within and outside our Company. During the historical period, we have not been involved in any litigations related to corruption or unfair competition.