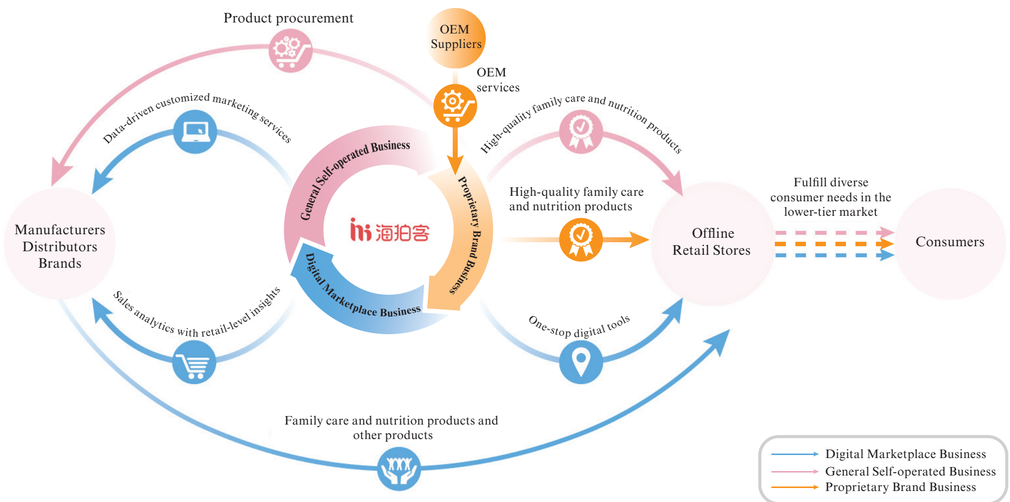
OVERVIEW

We are a commerce and service platform serving businesses in China's family care and nutrition product industry in lower-tier market. Operating through two core models, namely, (i) a digital marketplace model, where our *Hipac* platform connects family care and nutrition product vendors with diverse buyers to streamline supply chains and facilitate transactions, and (ii) a self-operated model, where we hold inventory of family care and nutrition products and sell them to downstream buyers via our *Hipac* platform, we reorganize the family care and nutrition product supply chain, empower our business customers with a wide portfolio of family care and nutrition products, optimize consumer experience and facilitate consumption upgrades in lower-tier market. In 2025, our GMV generated from family care and nutrition products in China's lower-tier market reached RMB7.9 billion, making us the largest commerce and service platform serving businesses in China's family care and nutrition product industry in lower-tier market in terms of GMV in 2025, with a market share of 8.7%, according to Frost & Sullivan.

China's family care and nutrition product industry in lower-tier market is characterized by a fragmented structure at both ends, with a multitude of upstream brands, distributors and manufactures, and geographically dispersed downstream retailers. Under the traditional multi-layer distribution model utilized by major family care and nutrition product brands, the vast small-scale offline retail stores, especially those in the lower-tier market, are typically limited to sourcing from last-layer distributors, resulting in elevated procurement costs, uncertain transaction security, limited product selections and unstable supply. Simultaneously, the traditional multi-layer distribution model also leads to higher distribution expenses for upstream brands and manufacturers, eroding their profitability. Such lengthy process also results in severe information asymmetry across the transaction value chain where upstream brands and manufacturers cannot promptly and precisely access retail-level sales data, giving rise to regional inventory redundancy and homogeneous product competition.

To tackle such pain points, our *Hipac* platform, a B2B online distribution platform adopting an asset-light model, efficiently connects family care and nutrition product vendors (including manufacturers, distributors and brands) with a wide range of buyers, fostering a fully integrated ecosystem. As of December 31, 2025, our *Hipac* platform covered 31 provinces, municipalities and autonomous regions and across over 3,000 counties and villages nationwide. For the year ended December 31, 2025, our *Hipac* platform had over 76,000 core buyers which placed over 24 orders on our platform during the year, with an average of 11 orders placed by each core buyer per month.

The following chart illustrates our business model and the core participants in our ecosystem:



The history of our business can be traced back to April 2015 when we launched our digital marketplace business with the introduction of *Hipac* platform, a platform designed to bridge the supply-demand gap for family care and nutrition products in lower-tier market in China. Our registered buyers can directly place orders with upstream vendors stationed on our *Hipac* platform and receive products directly delivered by vendors. As the owner and operator of *Hipac* platform, we generate revenue by charging vendors commissions based on their GMV transacted through our platform. Building on our sales network and industry expertise, we also provide customized marketing services for family care and nutrition product brands and manufacturers, to further deepen our collaboration with them and explore additional monetization opportunities through platform synergies. For the year ended December 31, 2025, our *Hipac* platform recorded total GMV of RMB10.5 billion.

Established upon the downstream buyer network of our *Hipac* platform and our deep collaboration with upstream brands, distributors and manufacturers, we expanded into the self-operated business in 2019 where we bear the inventory risk to better meet evolving procurement and fulfilment needs while deepening industry connections. We first launched general self-operated business, where we primarily focus on product categories characterized by high channel added value, diverse supply source with fragmented yet fast-growing downstream demand, such as infant formula and dietary supplements. Leveraging our ownership and operation of our *Hipac* platform, we gather downstream demands to strengthen our bargaining power, ensuring cost-competitive offerings. Through granular analysis of buyer's purchasing pattern, we source products directly from family care and nutrition product brands, their authorized distributors and manufacturers and sell them on *Hipac* platform as the vendor. Underpinned by our sales network advantage and in-depth understanding of the consumer demands in lower-tier market, we maintain efficient inventory turnover under our general self-operated business, with inventory turnover days of 36, 39 and 25 in 2023, 2024 and 2025, respectively. For the year ended December 31, 2025, our general self-operated business served over 150,000 paying buyers (buyers which placed at least one order through our own online stores on *Hipac* platform) and offered over 2,400 SKUs.

Following the successful launch of general self-operated business, we expanded our self-operated business and introduced proprietary brand business in 2021. This new business model features curated white brand disposable diaper products produced by third-party manufacturers with limited brand recognition, as well as exclusive self-developed and OEM-produced brand collections. We identify unmet market demand through big data analysis of transaction data accumulated on *Hipac* platform as well as through continuous communication between our sales and marketing team and offline retail stores, and bring a wider range of cost-competitive products to consumers in lower-tier market. For example, our proprietary brand *Wonder Miao* (喵小侠), became one of the top 10 children's food brands on Tmall and Douyin during Double 11 Shopping Festival in 2022, and recorded GMV growth of over 2,000% in the first year of its launch. In addition, to meet consumers' growing demand for cost-competitive essential FMCGs, we offer products of high quality at medium prices, creating a competitive edge and differentiating ourselves from traditional leading brands that dominate the supermarket shelves. We have gradually built a diversified product matrix including snacks and complementary food for children, dietary supplements for children and adults, women's health snacks, and essential FMCGs such as disposable diapers, devoted to providing more healthy choices for Chinese families. Underpinned by our accumulated efforts in developing proprietary brands, as of December 31, 2025, we have incubated and developed 98 proprietary brands and series, and cooperated with 192 manufacturers. For the year ended December 31, 2025, we offered approximately 800 SKUs under our proprietary brand business and served approximately 25,000 paying buyers (buyers which placed at least one order through our own online stores on *Hipac* platform).

OUR VALUE PROPOSITIONS

Through reorganizing the family care and nutrition product supply chain and relying on the downstream buyer network of our *Hipac* platform, we are committed to providing a wide variety of user-centric family care and nutrition products to consumers in lower-tier market.

- **Access to world top brands**. We launched our business with infant formula, which serves as a staple necessity for young families with children. Highly concerned about product quality, young families usually prefer to purchase infant formula from trusted local offline retail stores. As the largest family care and nutrition product commerce and service platform in China in terms of GMV generated from infant formula products in 2025, we are well-positioned to provide access to world top brands for the vast offline retail stores across counties and villages, fulfilling diverse consumer needs in the lower-tier market.

- **Meeting diverse demands thoughtfully**. By capitalizing on the offline retail network we organized, we are able to identify the unfulfilled needs of consumers through ongoing dialogue with offline retail stores, which in turn provides us with valuable insights for our product upgrade initiatives. For example, we identified the critical concerns among young mothers about choking hazards associated with traditional teething complementary foods for infants. In direct response to this unmet need, we were the first in the industry to launch our self-designed and self-developed *Wonder Miao* freeze-dried melting rice crackers, which can dissolve within 3 seconds, thereby minimizing the risk of choking.

OUR COMPETITIVE STRENGTHS

A commerce and service platform serving businesses in China's family care and nutrition product industry in lower-tier market, committed to offering diverse choices to Chinese families in lower-tier market

We are the largest commerce and service platform serving businesses in China's family care and nutrition product industry in lower-tier market in terms of GMV in 2025, according to Frost & Sullivan, with GMV generated from family care and nutrition products in China's lower-tier market of RMB7.9 billion in 2025. As of December 31, 2025, our *Hipac* platform covered buyers across 31 provinces, municipalities and autonomous regions, encompassing over 3,000 counties and villages nationwide. Leveraging our extensive nationwide retail network, we are able to offer Chinese families more prompt and reliable family care and nutrition products, ensuring that their needs are met with the utmost convenience and quality assurance.

We have an in-depth understanding of the Chinese families' concerns regarding their children's healthy growth, and are committed to bringing more diverse choices to families in the lower-tier market. We have evolved into the largest family care and nutrition product commerce and service platform in China in terms of GMV generated from infant formula products in 2025, and have covered nearly all major infant formula brands. We have systematically developed a diversified product portfolio, which encompasses infant formula, food, snacks and complementary food for infants and children, dietary supplements, maternal, infant and child supplies and other products. In 2025, our *Hipac* platform covered 28 major product categories, with over 733,000 SKUs. Drawing insights from customer feedback at the registered retail stores, we assess market needs and work closely with suppliers to develop and launch products that meet diverse consumer demands. Our proprietary brand, *Wonder Miao*, has repeatedly ranked at the top of the sales charts on major e-commerce platforms, and has garnered recognition and reputation among consumers. *Wonder Miao* was awarded the Leading Brand in China's Food Industry for 30 Years (中國食品產業30年領創品牌) by Huatang Cloud Operators (華糖雲商), a state-owned modern media service company backed by Hebei Daily Press Group (河北日報報業集團) in 2023, and the Annual New Potential Brand of China Maternity and Baby Industry Award (中國孕嬰童產業獎年度新勢能品牌) by Children Baby Maternity Expo in 2023.

Closer to lower-tier market that boast the most dynamic and loyal consumer base in China

Lower-tier market represents one of China's most dynamic consumer segments, with families exhibiting rising spending power and strong inclinations toward childbearing, driving robust demand in maternal and infant products. In 2025, approximately 84.5% of newborns in China are born in the lower-tier market, indicating its vast consumer base and market demand. Moreover, the per capita consumption expenditure of Chinese residents in lower-tier market grew at a faster pace than first- and second-tier market with a CAGR of 6.5% from 2020 to 2025. As of December 31, 2025, 81.4% of the transacting offline retail stores on our platform are located in lower-tier market, covering over 3,000 counties and villages nationwide.

We have observed that family care and nutrition product retail stores assume dual roles as both reliable community partners and health and wellness consultants for families residing within a two-kilometer radius of their stores. Young parents regularly visit these stores for child essentials, such as infant formula and disposable diapers, fostering a natural bond of trust over time. This relationship makes parents more open to trying new products recommended by store owners, reflecting strong confidence in their expertise. Benefitted from the extensive network of the registered offline retail stores on our platform and the highly loyal consumption patterns of consumers, our *Hipac* platform recorded average number of orders per transacting buyer per month amounting to 6 and average number of orders per core buyer per month amounting to 11, respectively, in 2025. The buyers transacting ratio, calculated as transacting buyers as a percentage of buyers which logged into our *Hipac* platform for at least once in the relevant years, remained consistently above 80% throughout the Track Record Period.

We are acutely cognizant that a dedicated sales and marketing team with insights into local community culture constitutes a pivotal linkage in our development and stewardship of an extensive retail network. Familiar with the details and diversity of our offerings, they dive deep into the neighborhood, conduct offline visits and gather valuable feedback from offline retail stores through in-person interactions. We take pride in maintaining a streamlined yet dedicated sales and marketing team. As of December 31, 2025, our sales and marketing team comprised 508 full-time personnel stationed across 27 provinces, municipalities and autonomous regions with an average of approximately 8 years of industry experience. Benefiting from our centralized and digitalized management, each sales and marketing personnel, on average, can visit around seven offline retail stores daily as of December 31, 2025.

Strong synergies across our business lines, catalyzing the growth of proprietary brands

By positioning infant formula as a cornerstone product for our platform, we provide the vast small-scale offline retail stores with a stable supply of such products at competitive prices, and have been successful in continuously attracting offline retail stores to join our *Hipac* platform. Moreover, we have established and maintained close and long-standing cooperative relationships with offline retail stores, which are based on mutual trust and mutual benefit. The substantial traffic and retail network that we cultivate during our business operations render us increasingly attractive to vendors, creating a virtuous cycle that benefits all participants in our marketplace.

Underpinned by our sales network and industry know-how, we are adept at promptly and accurately identifying the genuine and nuanced demands of consumers. Leveraging these insights, we provide upstream vendors with data-driven market analyses and efficient customized marketing services. In addition, we meticulously select competitive products, sourcing directly from family care and nutrition product brands, their authorized distributors and manufacturers, forging closer and more strategic connections with upstream brands and strengthening our position in the value chain.

In addition, we actively undertake initiatives to reengineer the supply chain, and collaborate with OEM suppliers to launch our proprietary brand business, aiming to deliver product portfolios that precisely address the unmet demands of consumers. Through these efforts, we strive to create greater value for consumers and strengthen our competitive edge in the market. Following the launch of our proprietary brand *Wonder Miao* in June 2021, it has demonstrated remarkable growth, becoming one of the top 10 children's food brands on Tmall and Douyin within six months. The *Daddy Captain* cloud-feeling series disposable diapers have secured the top position in sales on our *Hipac* platform for eight consecutive years, with a repeat purchase rate of 78%, surpassing the industry average of 40% to 50% of the disposable diapers category, according to Frost & Sullivan.

Category expansion aligned with consumer demands, exhibiting steady business development momentum

Leveraging the big data analysis of transaction data amassed on *Hipac* platform as well as through continuous communication between our sales and marketing team and offline retail stores, we can swiftly detect trends in consumer preferences and shifts in demand. Understanding parents' deep commitment to their children's development, we conducted extensive research to establish height management as our core product proposition. Through coordinated R&D and production efforts, we successfully entered the dietary supplements market, which gradually became the second growth curve of our self-operated business. Based on consumer insights, we optimized product attributes such as formulations and flavors. To drive engagement, we implemented retail activations that strengthened brand awareness and reinforced usage habits. Our innovative "Height Tracker" campaign encouraged parents to document growth milestones through social media check-ins, creating meaningful consumer connections while boosting product adoption. We launched under our *Prospace* brand a lysine liquid calcium product targeting children aged 0–3 years old, achieving a remarkable 40.6% repeat-purchase rate in 2024. In light of the understanding of consumer demand for household immunity enhancement in the post-pandemic era, our *Doctor Jepson* brand duly launched double berry and double protein special dietary nutrients (雙莓雙蛋白特殊膳食營養劑) in May 2025, with a dedicated focus on the immune health of the whole family. The product innovatively integrates ten core nutritional ingredients to create a three-dimensional and comprehensive immune nutrition solution. Within 15 days of its commercialization, the product achieved sales of over 20,000 units and exceeded RMB3.4 million in sales, receiving a warm market response. Leveraging our profound comprehension of local consumption trends and cultural nuances, we effectively communicate the key features and advantages of our new products to store owners in a manner that is both accessible and tailored to their needs. We also ensure that new products are optimally merchandised within the retail stores to capture the attention of consumers.

During the Track Record Period, our revenue generated from dietary supplements under our proprietary brand business surged from RMB1.6 million in 2023 to RMB59.8 million in 2025. During the Track Record Period, the number of new dietary supplement SKUs launched increased from 9 in 2023 to 110 in 2025.

A fully integrated digital marketplace constructed upon industry insights and massive data accumulation

By capitalizing on our data management platform, we implemented labeled and hierarchical management for approximately 302,000 registered buyers as of December 31, 2025. We conduct a comprehensive multi-dimensional profiling of these stores, encompassing aspects such as geographical location, activity level, order GMV and brand preferences. Our store management system not only forms the bedrock for the efficient implementation of marketing strategies within our proprietary brand business, but also provides upstream vendors with granular, retail-level sales data analysis, empowering vendors to optimize pricing, inventory, and market expansion strategies with precision. Our technological prowess has received wide recognition from numerous brands and manufacturers. In 2025, we also began to customize digitalized marketing and operating systems for large family care and nutrition product brands, catering to their specific needs in exchange for one-off fixed technical service fees.

Leveraging AI technology, we empower offline retail stores to embrace automated operations and intelligent marketing strategies. Our offerings to retail stores encompass a suite of marketing tools, such as intelligent product-recommendation scripts and promotional activity plans. These tools not only enable retail stores to significantly enhance the operational and management efficiency of their private-domain traffic, but also act as a vital online bridge for brands to connect with potential offline consumers. Through this approach, we create an ecosystem where retail stores can optimize their operations, and brands can expand their market reach, ultimately driving mutual growth and success in the highly competitive retail landscape.

Our *Hipac* platform has evolved over a decade since its establishment and has undergone more than 100 project-level iterations. It has become a comprehensive digital empowerment solution for all stakeholders within the industry chain. We offer a management backend for suppliers, which allows them to integrate with our platform. Through this backend, suppliers can effectively manage various aspects of their business, including product catalogs, logistics operations, marketing campaigns, and order processing. For retail stores, our procurement platform offers a one-stop solution for the entire transaction lifecycle. Retail stores can conveniently handle all processes, from product selection, ordering and payment, logistics tracking, to after-sales services, in an integrated and streamlined manner.

Experienced management team and corporate culture that fosters innovation

Our management team possesses extensive industry experience in the family care and nutrition product industry and commerce platform operations. Mr. Zhao Chen (趙晨), the chief executive officer of our Company, incubated Tmall Global (天貓國際) of Alibaba, who possesses profound industry insights and rich resources regarding international family care and nutrition product brands. Mr. Xiao Jiantao (肖建濤), the chief technology officer of our Company, was the technical specialist of the initial development team of Juhuasuan (聚劃算) of Tmall, where he was responsible for the functional iteration and architecture upgrade of Juhuasuan. Mr. He Guowei (何國威), our sales director, has over a decade of experience in e-commerce operations, and has been responsible for market expansion since the launch of *Hipac* platform. For detailed biographies of our management team, please see "Directors and Senior Management." The seamless integration of our online and offline operations, coupled with our significant industry influence, is largely attributable to the management team's over a decade of experience in online retail, internet operations, and procurement. This extensive experience has enabled us to develop a deep understanding of the market dynamics, consumer preferences and operational intricacies, allowing us to optimize our business model and drive continuous growth.

Our success has garnered broad recognition, attracting investments from prominent industry players such as Anchor Equity Partners, Shunwei Capital and Hillhouse Investment Management, Ltd., along with several professional institutional investors. These stakeholders have not only energized our ecosystem but have also contributed invaluable management expertise and resources, further accelerating our growth trajectory.

OUR STRATEGIES

Strengthening linkages with upstream brands and deepening cooperative relationships

For product categories characterized by high channel added value, diverse supply source with fragmented yet fast-growing downstream demand, such as infant formula and dietary supplements, we plan to further expand the scale of our general self-operated business. Through the strategic expansion of our purchasing scale, we seek to negotiate more advantageous pricing terms with family care and nutrition product brands, thereby empowering them in effectively reducing distribution costs and allowing us to provide consumers with a wider array of branded products that seamlessly integrate high-quality standards with attractive price points.

We are also committed to further augmenting our customized marketing service capabilities and expanding our customer base. We plan to forge strategic partnerships with a broader spectrum of brands in this domain. Leveraging our distinct advantages in retail channels, we will intensify our efforts to enhance the provision of data-driven marketing services, aiming to encourage an increasing number of brands to adopt our digital marketing system, which will empower brands to exercise unified management over retail stores nationwide, conduct real-time monitoring of market expansion initiatives, and obtain accurate and up-to-date sales data. As a result, family care and nutrition product brands can more effectively penetrate lower-tier market, thereby driving business growth and strengthening their market positions.

Continuing to delve deep into consumer demands and strengthening the development capabilities of proprietary brands

We will fully capitalize on the consumer insights and feedback amassed from retail stores to enhance our new product development prowess and expedite the product iteration cycle. By closely aligning with the real-world needs of consumers, we will launch new products and expand our product matrix, striving to provide consumers in lower-tier market with a wider range of user-centric and cost-effective family care and nutrition products, thereby meeting their diverse demands and enhancing their overall consumption experience.

We are also committed to strengthening our supply chain management capabilities. Upstream, we will expand our presence in raw material procurement, aiming to optimize costs and safeguard the stability of the supply chain. Through strategic sourcing and closer collaboration with suppliers, we seek to enhance our cost-effectiveness while ensuring a reliable and uninterrupted flow of supplies. Downstream, we will leverage lightweight digital tools, such as store-specific mini programs, to extend our market reach and engage with a wider spectrum of consumers and potential customers. These tools will not only facilitate our access to a broader consumer base but also enable us to gain more in-depth insight into consumption trends and evolving demands. By staying attuned to market dynamics, we can better align our product offerings and marketing strategies to meet the diverse needs of consumers, thereby enhancing our competitiveness in the marketplace.

Bolstering technological capabilities and leveraging AI to improve operational efficiency

We plan to further bolster the capabilities of our data management platform with the objective of enhancing product marketing efficiency. To this end, we intend to invest in advanced AI algorithms, deep-learning technologies, and robust data processing capabilities. By harnessing the vast amount of transaction data amassed from network, we aim to conduct more in-depth and accurate analyses of consumer consumption trends. Rooted in data and propelled by technology, we are committed to delivering highly efficient solutions for product selection and promotion. These solutions will not only enable us to better anticipate market demands but also optimize marketing strategies, thereby driving enhanced performance and value creation for our business and our partners.

We also plan to further promote online marketing and operation management tools, such as store mini programs. These tools are designed to provide store owners with convenient and user-friendly, lightweight solutions for managing private-domain traffic and conducting marketing promotions. By integrating the store-end mini programs with our data management platform, we can leverage real-time in-store online data to provide robust support for upstream brand marketing initiatives. This integration will enable us to offer more targeted and data-driven marketing strategies, thereby enhancing the effectiveness of brand promotion activities and strengthening our collaborative relationships with upstream partners.

An efficient mid-and back-office system is crucial for our business operations. We plan to elevate the intelligence quotient of our internal IT infrastructure. Through these initiatives, we aim to significantly enhance our data processing capabilities and optimize internal organizational efficiency, thereby enabling us to respond more swiftly and effectively to market dynamics, streamline operational workflows, and drive sustainable growth across our business landscape.

Expanding our presence

We intend to introduce select proprietary brands to international markets, with a particular focus on regions that present significant growth opportunities. Southeast Asia, in particular, stands out as a prime target market. Characterized by a vibrant and youthful population structure, a substantial presence of young families, and consumption preferences for family care and nutrition products that closely mirror those in the Chinese market, Southeast Asia offers a compelling landscape for market penetration. Moreover, there exists a considerable amount of unmet demand within this area, presenting a lucrative avenue for business expansion. According to Frost &

Sullivan, the market size of Southeast Asia's family care and nutrition product industry is expected to grow at a relatively fast rate in the future, with a CAGR of approximately 9.5% from 2025 to 2030 in terms of retail sales.

To effectively tap into the potential of the Southeast Asian market, we will adopt a strategic approach of forging partnerships with major local sales channels. These partnerships will be instrumental in facilitating the establishment and advancement of our overseas business layout. By leveraging the extensive reach, market knowledge, and distribution capabilities of these local partners, we aim to ensure the seamless introduction of our proprietary brands, enhance brand awareness, and drive market acceptance. This overseas expansion initiative is an integral part of our long-term growth strategy, enabling us to diversify our revenue streams, enhance our brand recognition, and capitalize on the growing international demand for our products.

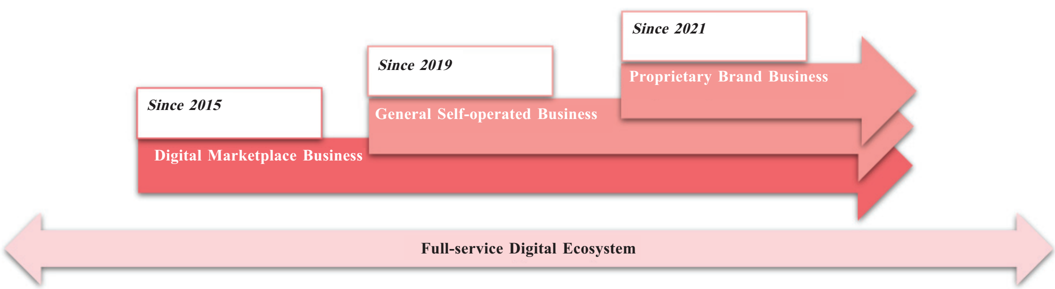
Integrating the industry value chain through strategic acquisitions and/or investments

We intend to pursue acquisitions of and/or investments in suitable targets along the industry value chain at opportune moments capitalizing on our robust platform advantages and financial strengths as a [REDACTED] company. We believe such strategic initiatives will help us expand our product portfolio, enhance our R&D capabilities and supply chain security, and solidify our leading position in the family care and nutrition products industry. Specifically, we plan to evaluate potential targets in terms of their brand value, scale of business, product quality and portfolio, research capabilities, existing distribution channels, profitability, the standardization of their financial and internal control procedures and fairness of valuations. Moreover, we plan to pursue strategic alliances with upstream brands and manufacturers boasting strong brand appeal, including but not limited to infant formula brands, to leverage complementary strengths by entering into joint ventures with a view to developing new product lines.

See "Future Plans and Use of [REDACTED]" for further details of our future business strategies.

BUSINESS MODEL

We are a commerce and service platform serving businesses in China's family care and nutrition product industry in lower-tier market. With observation and understanding of the challenges and opportunities in the family care and nutrition product industry, we have developed diverse offerings and revenue sources leveraging our extensive industry experience and strong information technology capabilities. During the Track Record Period, we generated revenue primarily from (i) digital marketplace business, and (ii) self-operated business, which includes (a) general self-operated business, and (b) proprietary brand business.



Despite that both our digital marketplace business and self-operated business are primarily conducted based on our *Hipac* platform, there are major differences between them, as outlined in the table below:

	Digital marketplace business	**Self-operated Business**
Our role	Platform owner and operator	Vendor
Revenue model	Commissions	Product sales
Revenue recognition method	Net basis	Gross basis
Cost structure	We bear transaction processing costs, server costs and staff costs	We bear cost of goods and warehousing and logistics costs
Pricing decision maker	Vendors	Us
Party bearing inventory risk	Vendors	Us
Party responsible for delivery	Usually vendors; some vendors also entrust us to deal with their product delivery to facilitate the transaction	Usually us; to a much lesser extent, our suppliers deliver our sourced products to our downstream buyers on our behalf
Party responsible for promotion	Usually vendors; some vendors also rely on our customized marketing services	Us
Party responsible for customer service	Vendors	Us

The following table sets forth a breakdown of our revenue by business line for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Digital marketplace business	296,236	27.8	229,335	22.2	180,732	12.9
Self-operated business	767,800	71.9	801,826	77.7	1,216,106	86.8
General self-operated business	443,067	41.5	579,623	56.2	1,064,663	76.0
Proprietary brand business	324,733	30.4	222,203	21.5	151,443	10.8
Others[1]	2,749	0.3	1,238	0.1	4,152	0.3
Total	**1,066,785**	**100.0**	**1,032,399**	**100.0**	**1,400,990**	**100.0**

Note:

(1) Others mainly comprise revenue generated from offline matchmaking services for upstream vendors selling infant formula, cosmetics and electronic products to downstream buyers in rare circumstances, which was recorded on a net basis as we did not control the inventories prior to their delivery to the buyers.

The following table sets forth our key operating metrics for the years indicated:

	Year ended/As of December 31,		
	2023	2024	2025
Number of registered vendors	3,280	4,241	4,041
Number of registered buyers	273,987	289,512	301,991
Number of transacting vendors	5,530	5,340	4,718
Number of transacting buyers[1]	172,146	167,874	155,531
Number of core buyers[2]	104,267	93,764	76,052
GMV (RMB in millions)[3]	12,028	10,966	10,546
Number of SKUs sold under our self-operated business	1,252	2,111	3,217
Number of new SKUs launched under our proprietary brand business	302	643	314

Notes:

(1) Transacting buyers refer to buyers which placed at least one order through either third-party online stores or our own online stores on our *Hipac* platform in the relevant years.

(2) Core buyers refer to buyers which placed over 24 orders through third-party online stores and/or our own online stores on our *Hipac* platform in the relevant years.

(3) Including the GMV of the sales by our own online stores on *Hipac* platform under our self-operated business.

DIGITAL MARKETPLACE BUSINESS

Having been dedicated to family care and nutrition product commerce and services for years, we have developed a good understanding of the demands from and pain points of major industry participants of commerce and service of family care and nutrition product industry. Underpinned by our sales network resources and IT capabilities, we streamlined the multi-layer distribution model and have developed a fully integrated digital marketplace that connects all industry participants and combines platform operations and digital tools, aiming to enable monetization while empowering industry participants by addressing their diverse needs across the entire industry value chain in various business scenarios.

Major Participants

Major participants of our digital marketplace primarily include buyers, vendors and consumers, which face certain pain points under the traditional multi-layer distribution model. See "Industry Overview — Overview of China's Family Care and Nutrition Product Industry in Lower-tier Market — Industry Pain Points" for details.

Buyers

Buyers on our digital marketplace mainly include offline retail stores specializing in family care and nutrition products, most of which operate in lower-tier market in China. To a much lesser extent, buyers on our digital marketplace also include social commerce merchants (merchants selling products on social media platforms using mobile Internet technology, such as WeChat, Xianyu and Kuaituan), which are mostly based in lower-tier market and closer to online consumers. Our *Hipac* platform streamlines the multi-layer distribution channels, enabling buyers to source directly from a vast selection of high-quality domestic and international family care and nutrition products in a one-stop manner. We systematically engage in buyers' research to gather insights on key products on our platform, understand the causes of their sales performance volatility, and gauge receptiveness to new products. By digitally aggregating procurement demand across our network and leveraging buyers' feedback, we enhance buyers' bargaining power to secure more competitive product pricing and refine product portfolio on our platform, facilitating families in lower-tier market improving their parenting consumption quality and optimizing parenting costs reasonably. Our platform also features intuitive search and filtering tools, allowing buyers to efficiently identify products that meet their needs. With full transparency and flexibility, buyers can freely evaluate suppliers and place orders directly, eliminating intermediaries and optimizing their sourcing process.

Recognizing buyers as valuable partners, we further support their business operations by providing digital tools for operational management and marketing, to enhance efficiency and drive sustainable growth for their businesses. Although we do not charge buyers any commissions under our digital marketplace business, their participation creates significant value for our ecosystem. The substantial traffic and retail network that we cultivate during our business operations render us increasingly attractive to vendors, creating a virtuous cycle that benefits all participants in our marketplace.

Vendors

Vendors on our digital marketplace mainly include family care and nutrition product brands, their authorized first-tier distributors and manufacturers. Our *Hipac* platform transforms the traditional family care and nutrition product distribution model by digitizing and streamlining the end-to-end transaction process. By precisely matching supply with demand and enabling seamless information flow through our digital infrastructure, we eliminate inefficiencies inherent in multi-layer distribution model. Based on our experience and retail network data accumulated over the years, we provide vendors with cost-effective, immediate access to geographically dispersed markets, particularly in lower-tier regions where traditional distribution struggles. Our *Hipac* platform streamlines every stage of the transaction, from product posting, order management to payment reconciliation, significantly reducing operational friction as compared with traditional offline transactions. Furthermore, we deliver market intelligence through granular, retail-level sales data analysis, equipping vendors with actionable insights into regional demand patterns and consumer trends to inform strategic decision-making. We also provide customized marketing services for vendors through promotional campaigns designated to optimize their market penetration and sales performance. This integrated approach not only enhances distribution efficiency but also empowers vendors to optimize pricing, inventory, and market expansion strategies with precision.

Consumers

We are committed to serving the increasingly diversified consumer demand in the lower-tier market, covering world top family care and nutrition brands and cost-effective daily essentials. While consumers do not directly transact on our platform, we gain a deep understanding of their needs through ongoing dialogue with offline retail stores and comprehensive analysis of their purchasing behavior, preferences and consumption patterns, which in turn provides us with valuable insights for our product development and upgrade initiatives. Through the offline retail network we organized, we are strategically poised to provide access to world top brands and cost-effective and high-quality products for the vast offline retail stores across counties and villages, fulfilling diverse consumer needs in the lower-tier market, elevating their parenting consumption quality and optimizing parenting costs reasonably while preserving the personal touch and convenience they value.

Our Hipac Platform

Hipac platform is an end-to-end multifunctional B2B online distribution platform designed to optimize business connectivity between vendors and buyers. Buyers may access *Hipac* platform via mobile App, WeChat mini program and computer webpage terminal, while vendors may access via computer webpage portal. Our full-service digital ecosystem streamlines the entire commerce process, covering product catalog management, digital storefronts, real-time vendor-buyer communication, order processing, settlement and payment reconciliation. Following its launch in April 2015, our *Hipac* platform has demonstrated remarkable growth, achieving annual GMV of RMB1.0 billion at the end of 2016. *Hipac* platform has become the largest commerce and service platform serving businesses in China's family care and nutrition product industry in lower-tier market in terms of GMV in 2025, covering 31 provinces, municipalities and autonomous regions and across over 3,000 counties and villages nationwide as of December 31, 2025.

Our *Hipac* platform offers buyers a wide variety of family care and nutrition products and other products. The following table sets forth the major categories of products offered on *Hipac* platform:

Category		Description	Age of target customers
Family care and nutrition products	Nutritional edibles and supplements	Infant formula	Infants and toddlers aged 0–3 years old
		Dietary supplements, including protein supplements, probiotic supplements, eye health supplements, mineral supplements, fish oil and baby health and conditioning products, and milk powder for older children and adults	Older children aged 4 + and adults
		Food, snacks and supplements for infants and toddlers	Infants and toddlers aged 0–3 years old
	Non-edible family care products	Disposable diapers for babies and seniors, pacifiers, baby bottles, strollers, cribs, baby chairs, scooters, bicycles, tricycles, baby twist cars, baby walkers, toys, disposable sanitary products, infant and child clothing, and maternity wear	Children aged 0–14 years old Mothers Elderly individuals aged 65 +

Category	Description	Age of target customers
Other products	Apparel, cosmetics, digital home appliances, food and snacks, home cleaning products, books and stationery	Adults or age-neutral

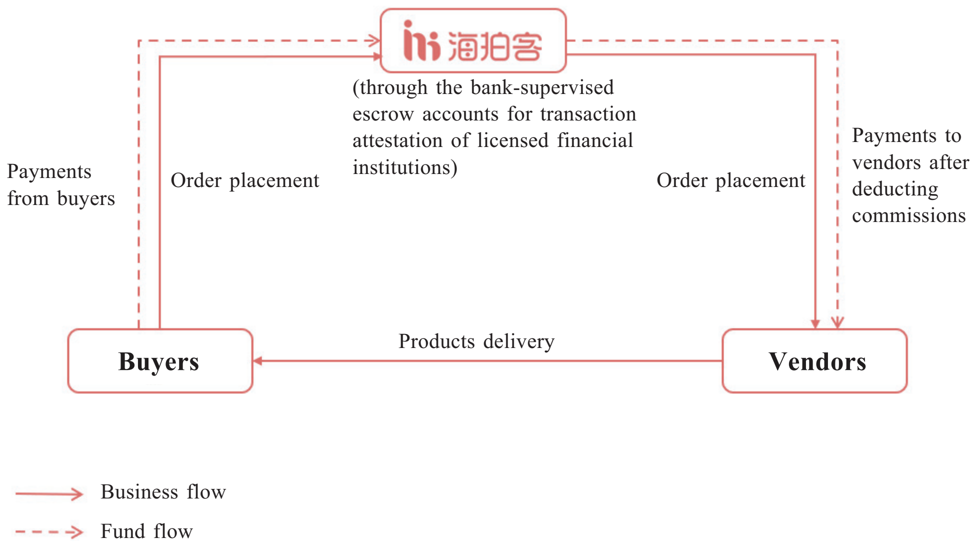
The following table sets forth a breakdown of GMV by major product categories on *Hipac* platform (including the GMV of products under our self-operated business sold through *Hipac* platform) for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB in millions	*%*	*RMB in millions*	*%*	*RMB in millions*	*%*
Family care and nutrition products	11,516.2	95.7	10,572.4	96.4	10,357.1	98.2
Nutritional edibles and supplements	10,023.8	83.3	9,416.2	85.9	9,473.9	89.8
— Infant formula	9,109.1	75.7	8,558.1	78.0	8,673.3	82.2
— Dietary supplements	326.8	2.7	174.4	1.6	101.6	1.0
— Food, snacks and supplements	587.8	4.9	683.7	6.2	699.0	6.6
Non-edible family care products	1,492.4	12.4	1,156.1	10.5	883.2	8.4
Other products	511.4	4.3	393.5	3.6	188.6	1.8
Total	**12,027.6**	**100.0**	**10,965.9**	**100.0**	**10,545.7**	**100.0**

We require vendors to enter into annual platform service agreements with us to station on our *Hipac* platform. To maintain compliance with applicable laws and regulations, we rigorously verify all vendors' qualifications during the registration process, including validating business licenses, relevant permits and product certifications. For brand distributors operating flagship stores on *Hipac* platform, we require proof of authorized distribution, such as letter of exclusive authorization from and/or distribution agreements with the relevant brands. All vendors are also required to execute an authenticity guarantee as part of the platform service agreement, warranting all products sold by them on the *Hipac* platform are authentic and compliant with applicable standards. Vendors must also warrant that all supporting documents they provided, including but not limited to procurement agreements, payment certificates, brand authorization certificates, customs declaration and inspection documents, and inspection and quarantine certificates, are genuine, legally valid and not forged. Vendors are solely liable for all legal consequences and compensation obligations arising from the sale of any counterfeit product and must indemnify us for all related damages. Upon completion of our review process, we set up online storefronts or provide online product transaction links for vendors. As the owner and operator of *Hipac* platform, we generate revenue by charging vendors commissions based on their GMV transacted through our platform. For the years ended December 31, 2023, 2024 and 2025, the average commission rates we charged were approximately 2.6%, 2.3% and 2.0%, respectively.

We require buyers (including offline retail stores and social commerce merchants) to enter into platform service agreements with us during the registration process, which explicitly stipulate that all registered buyers on *Hipac* platform are deemed to be business operators making purchases for commercial, not personal consumption use. Buyers are required to be legally established in China and hold valid business licenses for their retail operations. We also verify the identification certificates of the store owners and photos of the storefront and in-store environments during the registration process. For social commerce merchants, we verify their identification certificates and other personal information for real-name authentication, and screenshots demonstrating the operation status of their social media platforms. We do not charge any commissions from buyers for transactions conducted under our digital marketplace business. Nevertheless, buyers may voluntarily subscribe to annual memberships on our platform to enjoy coupons and purchase discounts, with annual membership fees typically ranging from RMB88 to RMB688. During the Track Record Period, we only generated a negligible amount of revenue from membership fees, amounting to RMB1.2 million, RMB1.2 million and RMB2.1 million in 2023, 2024 and 2025, respectively.

The following chart illustrates the business and fund flow of our digital marketplace business:



Note: The fund flow of product sales by our own online stores on *Hipac* platform under our self-operated business follows the same pattern, except that we directly act as the vendor.

Our digital marketplace extends beyond basic commerce functionality by integrating advanced digital tools to enhance business operations for both vendors and buyers. Leveraging our digital marketplace, we offer vendors in-depth sales analytics with retail-level insights, enabling data-driven decision-making and precise response to evolving market demands. In 2025, we also began to customize digitalized marketing and operating systems for large family care and nutrition product brands, catering to their specific needs in exchange for one-off fixed technical service fees recognized as our revenue. Moreover, to facilitate the efficient and sustainable business operation of buyers, which we consider as significant resources on our platform, we offer buyers complimentary access to integrated operation management and marketing digital tools.

Business Process

Transactions are generally facilitated, conducted and/or managed on our *Hipac* platform pursuant to the following processes:

- *Posting and browsing product information*. Our *Hipac* platform provides vendors with a streamlined solution for product information management, enabling them to create, edit and publish product details with images, together with shipping details and recommended retail prices. Vendors are required to ensure all posted content is genuine, legitimate, accurate, not misleading, compliant with regulations, and non-infringing. All products on our *Hipac* platform are priced by vendors. We have the right to inspect the information posted by vendors and deal with any inappropriateness identified. Vendors are also required to ensure that their products originate from legitimate sources and conform to the relevant quality standards. On the other side, buyers leverage our intelligent search and filtering tools to freely compare and order products directly from vendors, creating a transparent and win-win marketplace.

- *Order placement*. After buyers select products and submit the order, an electronic order will be automatically generated for the buyers to confirm and to proceed with their payments. Vendors will receive instant automated order notification through our platform.

- *Payment*. Buyers can pay through various payment methods, including third-party online payment platforms such as WeChat and Alipay, and bank transfer, which brings great flexibility and convenience to the transaction process. We collect payments from buyers and subsequently settle payments with vendors through licensed financial institutions after deducting the commissions we are entitled to receive. Buyers may request and track invoices through our *Hipac* platform, while vendors are responsible for issuing invoices for buyers.

- *Product delivery*. Vendors are responsible for delivering the products to buyers and bear the delivery costs. Some vendors also entrust us to deal with their product delivery at their own cost to facilitate the transaction, and we engage third-party logistics service providers for the delivery. We provide real-time delivery tracking and order-to-shipment data synchronization services via our *Hipac* platform.

- *Settlement*. Vendors are required to register the information of their settlement accounts. Upon product dispatch by vendors, we issue settlement bills to vendors according to the scheduled settlement cycles as agreed by vendors and us. Upon confirmation of the bills by the vendors, we instruct the licensed financial institutions to remit payments to the vendors' accounts after deducting our commissions.

- *User services*. We provide vendors with in-depth sales analytics with retail-level insights, enabling data-driven decision-making and precise response to evolving market demands. Our online service team provides vendors and buyers with complete transaction support during business hours, including payment, the shipping details and after-sales services. If buyers request for product exchanges or returns, vendors are obligated to fulfill such requests.

Agreements with Vendors and Buyers

We enter into annual platform service agreements with vendors, the key terms of which are summarized below:

Duration	The agreement typically has a term of one year, which can be renewed for another year upon mutual consent.
Payment and settlement	We charge vendors commissions based on the GMV of their sales on our platform, which will be deducted directly when we settle the payment with them according to the scheduled settlement cycles.
Delivery of products	Vendors are responsible for delivering the products to buyers and bear the delivery costs. Some vendors also entrust us to deal with their product delivery at their own cost to facilitate the transaction, and we engage third-party logistics service providers for the delivery.
Product guarantee	The vendors must ensure products are authentic, legally sourced, quality-compliant, and have sufficient remaining shelf life.
After-sales services	The vendors are obligated to fulfill after-sales service requests.
Deposit	Vendors must maintain a fixed amount deposit with our platform to guarantee their performance, service and the quality of products offered on our platform.
Product returns/exchanges	We typically allow buyers to return or exchange products with vendors within 24 hours to 7 days upon product delivery depending on the specific product category for reasons including defective or substandard products, mis-delivery, under-delivery and damaged packaging.
Termination	We are entitled to terminate the agreement in the event of a material breach by the vendors.

Buyers enter into platform service agreements with us during registration process by reviewing and confirming the agreements online. Such agreements have perpetual terms, and we generally do not terminate such agreements with buyers. The key terms of our platform service agreements with buyers are summarized below:

Duration	Permanently valid upon confirmation by buyers during registration process.
Payment	Full payment for the products is typically required before shipment. We do not charge buyers any commissions for using our platform.
Delivery logistics	After receiving the products, buyers must confirm the receipt on our platform. If buyers fail to do so within a specific period from the date of delivery depending on the specific product category, the products shall be deemed as received.
Transaction rules	For most products on our platform, vendors stipulate recommended retail prices for buyers on the product information page. In addition, buyers are required to adhere to the retail guide price set by us for channel exclusive products. Such products shall only be sold offline to consumers within the offline retail stores at the operating addresses of the buyers. Furthermore, buyers are not allowed to re-sell any channel exclusive products purchased from our platform to other retailers or distributors or through e-commerce platforms. Social commerce merchants have access to a relatively limited range of product selections on our platform, and are not allowed to purchase channel exclusive products to ensure the regional distribution rationality of channel exclusive products. See "— Self-operated Business — General Self-operated Business — Designated Channel Arrangements" for our management measures for the distribution of channel exclusive products. If we identify any breach of transaction rules by the buyers, we are entitled to freeze the transaction account of such buyers, impose fines, and/or forbid such buyers from further purchasing products on our platform.

Customized Marketing Services

To deepen collaboration with family care and nutrition product brands and manufacturers, especially infant formula brands, and explore additional monetization opportunities through platform synergies, we also introduced customized marketing services in 2017 in exchange for higher commissions. Underpinned by our sales network and industry know-how, we provide vendors with data-driven market analyses to enhance demand comprehension, identify suitable products fit for targeted promotions and execute coordinated campaigns across both our *Hipac* platform and offline marketing channels, creating a synergistic ecosystem that drives mutual growth while maximizing market penetration for vendors.

Specifically, for new products launched by vendors which necessitate marketing initiatives, we assist vendors with the planning, design and implementation of multimedia contents (e.g., text, images, audio and videos). In addition, tailored to each vendor's objectives, we amplify brand and product visibility through (i) online exposure on the homepage of our *Hipac* platform; (ii) offline activations, including in-store shelf display and promotional events in the offline retail stores registered on our platform; (iii) live streaming sessions on *Hipac* platform; and/or (iv) targeted WeChat advertisements. As the products promoted are available for purchase on our *Hipac* platform, we track their sales performance and provide market feedback to vendors, enabling them to better comprehend market demand, further refine products and optimize future campaigns.

For instance, in collaboration with a global leading infant formula brand for product promotion in Hunan Province, we developed and executed a comprehensive marketing and promotional framework tailored to the brand's objectives. Through big data analysis of transaction data accumulated on our *Hipac* platform, appropriate offline retail stores were carefully selected for brand promotion, coupled with the organization of offline parent-child interactive activities to attract consumers. Through the synergistic integration of our targeted marketing strategies, extensive sales network, and dedicated promotional efforts by our sales and marketing team, the infant formula brand successfully entered 536 new offline retail stores and 44 new towns and villages (the third level of postal address) in Hunan Province within the first five months of 2025.

For products which we provide customized marketing services, we charge the relevant vendors higher commissions based on their GMV transacted through our platform. We negotiate our commission rates with vendors on a case-by-case basis, considering the specific product category, market appeal of the brand, marketing objective, our scope of work, scale, duration and complexity of the marketing initiatives. For the years ended December 31, 2023, 2024 and 2025, the commission rates we charged for providing customized marketing services generally range from 5.0% to 15.0%, respectively. Vendors may choose to remit us the relevant commissions for customized marketing services directly, or authorize us to deduct the relevant commissions through our *Hipac* platform together with the basic commissions for utilizing our platform according to the settlement cycle as agreed by vendors and us.

Key Operating Data

The following table sets forth selected operating data of our digital marketplace for the years indicated:

	Year ended/As of December 31,		
	2023	2024	2025
Overall			
Number of registered vendors	3,280	4,241	4,041
Number of transacting vendors	5,530	5,340	4,718
Number of registered buyers	273,987	289,512	301,991
GMV (RMB in millions)[1]	12,028	10,966	10,546
GMV from social commerce merchants (RMB in millions)[1]	461	458	299
Average GMV per order (RMB)	771	811	955
Transacting buyers			
Number of transacting buyers[2]	172,146	167,874	155,531
Number of transacting social commerce merchants[2]	30,958	32,230	25,978
Buyers transacting ratio[3]	83.3%	84.8%	81.8%
Average GMV per transacting buyer (RMB)[2]	69,869	65,322	67,805
Average number of orders per transacting buyer per month[2]	8	7	6
Average number of SKU per transacting buyer[2]	128	109	93
Core buyers[4]			
Number of core buyers	104,267	93,764	76,052
Average GMV per core buyer (RMB)	84,799	86,493	108,865
Average GMV per order from core buyer (RMB)	591	633	801
GMV from core buyers as a percentage of total GMV	73.5%	74.0%	78.5%
Average number of orders per core buyer per month	12	11	11
Average number of SKU per core buyer	203	186	178

Notes:

(1) Including the GMV of the sales by our own online stores on *Hipac* platform under our self-operated business.

(2) Transacting buyers refer to buyers which placed at least one order through either third-party online stores or our own online stores on our *Hipac* platform in the relevant years.

(3) Buyers transacting ratio refers to transacting buyers as a percentage of buyers which logged into our *Hipac* platform for at least once in the relevant years.

(4) Core buyers refer to buyers which placed over 24 orders through third-party online stores and/or our own online stores on our *Hipac* platform in the relevant years.

Our digital marketplace business experienced an overall decline during the Track Record Period, especially the GMV and number of transacting buyers and core buyers, primarily due to the combined impact of industry factors and our strategic adjustment. According to Frost & Sullivan, the later ages for first marriage, parenting pressures and the outbreak of COVID-19 led to continuous declines in China's birth rate and newly-born population from 2020 to 2025, with birth rate decreased from 8.5‰ to 5.6‰, and newly-born population decreased from 12.0 million to 7.9 million. See "Industry Overview — Overview of China's Lower-tier Market" for details. Noteworthy, fluctuations in birth rate and newly-born population have exerted a lagged impact on sales of infant products, especially infant formula and disposable diapers. As our digital marketplace has encompassed nearly all major infant formula brands, such industry backdrop has a more substantial impact on our digital marketplace business, which in turn contributed to its overall decline during the Track Record Period. As confirmed by Frost & Sullivan, such business trend is in line with China's commerce and service of family care and nutrition product industry in lower-tier market.

Notwithstanding the larger scale of GMV generated by our digital marketplace business, our self-operated business demonstrates significantly stronger profit efficiency attributable to our deeper integration into the industry value chain, as compare with merely charging commissions under the digital marketplace business. In addition, unlike our digital marketplace, which has encompassed nearly all major infant formula brands and thus more susceptible to the fluctuations in birth rate and newly-born population, our self-operated business retains substantial market potential. According to Frost & Sullivan, the overall family care and nutrition product industry in China's lower-tier market is relatively fragmented, leaving considerable space for potential market expansion of participants in the industry. See "Industry Overview — Overview of China's Commerce and Service of Family Care and Nutrition Product Industry in Lower-tier Market — Competitive Landscape" for details. Therefore, we strategically shifted our business focus from scale-oriented development to profit-oriented development since 2022. Leveraging our established advantages in operating our digital marketplace, we strategically devoted more resources to the development of our self-operated business during the Track Record Period, where we maintained full control over supplier selection, pricing strategies, brand management, inventory management, delivery and after-sales customer services, to fully release the growth potential brought by user traffic on our platform. This strategic pivot towards a profit-oriented approach is further supported by the fact that the average conversion rate of GMV to gross profit in our self-operated business (13.4%, 12.3% and 13.0% in 2023, 2024 and 2025, respectively) is higher than that in our digital marketplace business (2.4%, 2.1% and 1.8% in 2023, 2024 and 2025, respectively). See "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income — Revenue" for detailed discussion.

The following table sets forth the number of transacting buyers by tier of markets and as a percentage of the number of total transacting buyers during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	Number	*%*	*Number*	*%*	*Number*	*%*
First-tier market	2,446	1.4	2,373	1.4	2,423	1.6
Second-tier market	28,017	16.3	26,815	16.0	26,463	17.0
Lower-tier market	141,683	82.3	138,686	82.6	126,645	81.4
Total	**172,146**	**100.0**	**167,874**	**100.0**	**155,531**	**100.0**

The following table sets forth the GMV of sales orders from transacting buyers by tier of markets and as a percentage of the total GMV of sales orders from transacting buyers during the Track Record Period. We did not generate revenue from buyers for transactions conducted under our digital marketplace business, as we do not charge any commissions from buyers under such business.

	Year ended December 31,					
	2023		2024		2025	
	RMB in millions	*%*	*RMB in millions*	*%*	*RMB in millions*	*%*
First-tier market	225.8	1.9	216.8	2.0	136.5	1.3
Second-tier market	2,814.7	23.4	1,944.4	17.7	2,330.7	22.1
Lower-tier market	8,987.0	74.7	8,804.8	80.3	8,078.6	76.6
Total	**12,027.6**	**100.0**	**10,965.9**	**100.0**	**10,545.7**	**100.0**

Major Customers and Suppliers

The following table sets forth certain information of our five largest customers under our digital marketplace business (on a grouped basis) during the Track Record Period.

Year ended December 31, 2025

Customer	**Credit terms and payment method**	**Revenue contribution** *(RMB'000)*	**As a percentage of revenue from digital marketplace business** *(%)*	**Length of business relationship with us**
Customer A[(1)]	N/A; bank transfer	25,209	14.0	Since 2017
Guangdong Bangbao Personal Care Products Co., Ltd. (廣東邦寶個人護理用品有限公司)[(1)]	N/A; bank transfer	16,603	9.2	Since 2019
Customer H[(2)]	N/A; bank transfer	10,639	5.9	Since 2024
Quanzhou Hexing Hygiene Products Co., Ltd. (泉州市合興衛生用品有限公司)[(1)]	N/A; bank transfer	10,632	5.9	Since 2017
Customer I[(3)]	N/A; bank transfer	3,983	2.2	Since 2022
		67,066	37.2	

Year ended December 31, 2024

Customer	**Credit terms and payment method**	**Revenue contribution** *(RMB'000)*	**As a percentage of revenue from digital marketplace business** *(%)*	**Length of business relationship with us**
Quanzhou Hexing Hygiene Products Co., Ltd.[(1)]	N/A; bank transfer	15,456	6.7	Since 2017
Guangdong Bangbao Personal Care Products Co., Ltd.[(1)]	N/A; bank transfer	13,645	5.9	Since 2019
Customer A[(1)]	N/A; bank transfer	11,990	5.2	Since 2017
Customer D[(1)]	N/A; bank transfer	8,845	3.9	Since 2020
Customer J[(4)]	N/A; bank transfer	5,374	2.3	Since 2020
		55,310	24.0	

Year ended December 31, 2023

Customer	Credit terms and payment method	Revenue contribution *(RMB'000)*	As a percentage of revenue from digital marketplace business *(%)*	Length of business relationship with us
Customer D[1]	N/A; bank transfer	17,315	5.8	Since 2020
Quanzhou Hexing Hygiene Products Co., Ltd.[1]	N/A; bank transfer	13,839	4.7	Since 2017
Customer A[1]	N/A; bank transfer	11,907	4.0	Since 2017
Nan'an City Hong Lai Liu Liling Daily Necessities Business Department (南安市洪瀨劉麗玲日用品經營部)[1]	N/A; bank transfer	8,669	2.9	Since 2021
Customer J[4]	N/A; bank transfer	7,785	2.6	Since 2020
		59,515	20.0	

Notes:

(1) See "— Our Customers — Our Five Largest Customers" for the background.

(2) Founded in 2012 and headquartered in New Zealand, Customer H primarily engages in the global sales of infant formula and nutritional products, and is a subsidiary of a company listed on the Australian Securities Exchange.

(3) Founded in 1867 and headquartered in Switzerland, Customer I is listed on the SIX Swiss Exchange and primarily engages in the global production and sales of food and beverages, with sales of USD103.8 billion in 2024.

(4) Founded in 2019 and headquartered in Guangdong Province, China, Customer J primarily engages in the production and sales of disposable diapers, with a registered capital of RMB3.0 million.

The following table sets forth certain information of our five largest suppliers under our digital marketplace business (on a grouped basis) during the Track Record Period.

Year ended December 31, 2025

Supplier	Major services purchased by us	Credit terms and payment method	Purchase amount *(RMB'000)*	As a percentage of purchases under digital marketplace business *(%)*	Length of business relationship with us
Supplier H[2]	Cloud service	N/A; bank transfer	4,259	33.2	Since 2015
Supplier I[3]	Payment service	N/A; bank transfer	3,478	27.1	Since 2017
Supplier J[4]	Payment service	N/A; bank transfer	2,354	18.6	Since 2021
Supplier K[5]	Payment service	N/A; bank transfer	1,450	11.3	Since 2019
Supplier L[6]	Payment service	N/A; bank transfer	1,022	8.0	Since 2023
			12,563	98.2	

Year ended December 31, 2024

Supplier	Major services purchased by us	Credit terms and payment method	Purchase amount	As a percentage of purchases under digital marketplace business	Length of business relationship with us
			(RMB'000)	*(%)*	
Supplier H[(2)]	Cloud service	N/A; bank transfer	5,239	34.5	Since 2015
Supplier K[(5)]	Payment service	N/A; bank transfer	3,602	23.7	Since 2019
Supplier J[(4)]	Payment service	N/A; bank transfer	2,171	14.3	Since 2021
Supplier I[(3)]	Payment service	N/A; bank transfer	1,912	12.6	Since 2017
Supplier L[(6)]	Payment service	N/A; bank transfer	1,437	9.5	Since 2023
			14,361	94.6	

Year ended December 31, 2023

Supplier	Major services purchased by us	Credit terms and payment method	Purchase amount	As a percentage of purchases under digital marketplace business	Length of business relationship with us
			(RMB'000)	*(%)*	
Supplier K[(5)]	Payment service	N/A; bank transfer	6,694	32.0	Since 2019
Supplier H[(2)]	Cloud service	N/A; bank transfer	5,862	28.0	Since 2015
Supplier J[(4)]	Payment service	N/A; bank transfer	4,937	23.6	Since 2021
Supplier F[(7)]	Payment service	N/A; bank transfer	1,827	8.7	Since 2015
Supplier I[(3)]	Payment service	N/A; bank transfer	1,450	6.9	Since 2017
			20,770	99.2	

Notes:

(1) See "— Our Suppliers — Our Five Largest Suppliers" for the background.

(2) Founded in 2008 and headquartered in Zhejiang Province, China, Supplier H primarily engages in cloud services and AI technologies with a registered capital of RMB10.1 billion, and is backed by a leading Chinese internet giant.

(3) Founded in 2006 and headquartered in Guangdong Province, China, Supplier I is a domestic independent third-party payment platform with a registered capital of RMB22.3 billion, and is a subsidiary of a leading Chinese internet giant listed on the Hong Kong Stock Exchange.

(4) Founded in 2013 and headquartered in Guangdong Province, China, Supplier J is a domestic independent third-party payment platform with a registered capital of RMB200.0 million, and is a subsidiary of a company listed on the Hong Kong Stock Exchange.

(5) Founded in 2008 and headquartered in Shanghai, China, Supplier K is a domestic independent third-party payment platform with a registered capital of RMB1.5 billion.

(6) Founded in 2011 and headquartered in Shanghai, China, Supplier L is a domestic independent third-party payment platform with a registered capital of RMB360.0 million.

(7) Founded in 2004 and headquartered in Shanghai, China, Supplier F is a domestic independent third-party payment platform with a registered capital of RMB1.5 billion, and is backed by a leading Chinese internet giant.

SELF-OPERATED BUSINESS

Established upon the downstream buyer base brought by our *Hipac* platform and deep collaboration with upstream manufacturers, we started our self-operated business in 2019 to address growing procurement and fulfilment needs while deepening industry connections. Starting with general self-operated business, we procure family care and nutrition products and take inventory from upstream suppliers and sell them to downstream buyers mainly via our *Hipac* platform. As our industry expertise deepened, we expanded into proprietary brand business in 2021. During the Track

Record Period, our proprietary brand business encompassed (i) curated white brand disposable diaper products produced by third-party manufacturers with limited brand recognition, and (ii) our self-developed and OEM-manufactured brand collections.

Major Participants

Major participants of our self-operated business primarily include upstream suppliers and downstream buyers.

Upstream Suppliers

Upstream suppliers of our self-operated business mainly include family care and nutrition product brands, their authorized distributors and manufacturers. Given our leading position in China's family care and nutrition product industry in lower-tier market, the vast offline retail network we organized that deeply penetrates into China's lower-tier market, and our sizable bulk purchase amount, we are well positioned to provide upstream buyers with a cost-effective approach to penetrate the lower-tier market while saving marketing expenses.

Downstream Buyers

Downstream buyers of our self-operated business mainly include offline retail stores, consumers, and to a lesser extent, offline trading partners. We identify unmet market demand through big data analysis of transaction data accumulated on *Hipac* platform as well as through ongoing communication between our sales and marketing team and offline retail stores. For example, through continuous dialogue with buyers and market research, we have identified the unmet demand in lower-tier market for more cost-effective infant formula products. Leveraging such market insights, we successfully launched Beiyue (貝悦) in partnership with Meadjohnson (美贊臣) in 2024, which is authorized by Meadjohnson as a channel exclusive product to sell only on our platform, aiming to offer buyers a more diversified portfolio of cost-effective choices. In addition, we continuously introduce self-designed and self-developed proprietary brand collections that are meticulously tailored to meet the diverse demands of consumers and directly offer our proprietary brand collections through major e-commerce platforms to consumers, enabling us to establish a direct connection with consumers and respond promptly to market trends.

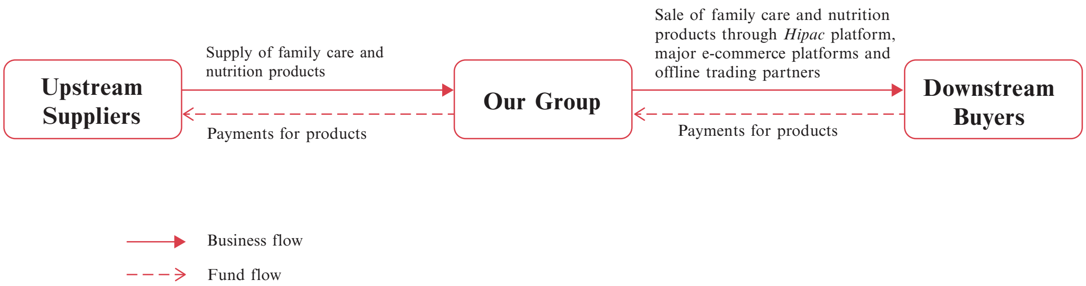
General Self-operated Business

Under our general self-operated business, we directly procure products from family care and nutrition product brands, their authorized distributors and manufacturers and sell them mainly on *Hipac* platform as the vendor. Through direct negotiations with upstream suppliers, we secure competitive pricing while maintaining full control over inventory management, delivery, pricing strategies and after-sales customer services. We make procurement decisions based on downstream demand and exercise higher level of quality control of products on our own. We carefully select products for our general self-operated business based on analysis of transaction history, transaction preferences and buyer demand on *Hipac* platform. We primarily focus on product categories characterized by high channel added value, diverse supply source with fragmented yet fast-growing downstream demand, such as infant formula and dietary supplements, where we can gather downstream demands leveraging our role as the owner and operator of *Hipac* platform and achieve stronger bargaining power to ensure cost-competitive offerings.

Considering (i) our leading position and solid reputation in China's family care and nutrition product industry in lower-tier market, (ii) the vast offline retail network we organized that deeply penetrates into China's lower-tier market, (iii) our dedicated sales and marketing team for self-operated business and proactive offline marketing initiatives underpinned by our in-depth understanding of China's lower-tier markets, which in turn enhance the brand appeal of upstream suppliers, as well as reduce the marketing costs that upstream suppliers would otherwise incur for independent brand promotion, and (iv) our sizable bulk purchase demand under the general self-operated business, enabling upstream suppliers to achieve quicker fund reflow, compared with their piecemeal sales as vendors through digital marketplaces, upstream suppliers are willing to sell their products or certain product series directly to us to more rapidly and cost-effectively penetrate the lower-tier market while saving marketing expenses. The products sold by upstream suppliers to us under our general self-operated business are distinct from the products that the same suppliers independently sell as vendors on the *Hipac* platform, either in terms of product types or product series.

Our general self-operated business is mainly operated through our own online stores on *Hipac* platform. Products offered under our general self-operated business mainly include infant formula, snacks and supplements, dietary supplements and non-edible family care products.

The following chart illustrates the business and fund flow of our general self-operated business:



Product Sourcing

Our self-operated business strengthens the entire supply chain and vitalizes our ecosystem from procurement, warehousing, processing orders, to the delivery to downstream buyers. As of December 31, 2025, we collaborated with 266 family care and nutrition product brands, their authorized distributors and manufacturers under our general self-operated business. We have established strict supplier onboarding procedures to ensure supply chain efficiency and product quality. Before engagement, we perform comprehensive background checks to evaluate supplier candidates' business conditions, scale, achievements, credit and qualifications. We verify their business licenses and qualifications, as well as their operational permits, and assess their brand reputation, production capacity, reliability, historical record and pricing. Our suppliers must meet our standards for timely delivery of authentic and quality products, with contractual quality guarantees incorporated into all agreements. In addition, we conduct regular and random product inspections to ensure ongoing compliance with our quality standards and policies.

We generally enter into annual framework agreements with our suppliers under general self-operated business. The key terms of the framework agreements with our suppliers are summarized as below:

Duration	The agreement typically has a term of one year, which can be renewed for another year upon the mutual consent of the contractual parties.
Payment and credit term	Full payment shall be made within thirty days following our acceptance of the products.
Delivery of products	The suppliers shall be responsible for the delivery of products to our designated warehouses, bearing all associated risks during transit until formal acceptance. In a few cases, suppliers are responsible for the delivery of products to our downstream buyers on our behalf.
Product guarantee	The suppliers shall ensure that the products meet the confirmed samples, applicable laws, mandatory standards, and other standards indicated by the suppliers and required by us.

Product returns/exchanges	We are entitled to return defective or substandard products with costs to be borne by our suppliers. For mislabeled products, suppliers shall be liable for the penalty for breach of contract and relevant product return expenses.
Termination	We are typically entitled to terminate the agreement in the event of a material breach by our suppliers.

In respect of infant formula products under our general self-operated business, upstream vendors typically set guide prices for us as the floor price for our subsequent sales, while other product categories under general self-operated business are not subject to price guidance. In addition, upstream vendors typically do not impose geographical limitations on us for our subsequent sales, save for one baby wipe brand which we are restricted to sell within Zhejiang Province. We restrict the sale of this baby wipe brand to *Hipac* platform and limit its availability exclusively to buyers with delivery addresses located in Zhejiang Province, thereby ensuring proper regional distribution.

For the years ended December 31, 2023, 2024 and 2025, we incurred cost of goods under our general self-operated business of RMB400.8 million, RMB523.8 million and RMB923.4 million, respectively, accounting for 37.6%, 50.7% and 65.9%, respectively, of our total revenue for the same years.

Given our leading position in China's family care and nutrition product industry in lower-tier market, the vast offline retail network we organized that deeply penetrates into China's lower-tier market, the significant marketing costs and expenses that upstream suppliers would incur if they were to penetrate such market independently, as well as our sizable bulk purchase demand under the general self-operated business, we believe the risk of disintermediation is low. On the other hand, considering the wide range of advantages and convenience offered by our *Hipac* platform to buyers as well as detailed in "Digital Marketplace Business — Major Participants — Buyers," we believe that the extensive network of offline retail stores operating in China's lower-tier market also relies on our *Hipac* platform for their business needs. In addition, vendor information is not displayed alongside product details on our *Hipac* platform, which serves to prevent off-platform direct contact between vendors and buyers. We have also incorporated restrictive covenants into our platform service agreements with vendors that prohibit off-platform communication or transaction with buyers to mitigate the risk of disintermediation. In the event of a breach of such provisions by a vendor, we are entitled to exercise remedies against the relevant vendor, including imposing penalties, suspending the provision of our platform and promotion services to such vendor, or terminating the relevant platform service agreement with such vendor. However, in the event that upstream suppliers choose to sell their products directly through our *Hipac* platform instead of supplying such products to us under our general self-operated business, we may be exposed to disintermediation risk. See "Risk factors — Risks Relating to Our Business and Industry — Our inability to maintain stable relationships with our suppliers, or failure to secure alternative suppliers, could have a material and adverse effect on our business and financial condition."

Designated Channel Arrangements

During the Track Record Period, we have collaborated with various family care and nutrition product brands and manufacturers and have been authorized as the designated channel of certain brands and series, such as diapers, infant formula and nutrition products, to exclusively provide marketing, sales and distribution services for brands and manufacturers through specific channels, including our *Hipac* platform and major e-commerce platforms, and within specific regions. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from sales of channel exclusive products under our general self-operated business amounted to RMB60.2 million, RMB57.9 million and RMB184.0 million, respectively, representing 5.6%, 5.6% and 13.1%, respectively, of our total revenue during the same years.

For such channel exclusive products, we set unified retail guide price for buyers as the floor price for their subsequent retail sales. This pricing mechanism is designed to maintain price stability across different sales channels, protect the market order, and preserve brand value, while also safeguarding the interests of consumers. In addition, we leverage our customer relationship management system to carefully screen one buyer of channel exclusive products in each two-kilometer geographic region based on the operating addresses of the offline retail stores, whereas other buyers within the same geographic region are not allowed to purchase channel exclusive products from us, thereby controlling the regional distribution rationality of channel exclusive products. Pursuant to the platform service agreements we entered into with buyers upon their registration, channel exclusive products shall only be sold offline to consumers within their respective offline retail stores at the operating addresses of the buyers; buyers are strictly prohibited from reselling any channel exclusive products to other retailers, distributors, or through e-commerce platforms. We oversee the retail of channel exclusive products through a combination of periodic on-site inspections and online surveillance, ensuring compliance with our sales guidelines and protecting the integrity of our distribution network. Specifically, our category operation team constantly searches and reviews product information on major e-commerce platforms, handles online reports through *Hipac* platform, and monitors if any buyers mis-sell channel exclusive products online. Furthermore, our sales and marketing team visits the offline retail stores at least once per quarter, where we monitor the retail price of channel exclusive products and check whether any offline retail stores without the authorization to sell channel exclusive products as per our customer relationship management system are engaged in mis-selling activities of such products. This restriction is implemented to maintain market order, ensure the proper distribution of products, and avoid cannibalization among distribution channels. In respect of the mis-selling of channel exclusive products identified by us during the Track Record Period, we required the relevant offline retail stores to take rectification measures within a specified timeframe. In the event that such offline retail stores fail to complete the rectification as required, they may be subject to disciplinary actions, including account suspension, the imposition of penalties and a prohibition on further purchases of channel exclusive products. There were no material incidents of mis-selling of channel exclusive products during the Track Record Period.

Buyers are allowed to return their unsold channel exclusive products to us within a specific period if and only if they cease registration on our platform, thereby ensuring proper distribution of such products to avoid distress sale. During the Track Record Period, the value of return of unsold channel exclusive products from our buyers which have ceased registration amounted to RMB805.6 thousand, RMB625.1 thousand and RMB3.3 million in 2023, 2024 and 2025, respectively, representing a negligible proportion of the GMV from *Hipac* platform under our general self-operated business, respectively.

Our designated channel agreements with brands and manufacturers typically have a term of one year, which explicitly define the scope of authorized brands or products under our representation, as well as the designated channels or regions. Under these agreements, we are granted exclusive rights within the specified region and through the designated channel. During the term, the brands and manufacturers undertake not to directly or indirectly appoint other distributors, nor engage in the sale of the authorized brands or products through other channels. There were no material breaches of designated channel agreements with brands and manufacturers by us during the Track Record Period.

We are able to obtain designated channel arrangements from family care and nutrition product brands and manufacturers mainly based on (i) our leading position and solid reputation in China's family care and nutrition product industry in lower-tier market, which can enhance the influence of their brands along the distribution process, (ii) the vast offline retail network we organized that deeply penetrates into counties and villages in China, providing efficient distribution channels for their products, and (iii) our dedicated category operation team and effective retail sales monitoring to ensure the appropriate distribution of their products.

Key Operating Data

The following table sets forth selected operating data of our general self-operated business for the years indicated:

	Year ended/As of December 31,		
	2023	2024	2025
GMV from *Hipac* platform (RMB in thousands)[1]	533,105	709,307	1,194,284[4]
Number of suppliers	30	85	123[4]
Number of paying buyers[1] [2]	86,570	99,778	158,297[4]
Number of brands/series authorized us as designated channel	36	76	99[4]
Number of SKUs sold[1]	571	1,081	2,419[4]
Number of SKUs of channel exclusive products sold[1]	439	806	759
Average number of orders per paying buyer[1]	5	6	8
Average GMV per order (RMB)[1]	1,219	1,292	898
Inventory turnover days[3]	36	39	25

Notes:

(1) Including GMV, paying buyers, SKUs sold and orders through our own online stores on *Hipac* platform (excluding those sold through major e-commerce platforms or to our offline trading partners). For details, see "— Sales Channels."

(2) Paying buyers refer to buyers which placed at least one order through our own online stores on *Hipac* platform under our general self-operated business in the relevant years.

(3) Calculated as the average of the opening and closing balances of inventories under general self-operated business for the year, divided by cost of sales under the same business for the relevant year, multiplied by the number of days for the relevant year (being 365 days for the years ended December 31, 2023, 2024 and 2025).

(4) The substantial increase in the relevant operating data of our general self-operated business in 2025 was primarily attributable to (i) the substantial growth of infant formula benefiting from deepened collaboration with upstream infant formula brands through negotiating direct procurement or designated channel arrangements; and (ii) our strategic adjustment of our disposable diaper business in mid 2025 in response to the persistent downturn of such business. We decided to convert our proprietary disposable diaper products to co-branding arrangements with third-party suppliers so as to reduce our research and development costs. As we ceased to lead the research, development and production of disposable diapers, such business was transited from proprietary brand business to general self-operated business since July 2025.

The following table sets forth the number of paying buyers through *Hipac* platform under our general self-operated business by tier of markets and as a percentage of the number of total paying buyers through *Hipac* platform under such business during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	Number	*%*	*Number*	*%*	*Number*	*%*
First-tier market	2,162	2.5	2,166	2.2	3,147	2.0
Second-tier market	17,564	20.3	20,507	20.6	31,545	19.9
Lower-tier market	66,844	77.2	77,105	77.3	123,605	78.1
Total	**86,570**	**100.0**	**99,778**	**100.0**	**158,297**	**100.0**

The following table sets forth the GMV from *Hipac* platform under our general self-operated business by tier of markets and as a percentage of the total GMV from *Hipac* platform under such business during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	RMB in thousands	*%*	*RMB in thousands*	*%*	*RMB in thousands*	*%*
First-tier market	33,500	6.3	37,745	5.3	53,316	4.5
Second-tier market	124,366	23.3	161,951	22.8	258,908	21.7
Lower-tier market	375,239	70.4	509,611	71.8	882,060	73.8
Total	**533,105**	**100.0**	**709,307**	**100.0**	**1,194,284**	**100.0**

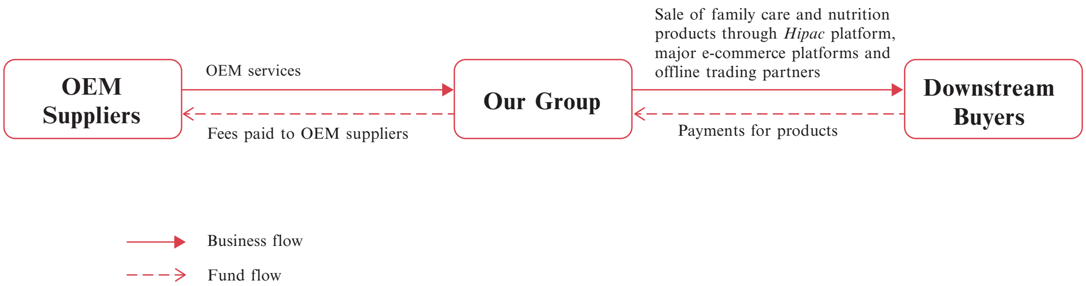
The following table sets forth the breakdown of our revenue generated from general self-operated business by major product categories for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*
Family care and nutrition products	442,746	99.9	575,356	99.3	1,064,364	100.0
Nutritional edibles and supplements	406,643	91.8	562,550	97.1	949,974	89.2
Infant formula	395,125	89.2	522,135	90.1	903,590	84.9
Food, snacks and supplements	1,092	0.2	629	0.1	138	0.0
Dietary supplements	10,426	2.4	39,786	6.9	46,246	4.3
Non-edible family care products	36,103	8.1	12,806	2.2	114,390	10.8
Other products	321	0.1	4,267	0.7	299	0.0
Total	**443,067**	**100.0**	**579,623**	**100.0**	**1,064,663**	**100.0**

Our Proprietary Brand Business

During the Track Record Period, our proprietary brand business encompassed (i) curated white brand disposable diaper products produced by third-party manufacturers with limited brand recognition, and (ii) our self-developed and OEM-manufactured brand collections. We take the lead in the research, development and production of our proprietary brand collections and hold the relevant trademarks and patents, which demonstrates our commitment to maintaining product quality and innovation. We identify unmet market demand through big data analysis of transaction data accumulated on *Hipac* platform as well as through continuous communication between our sales and marketing team and offline retail stores, and we study the feasibility of developing products to satisfy such demand and engage OEM suppliers to bring the products to market. We believe this is a high value-added monetization model that is exemplary of our ability to utilize big data analysis and our insight into unmet market demand to unlock the commercial potential of our ecosystem.

The following chart illustrates the business and fund flow of our proprietary brand business:



Our Brands and Products

Underpinned by our accumulated efforts in developing proprietary brands, we have incubated and developed 98 product series under 33 brands as of December 31, 2025, covering food, snacks and supplements, disposable diapers, and dietary supplements for children and adults.

The following table sets forth certain information regarding our representative proprietary brands:

	Wonder Miao (喵小俠)	***Doctor Jepson***
Year of launch	2021	2024
Product types	Complementary food for children	Nutrition products
Target consumer	Infants and children	All age groups
Representative series	• Freeze-dried melting rice crackers (凍乾溶溶米餅)  • Ca-Fe-Zn teeth grinding rod (鈣鐵鋅磨牙棒)  • Pure fruit puree (純純果泥)  • Lactobacillus snacks 	• Lysine dipeptide calcium special dietary drink (賴氨酸雙肽鈣特膳飲) for individuals with calcium deficient, poor calcium absorption ability or height management demands  • Double berry and double protein special dietary nutrients (雙莓雙蛋白特殊膳食營養劑) for enhancing family member's immunity and health  • Gamma aminobutyric acid dipeptide drink (γ-氨基丁酸雙肽飲) for children with ADHD and individuals with poor sleep quality, high stress and/or lack of concentration  • Wuyang Sishen dipeptide drink (五養四神雙肽飲) for spleen strengthening 
Recommended price range	RMB9.9–59.9	RMB99–299
Major awards and recognitions	Leading Brand in China's Food Industry for 30 Years (中國食品產業30年領創品牌) by Huatang Cloud Operators, a state-owned modern media service company backed by Hebei Daily Press Group, in 2023 Annual New Potential Brand of China Maternity and Baby Industry Award (中國孕嬰童產業獎年度新勢能品牌) by Children Baby Maternity Expo in 2023 Top 100 New Forces of 2023 China Chic Brand (2023國潮品牌新生力量百強榜) by TideSight (觀潮新消費)	Annual Innovative Product of the 18th China Food Industry Growth Star (第18屆中國食品產業成長之星年度創新產品) by Huatang Cloud Operators in 2024 Annual Best Selling Product Award (年度暢銷產品獎) by Food Data Link (數食主張) in 2025 Over 18 raw material patents and over 20 technology patents in China as of December 31, 2025

Considering the high entry barrier of developing infant formula products and the high market concentration of infant formula (the top ten infant formula brands in China jointly accounted for a total market share of over 80% in 2025 in terms of retail sales, according to Frost & Sullivan), we do not include infant formula products under our proprietary brand business, thereby avoiding competition with third-party vendors on digital marketplace business in this regard. In contrast, the markets of other family care and nutrition product categories are relatively dispersed, characterized by a large number of market participants and brands jockeying for position and market share. It is not feasible for us to develop and launch proprietary brand products that are entirely non-competitive with products sold by third-party merchants on digital marketplace. That said, we have always adhered to the principle of fair competition on the *Hipac* platform and do not provide differential or preferential treatment to our proprietary brand products. Nevertheless, we primarily focus on unmet market demands when developing proprietary brand products through big data analysis of transaction data accumulated on *Hipac* platform as well as through continuous communication between our sales and marketing team and offline retail stores, and endeavors to differentiate our products from other competitors in terms of target customers, pricing and formula.

Product Development Process

We have set in place internal procedures for developing proprietary brands and products, covering lead discovery of market demand, project proposal, feasibility study, design, selection of OEM suppliers, sample making, internal review and customer trial, mass production, quality control, product launch and post-launch tracking. We have focused on proprietary product design and development which enable us to timely refine existing products and develop new products to cater to changing market needs and maintain our competitiveness.

Our proprietary brands and products are generally developed pursuant to the following processes:

- *Demand identification*. Leveraging the profound insights gleaned from years of experience in operating our digital marketplace business, we identify unfulfilled market demand through big data analysis of transaction data accumulated on *Hipac* platform as well as through ongoing communication between our sales and marketing team and offline retail stores.

- *Feasibility study*. Upon the initiation of the development proposal, we undertake a multi-faceted assessment of the viability of launching new products, which encompasses competitive product analysis, where we thoroughly examine the features, market positioning and competitive edge of comparable products. We conduct value chain decomposition and competitors' gross profit margin analysis to gain a deeper understanding of their cost-revenue structures and pricing strategies. We also focus on identifying the key selling points of potential new products, which are crucial for formulating effective marketing and sales strategies.

- *Design and internal review*. Having due regard to the practical features and parameters of the conceptualized product design, we shortlist appropriate OEM supplier candidates for sample making. Through multiple rounds of internal reviews and in consideration of customer trial feedback, we finalize and document the product design and formula.

- *Production*. After finalizing the new product designs, our product development team works out the product and packaging specifications and requests OEM supplier candidates to provide fee quotes. Once we confirm the fee quote and product and packaging details, our procurement team places purchase orders to OEM suppliers for mass production. For details of our cooperation with our OEM suppliers, see "— OEM Suppliers."

- *Marketing and product launch*. Our sales and marketing team formulates comprehensive marketing strategies and take on the visual design, layout structure, and copywriting of the product details page. Our sales and marketing team works closely with our product development team on the target marketing window for our product launch, ensuring that marketing efforts are precisely aligned with product features, market positioning and target customer needs.

- *Monitoring and feedback*. Following the product launch, we conduct meticulous and continuous monitoring, as well as in-depth analysis of the real-time sales data and market feedback obtained from our *Hipac* platform and major e-commerce platforms. Through a comprehensive and systematic examination of the sales data, we fine-tune our marketing strategies in a timely manner. Additionally, the insights derived from such analysis enable us to identify areas for future product enhancement and iterative development, ensuring that our products remain competitive and relevant in the dynamic market environment.

Supported by our strong product design and development capabilities, we have successfully developed and launched extensive proprietary brand collections. We also strive to maintain the balance between offering diversified collections of products and streamlining SKUs for better cost control. As of December 31, 2025, we had an in-house product development team of 17 employees with an average experience of over 10 years in the family care and nutrition product industry. We also collaborate with reputable and established manufacturers to jointly develop new products under our proprietary brands as a complement to our in-house R&D initiatives. In 2023, 2024 and 2025, we launched 302, 643 and 314 new SKUs under our proprietary brand business, respectively. For the years ended December 31, 2023, 2024 and 2025, our research and development expenses in relation to product design and development under our proprietary brand business amounted to RMB4.6 million, RMB3.6 million and RMB2.4 million, respectively, representing 0.4%, 0.3% and 0.2%, respectively, of our revenue during the same years. We plan to continue to invest in product design and development under our proprietary brand business and to focus on pioneering innovations in order to remain competitive.

OEM Suppliers

We carefully select our OEM suppliers according to our internal procurement management guidelines and require them to satisfy certain criteria in terms of supplier admission, evaluation, review, assessment and removal. We evaluate them based on a range of factors, including overall track record, expertise, product quality and quality control, historical relationship with us, price, reliability, financial condition, reputation, experience, ESG performance, ability to meet our delivery timeline and production capacity. We also evaluate our existing suppliers on a regular basis through employing a supplier scoring checklist and examining the production site of the suppliers. Our evaluation criteria include manufacturing facilities, quality control, on-time delivery rate, process yield, differences between proposed and final prices, devoted management, pass rate of first inspection, post-sale return rate and ESG initiatives. Our procurement team works closely with our OEM suppliers during each step of the process and conducts quality checks upon final product delivery to ensure that products manufactured by our suppliers meet our quality control standards. In addition, each of our OEM suppliers must obtain relevant licenses required by laws and regulations and pass our internal quality control procedures. See "— Quality Control" below. During the Track Record Period and up to the Latest Practicable Date, we had not encountered any material disruption to our business as a result of failure to obtain outsourced products and we had not experienced, and do not expect to experience, any material difficulties in obtaining the outsourced products we require.

Our OEM suppliers are principally suppliers of finished goods, which process raw materials purchased by themselves and provide us with the finished products. To a much lesser extent, historically we had a few processing suppliers for our attempts to develop certain proprietary brand collections which we have ceased to pursue. Such processing OEM suppliers processed raw materials provided by us and provided us with the processed products.

We generally enter into framework agreements with our OEM suppliers with terms ranging from 12 to 18 months, and place orders as necessary. The framework agreements we entered into with our OEM suppliers set forth terms such as the supplier's qualifications, procedures for placing orders, production obligations, quality standards and specifications, pricing terms, delivery protocol, inspection and acceptance of products, return policy, payment terms, confidentiality obligations and protection of know-how, trademarks and other intellectual property rights. These framework agreements typically do not contain minimum purchase or price requirements. We specify the product type, unit price, quantity, delivery timeline and other detailed items in each purchase order we send to our OEM suppliers from time to time. Payments are generally settled by us within one month upon our receipt of product delivered. To a lesser extent, some OEM suppliers require prepayments prior to product delivery. We may return products within the warranty period as stipulated in the agreements or at any time after delivery when we discover any defect in the products. During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our OEM suppliers.

Key Operating Data

The following table sets forth selected operating data of our proprietary brand business for the years indicated:

	Year ended/As of December 31,		
	2023	2024	2025
GMV from *Hipac* platform (RMB in thousands)(1)	268,140	199,016	93,997(4)
Number of OEM suppliers	52	82	99
Number of paying buyers(1) (2)	42,180	38,018	24,929(4)
Number of orders from consumers on major e-commerce platforms	1,294,596	765,957	1,076,497
Number of new SKUs launched	302	643	314(4)
Number of new dietary supplement SKUs launched	9	100	110
Number of SKUs sold(1)	681	1,030	798(4)
Average GMV per order(1)	239	205	125
Inventory turnover days(3)	21	17	19

Notes:

(1) Including GMV, paying buyers, SKUs sold and orders through our own online stores on *Hipac* platform (excluding those sold through major e-commerce platforms or to our offline trading partners). For details, see "— Sales Channels."

(2) Paying buyers refer to buyers which placed at least one order through our own online stores on *Hipac* platform under our proprietary brand business in the relevant years.

(3) Calculated as the average of the opening and closing balances of inventories under proprietary brand business for the year, divided by cost of sales under the same business for the relevant year, multiplied by the number of days for the relevant year (being 365 days for the years ended December 31, 2023, 2024 and 2025).

(4) The decline in the relevant operating data of our proprietary brand business in 2025 was mainly due to our strategic adjustment of our disposable diaper business in mid 2025 in response to the persistent downturn of such business. We decided to convert our proprietary disposable diaper products to co-branding arrangements with third-party suppliers so as to reduce our research and development costs. As we ceased to lead the research, development and production of disposable diapers, such business was transited from proprietary brand business to general self-operated business since July 2025.

The overall decline in GMV from *Hipac platform* and number of paying buyers of our proprietary brand business during the Track Record Period were mainly due to the decreased sales of food, snacks and supplements for infants and toddlers aged below three years old and non-edible family care products (mainly disposable diapers), which were impacted by the historical declines in China's birth rate and newly-born population. As confirmed by Frost & Sullivan, such business trend is in line with China's commerce and service of family care and nutrition product industry in lower-tier market. To address such market challenges, we strategically transited certain underperforming self-operated diaper brands from self-operated business model to digital marketplace model, and pivoted our business focus from food, snacks and supplements for infants and toddlers to family dietary supplements, a category with deeper moat, broader target customers, higher growth rate and greater opportunities. See "Financial Information — Description of Key Items of Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income — Revenue" for detailed discussion.

The following table sets forth the number of paying buyers through *Hipac* platform under our proprietary brand business by tier of markets and as a percentage of the number of total paying buyers through *Hipac* platform under such business during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	Number	*%*	*Number*	*%*	*Number*	*%*
First-tier market	312	0.7	282	0.7	147	0.6
Second-tier market	8,613	20.4	7,355	19.3	4,844	19.4
Lower-tier market	33,255	78.8	30,381	79.9	19,938	80.0
Total	**42,180**	**100.0**	**38,018**	**100.0**	**24,929**	**100.0**

The following table sets forth the GMV from *Hipac* platform under our proprietary brand business by tier of markets and as a percentage of the total GMV from *Hipac* platform under such business during the Track Record Period.

	Year ended December 31,					
	2023		2024		2025	
	RMB in thousands	*%*	*RMB in thousands*	*%*	*RMB in thousands*	*%*
First-tier market	1,836	0.7	1,311	0.7	744	0.8
Second-tier market	67,935	25.3	53,371	26.8	24,181	25.7
Lower-tier market	198,369	74.0	144,335	72.5	69,072	73.5
Total	**268,140**	**100.0**	**199,016**	**100.0**	**93,997**	**100.0**

The following table sets forth the breakdown of our revenue generated from proprietary brand business by major product categories for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*% of total*	*RMB'000*	*% of total*	*RMB'000*	*% of total*
Family care and nutrition products	324,733	100.0	222,203	100.0	151,443	100.0
Nutritional edibles and supplements	153,746	47.3	118,359	53.3	113,128	74.7
Food, snacks and supplements	152,150	46.8	85,719	38.6	53,341	35.2
Dietary supplements	1,596	0.5	32,640	14.7	59,787	39.5
Non-edible family care products	170,987	52.7	103,844	46.7	38,315	25.3
Total	**324,733**	**100.0**	**222,203**	**100.0**	**151,443**	**100.0**

Sales Channels

Products under our self-operated business are mainly sold to downstream buyers through our own online stores on *Hipac* platform, and to a lesser extent, directly to consumers through our self-operated stores on major e-commerce platforms and through our offline trading partners which do not transact on our *Hipac* platform. The following table sets forth the breakdown of revenue generated from our self-operated business by sales channels for the years indicated:

	Year ended December 31,					
	2023		2024		2025	
	RMB'000	*%*	*RMB'000*	*%*	*RMB'000*	*%*
Hipac platform	631,315	82.2	709,877	88.5	1,019,833	83.9
Third-party e-commerce platforms	97,173	12.7	67,320	8.4	95,423	7.8
Offline trading partners	39,312	5.1	24,629	3.1	100,850	8.3
Total	**767,800**	**100.0**	**801,826**	**100.0**	**1,216,106**	**100.0**

Sales through Hipac Platform

Under our self-operated business, our *Hipac* platform is the most important sales channel, through which we sell products mainly to offline retail stores in lower-tier market, which in turn, resell such products to consumers within the neighborhood. Considering that (i) buyers are required to pay us before we deliver the products to them, (ii) we do not impose minimum purchase amount requirements, and (iii) except for channel exclusive products which we set unified retail guide price for buyers as the floor price for their subsequent retail sales, we do not mandate their selling price to consumers, we believe that our sales through *Hipac* platform reflect genuine consumer demand directly from the local communities and therefore our products are at low risk of channel stuffing.

Sales through E-commerce Platforms

We also sell our proprietary brand collections directly to consumers through our self-operated stores on major e-commerce platforms, including Tmall, JD.com, Douyin, Pinduoduo and Rednote. We enter into standardized platform agreements with third-party e-commerce platforms for the operation of our self-operated stores thereon, which contain terms regarding the respective obligations of each party. The duration of such agreements is generally one year, which are renewable on an annual basis. Third-party e-commerce platforms typically provide us with software and Internet information related services, and we pay service fees accordingly. Service fees generally include annual service fees and commissions based on our sales on such third-party e-commerce platforms. The agreements shall be terminated on expiration, upon mutual consent or by the non-defaulting party in the event of a material breach. We generally follow the payment rules of these third-party e-commerce platforms and require consumers to make payments before we process orders and make deliveries. Once consumers confirm the receipt of the deliveries on the third-party e-commerce platforms, the platforms would release the payments to us. After our online stores receive orders from consumers and consumers make payments to the third-party e-commerce platforms, we normally arrange deliveries to consumers' designated addresses through third-party logistics companies. We generally offer consumers standard service policies following the product return and exchange rules of the relevant e-commerce platforms.

Sales to Offline Trading Partners

We also sell products under our self-operated business to our offline trading partners as a supplemental channel to promote certain relatively new brands, thereby enhancing their brand appeal. Such offline trading partners in turn, resell such products to downstream businesses or consumers through their own offline channels or online platforms. The transactions are conducted offline and not processed through our *Hipac* platform. Our sales team negotiates directly with our offline trading partners to confirm product demand, and our offline trading partners then send their orders directly to our sales team.

We believe that collaboration with offline trading partners allows us to leverage their local market expertise, knowledge and established sales networks, helping us extend our reach and achieve deeper market penetration across wider geographical areas. This approach enables us to more rapidly and cost-effectively penetrate the lower-tier market without incurring significant marketing expenses. According to Frost & Sullivan, collaboration with offline trading partners is in line with the industry norm in China's commerce and service of family care and nutrition product industry.

The following table sets forth the total number of our offline trading partners which purchased products from us at least once under self-operated business during the relevant years and the movement during the years indicated:

	Year ended December 31,		
	2023	2024	2025
Number of offline trading partners as at the beginning of year	356	261	42
Addition of new offline trading partners	21	22	76
Decrease in number of offline trading partners	116	241	46
Number of offline trading partners as at the end of year	261	42	72

During the Track Record Period, our offline trading partners mainly comprise product trading companies for the promotion and sales of a relatively new infant formula brand, and to a lesser extent, for the promotion and sales of our proprietary brand, *Wonder Miao*. The decrease in the number of offline trading partners in 2024 was primarily due to our gradual cessation of such infant formula product line. We closely monitor the performance of our offline trading partners. The number of offline trading partners rebounded in 2025, primarily attributable to the new offline trading partners we collaborated with for the promotion and sales of our infant formula products under general self-operated business. To the best of our knowledge, as of the Latest Practicable Date, all of our offline trading partners were Independent Third Parties and none of our offline trading partners were controlled by our former or current employees.

In our commitment to maintaining high standards, we continually evaluate and select suitable offline trading partners. We select and assess offline trading partners based on a number of standards, including, among others, their local resources and experiences, distribution channels, accumulated customer base, marketing capabilities, financial conditions, risk management capabilities and reputation. When engaging offline trading partners, we would consider their business nature, distribution channels, locations and target markets, so as to avoid potential competition among our offline trading partners.

We usually sell products to our offline trading partners on an order-by-order basis and enter into one-off sales agreements with them. With some of our major offline trading partners, we enter into annual framework agreements, under which they would place orders with us from time to time.

We generally cooperate with most of our offline trading partners based on a straightforward buyer-seller model. We recognize revenue and transfer the risk in and title to our products upon delivery of our products to the offline trading partners' designated place.

Our agreements with offline trading partners generally include the following key terms:

Duration	The agreements are typically one-off sales agreements or annual framework agreements, under which they would place orders with us from time to time.
Retail prices and minimum purchase amount	We typically do not include retail prices or minimum purchase amount in the agreements.
Limitations on return or exchange	We generally do not accept any return or exchange of products except for defective or substandard products.
Payment and credit terms	We generally require full payment be made in advance before shipment. In some circumstances, offline trading partners settle payments with us pursuant to the prescribed cycle.

Termination	The annual framework agreements can be terminated (i) with a 30-day prior notice by either party, (ii) by the non-defaulting party in the event of a material breach, or (iii) due to force majeure events.

To a lesser extent, for some of our major offline trading partners, we provide drop-shipping services, where we deliver our products to their end customers directly according to the order details and addresses provided by our offline trading partners. Under the drop-shipping model, we collaborate with our offline trading partners on a consignment basis, where we only recognize revenue when products are delivered to and accepted by their end customers. We settle payments with our offline trading partners and regard them as our customers under the drop-shipping model. Therefore, our products are not subject to channel stuffing risks under the drop-shipping model.

The key terms of our agreements with such offline trading partners under the drop-shipping model are summarized below:

Duration	The duration of agreements is typically 12 months, subject to renewal by mutual agreement.
Retail prices and minimum purchase amount	We typically do not include retail prices or minimum purchase amount in the agreements.
Delivery logistics	We shall deliver our products to the end customers of such offline trading partners according to the order details and addresses provided by offline trading partners on their behalf, and we generally bear the relevant delivery costs.
Product returns/exchanges	End customers of the offline trading partners are generally entitled to unconditional return or exchange guarantee within seven days of the purchase, or to return defective or substandard products. We shall bear the return or exchange costs.
Payment and credit terms	Offline trading partners typically settle payments with us biweekly or monthly.
Termination	The agreements can be terminated by the non-defaulting party in the event of a material breach or due to force majeure events.

During the Track Record Period, we did not record any material product returns from our offline trading partners. Additionally, we are under no obligation to assist our offline trading partners in disposing of unsold products. During the Track Record Period and up to the Latest Practicable Date, we have not repurchased any products previously sold to our offline trading partners.

We believe that our sales to offline trading partners during the Track Record Period reflected genuine market demand and therefore our products are at low risk of channel stuffing in our distribution network, because (i) we do not impose minimum purchase amount requirements on our offline trading partners or mandate their subsequent selling prices, and they typically place purchase orders upon receiving requests from end customers or based on their estimated market demand from consumers; (ii) we generally do not accept any return or exchange of products from offline trading partners except for defective or substandard products, ensuring that offline trading partners place orders based on realistic sales forecasts rather than speculative or inflated volumes. These measures ensure that our distribution network remains efficient, demand-driven, and reduce the risk of channel stuffing, supporting both the operational stability of our offline trading partners and the sustainable growth of our business.

Major Customers and Suppliers

The following table sets forth certain information of our five largest customers under our self-operated business (on a grouped basis) during the Track Record Period.

Year ended December 31, 2025

Customer	Credit terms and payment method	Revenue contribution *(RMB'000)*	As a percentage of revenue from self-operated business *(%)*	Length of business relationship with us
Customer F(1)	N/A; bank transfer	46,006	3.8	Since 2024
Customer G(1)	N/A; bank transfer	15,219	1.3	Since 2024
Customer U(1)	45 days; bank transfer	14,528	1.2	Since 2025
Customer B(1)	N/A; bank transfer	8,158	0.7	Since 2022
Customer K(2)	N/A; bank transfer	7,188	0.6	Since 2025
		91,099	7.6	

Year ended December 31, 2024

Customer	Credit terms and payment method	Revenue contribution *(RMB'000)*	As a percentage of revenue from self-operated business *(%)*	Length of business relationship with us
Customer B(1)	N/A; bank transfer	9,579	1.2	Since 2022
Customer C(1)	N/A; bank transfer	8,909	1.1	Since 2018
Customer M(4)	N/A; bank transfer	6,633	0.8	Since 2024
Customer F(1)	N/A; bank transfer	6,382	0.8	Since 2024
Customer N(5)	N/A; bank transfer	5,496	0.7	Since 2022
		36,999	4.6	

Year ended December 31, 2023

Customer	Credit terms and payment method	Revenue contribution *(RMB'000)*	As a percentage of revenue from self-operated business *(%)*	Length of business relationship with us
Sheng Xi Du (Hong Kong) International Trading Limited (盛喜都(香港)國際貿易有限公司)(1)	N/A; bank transfer	11,935	1.6	Since 2022
Customer O(6)	N/A; bank transfer	6,901	0.9	Since 2022
Customer C(1)	N/A; bank transfer	5,251	0.7	Since 2018
Customer P(7)	N/A; bank transfer	4,849	0.6	Since 2021
Customer Q(8)	N/A; bank transfer	3,723	0.5	Since 2018
		32,659	4.3	

Notes:

(1) See "— Our Customers — Our Five Largest Customers" for the background.

(2) Founded in 1997 and headquartered in Guangdong Province, China, Customer K is a company listed on the Shenzhen Stock Exchange, primarily engaging in supply chain management, with total assets of RMB57.5 billion as of December 31, 2024.

(3) Founded in 2022 and headquartered in Jiangsu Province, China, Customer L primarily engages in the sales of medicine and medical devices, with a registered capital of RMB10.0 million.

(4) Founded in 2022 in Hong Kong, Customer M is a private company primarily engaging in international trade.

(5) Founded in 2022 and headquartered in Hunan Province, China, Customer N primarily engages in supply chain management, with a registered capital of RMB2.0 million.

(6) Founded in 2020 and headquartered in Guangdong Province, China, Customer O is a sole proprietorship primarily engaging in the retail of infant formula, health supplements and food.

(7) Founded in 2020 and headquartered in Guangdong Province, China, Customer P is a sole proprietorship primarily engaging in the sale of infant formula and food.

(8) Founded in 2016 and headquartered in Henan Province, China, Customer Q is a sole proprietorship primarily engaging in the retail of infant formula and other maternal and infant products. Customer Q was deregistered in August 2024.

The following table sets forth certain information of our five largest suppliers under our self-operated business (on a grouped basis) during the Track Record Period.

Year ended December 31, 2025

Supplier	**Major products purchased by us**	**Credit terms and payment method**	**Purchase amount** *(RMB'000)*	**As a percentage of purchases under self-operated business** *(%)*	**Length of business relationship with us**
Supplier A[1]	Infant formula	N/A; bank transfer	415,405	41.4	Since 2021
Meadjohnson group[1]	Infant formula	N/A; bank transfer	211,679	21.1	Since 2024
Supplier B[1]	Infant formula	N/A; bank transfer	102,281	10.2	Since 2022
Winsun Personal Care Products Co., Ltd. (廣東昱升個人護理用品股份有限公司) (**"Winsun"**)[1]	Disposable diapers	3 days; bank transfer	37,372	3.7	Since 2021
Supplier N[1]	Other products	N/A; bank transfer	15,882	1.6	Since 2025
			782,619	78.0	

Year ended December 31, 2024

Supplier	**Major products purchased by us**	**Credit terms and payment method**	**Purchase amount** *(RMB'000)*	**As a percentage of purchases under self-operated business** *(%)*	**Length of business relationship with us**
Supplier A[1]	Infant formula	N/A; bank transfer	275,077	39.0	Since 2021
Supplier B[1]	Infant formula	N/A; bank transfer	162,572	23.0	Since 2022
Winsun[1]	Disposable diapers	3 days; bank transfer	55,063	7.8	Since 2021
Meadjohnson group[1]	Infant formula	N/A; bank transfer	40,377	5.7	Since 2024
Supplier C[1]	Dietary supplements	N/A; bank transfer	26,198	3.7	Since 2023
			559,287	79.2	

Year ended December 31, 2023

Supplier	Major products purchased by us	Credit terms and payment method	Purchase amount *(RMB'000)*	As a percentage of purchases under self-operated business *(%)*	Length of business relationship with us
Supplier A[(1)]	Infant formula	N/A; bank transfer	155,452	24.5	Since 2021
Supplier D[(1)]	Infant formula	N/A; bank transfer	83,543	13.2	Since 2022
Supplier B[(1)]	Infant formula	N/A; bank transfer	73,568	11.6	Since 2022
Winsun[(1)]	Disposable diapers	3 days; bank transfer	71,929	11.3	Since 2021
Guangdong Bangbao Personal Care Products Co., Ltd.[(1)]	Disposable diapers	5 days; bank transfer	26,215	4.1	Since 2021
			410,707	64.7	

Note:

(1) See "— Our Suppliers — Our Five Largest Suppliers" for the background.

PRICING

We determine the pricing of our products and services through a comprehensive evaluation of multiple factors. We anticipate the future price trends of our products and services will not experience material fluctuations. The table below summarizes the business nature, type of customers, revenue model and pricing model of each of our business line:

Business line	Business nature	Type of customers	Revenue model	Pricing model
Digital marketplace business	• We operate our *Hipac* platform as an online marketplace where upstream vendors sell family care and nutrition products to downstream buyers.	• Upstream vendors, including manufacturers, distributors and brands	• Commissions	• We charge vendors commissions based on the GMV of their sales on our *Hipac* platform. Our commission rates are subject to negotiations on a case-by-case basis, taking into account factors such as product categories, transaction volume, whether we deal with product delivery for vendors on their behalf and whether we provide customized marketing services. For the years ended December 31, 2023, 2024 and 2025, the average commission rates we charged were approximately 2.6%, 2.3% and 2.0%, respectively.
Self-operated business				
General self-operated business	• We procure family care and nutrition products and take inventory from upstream suppliers and then sell them to downstream buyers mainly via our *Hipac* platform.	• Downstream buyers purchasing products on our *Hipac* platform • Our offline trading partners	• Sale of products	• Selling prices of our products under our general self-operated business are determined based on various factors, including the market price, our purchasing price from suppliers and the price of competing products.

Business line	Business nature	Type of customers	Revenue model	Pricing model
Proprietary brand business	• We offer our self-developed and OEM-manufactured family care and nutrition products under our proprietary brand business to downstream buyers.	• Downstream buyers purchasing products on our *Hipac* platform • Individual customers purchasing products through our self-operated stores on major e-commerce platforms • Our offline trading partners	• Sale of products	• Selling prices of the products under our proprietary brand business are determined with reference to the relevant development and production costs plus appropriate profit margins.

SALES AND MARKETING

Sales and Marketing Team

Our sales and marketing team plays a vital role in shaping our brand image by directly engaging customers to introduce and demonstrate our platform, products and services. Familiar with the details and diversity of our offerings, they dive deep into the buyer level, conduct offline visits and collect valuable feedback from buyers through in-person interactions. The feedbacks they collected help us understand buyers and identify market expansion opportunities. Our sales and marketing team serves as the bond between buyers and us. Our sales and marketing team is centrally and digitally managed. We provide our sales and marketing team with real-time buyer updates, geographical information and sales strategies for our sales and marketing team to quickly respond to buyer requests. As of December 31, 2025, each sales and marketing personnel, on average, can visit around seven offline retail stores daily.

As of December 31, 2025, our sales and marketing team comprised 508 full-time personnel stationed across 27 provinces, municipalities and autonomous regions with approximately 8 years of industry experience on average. We have a strict screening process and training program for our sales and marketing team, which is highly localized and have a deep understanding of the family care and nutrition product industry in lower-tier market.

Marketing and Promotion

Our sales and marketing strategy is designed to improve our brand recognition, increase user traffic to our platform, build strong user loyalty, drive repeat purchases, and develop incremental revenue opportunities. All the services we provide to our ecosystem participants help promote and reinforce our brand in the market. The synergy created by our digital marketplace business, customized marketing services and our self-operated business serves as an important source of user acquisition for each other.

Vendors shall determine coupons, discounts or subsidies for their products sold on our platform and shall bear the relevant costs. We may offer less than 1.0% commission rate discounts for third-party vendors during promotional campaigns on our digital marketplace.

For our self-operated business, we provide coupons which offer different discount rates to buyers of our platform. The subsidies provided to buyers under our self-operated business on our *Hipac* platform as a percentage of total GMV from our self-operated business was 13.4%, 12.5% and 9.8% for the years ended December 31, 2023, 2024 and 2025, respectively. According to Frost & Sullivan, our practice is in line with the industry norm in China's commerce and service of family care and nutrition product industry.

We also hold online promotional campaigns on our digital marketplace to further increase our own brand awareness and that of upstream vendors, and to better capture market share. We hold regular platform wide promotions and year-end grand promotion for buyers. We also leverage social media platforms for brand promotion. Through channels such as WeChat group, Rednote and Douyin, we disseminate product demonstrations, customer testing via short videos, live streams, and multimedia content. Through targeted content marketing, we have successfully attracted a substantial audience and amplified our market influence.

SEASONALITY

A significant portion of our revenue is related to purchase orders placed by offline retail stores on our digital marketplace. We experience seasonality in our business, reflecting a combination of traditional retail seasonality patterns and emerging patterns associated with online platforms in particular. We typically record higher revenue in the second half of the year attributable to the promotional campaigns we held, such as the year-end grand promotion in December, which capitalizes on buyers' year-end shopping demands. Moreover, the seasonal patterns of offline consumption play a crucial role. As the year progresses, consumers tend to increase their spending and purchase products in advance in anticipation of the year-end festive season, which in turn boosts our revenue in the second half of the year. We generally experience less user traffic and purchase orders during the Chinese New Year holiday season in the first quarter of each year, when lower-tier market experiences widespread closures as manufacturers halt production and offline retail stores cease operations.

INFORMATION TECHNOLOGY INFRASTRUCTURE

Having been dedicated to the family care and nutrition product industry for over a decade, our proprietary *Hipac* platform accumulates mass transaction data and streamlines the entire family care and nutrition product transaction process, as digitalization makes the steps along the transaction process, such as product information posting, product selection, order management and bill reconciliation. Our *Hipac* App was accredited the Level III Information System Security Level (第三級信息系統安全等級保護) awarded by the local branch of the Ministry of Public Security of the PRC in 2021 and passed the subsequent review in 2024, which endorses our capability in system operation and information security.

Our information technology infrastructure has the following key features:

- ***Distributed architecture***. Our entire *Hipac* platform is built on a distributed architecture, with microservices at its core, supporting high concurrency.
- ***Cloud-native***. Cloud native is the software approach of building, deploying and managing modern applications in cloud computing environments. We employ a cloud-native architecture to meet our users' requirements for high system performance, reliability, flexibility and scalability, supporting elastic scaling, resource utilization, resource optimization and automated monitoring.
- ***Big data***. Leveraging big-data technologies, our *Hipac* platform manages the entire extract-transform-load process of the data warehouse, including data collection, cleaning, storage and analysis.
- ***AI algorithms***. Based on AI algorithmic strategies, our *Hipac* platform utilizes different strategies in various scenarios for personalized recommendations, thereby enhancing the user experience.
- ***Data privacy***. Our data is an important asset of our platform. We ensure data and network security through encryption and prevention technologies.

Our *Hipac* platform has been deeply involved in the family care and nutrition product industry for over a decade, and our system has undergone numerous iterations. We intend to continuously strengthen our information technology infrastructure and enhance our technical moats leveraging research and application of cutting-edge technologies such as AI and big data analytics.

CYBERSECURITY AND DATA PRIVACY AND PROTECTION

There has been regulatory development in relation to cybersecurity and data security and personal information protection in recent years. See "Regulatory Overview — Regulations Relating to Cybersecurity and Data Protection" for details. Regulatory development relevant to cybersecurity, data security and personal information protection could impact China's commerce and service of family care and nutrition product industry. We have designed and implemented comprehensive internal policies on cybersecurity, data security and personal information protection in compliance with applicable PRC laws and regulations in all material aspects. During the Track Record Period and up to the Latest Practicable Date, we had not experienced material loss or leakage of personal information, and had not received any regulatory penalties, litigations or other legal proceedings in relation to laws and regulations of personal information protection, data security and cybersecurity. Based on the foregoing, our PRC Legal Advisors in respect of PRC data compliance law were of the view that we were in compliance with all applicable PRC laws and regulations governing cybersecurity, data security and personal information protection in all material aspects during the Track Record Period and as of the Latest Practicable Date. However, as the laws and regulations in the cybersecurity, data security and personal information protection are still developing, we cannot assure you that we can always timely adapt to all the aspects of such laws and regulations. See "Risk Factors — Risks Relating to Our Business and Industry — Failure to comply with laws and regulations on cybersecurity, information security, data privacy and protection could result in claims and penalties imposed by relevant government authorities, which could harm our brand and reputation, and materially and adversely affect our business operations and financial performance."

Our Internal Policies and Measures on Data Privacy and Protection

Our business requires us to collect, use, store, transmit and share personal information, with respect to our users in relation to and to the extent necessary for their usage of our *Hipac* platform and other services, and with respect to our corporate users and their employees. The protection of privacy and data security is one of our highest priorities. We have designed a series of strict data privacy and protection policies to ensure that the collection, use, storage, transmission and sharing of personal information are in compliance with applicable PRC laws and regulations.

Data Collection

We collect personal information through our *Hipac* platform as well as several ancillary websites and WeChat mini programs. Such information includes, among others, users' delivery addresses, phone numbers, tax numbers and bank information. We collect such information from users when they register on our platform, enter into agreements with us and/or place orders with us. We also collect and utilize the de-identified transaction records of our users for the purpose of conducting macroeconomic and market analyses that are not targeted at any specific individual, and such transaction records do not link to the identity of any specific user.

We have formulated and publicly disclosed privacy policies for our platform, and before collecting personal information, we will publicize the contents of the privacy policies to personal information subjects and obtain their express consent. Our platform processes personal information in accordance with the privacy policies to which the personal information subjects have consented on the platform. The privacy policies have specified that before collecting sensitive personal information, we will obtain the separate consent of personal information subjects through pop-ups or other means. When the purpose, type, scope or use of personal information processing changes, we will promptly revise the privacy policies and re-obtain the consent of personal information subjects. The privacy policies have informed personal information subjects of the circumstances where their personal information is shared with third parties, specifying the third parties receiving the personal information, the types of personal information, the processing scenarios and the purposes.

Data Storage

We had not provided important data to overseas during the Track Record Period and as of the Latest Practicable Date. When providing users with overseas direct purchase services, we need to share users' name, delivery address, mobile phone number and order information with overseas product vendors to the extent necessary for fascinating such purchase. Pursuant to Article 5 of the *Provisions on Promoting and Regulating Cross-Border Data Flows* (《促進和規範資料跨境流動規定》), where it is necessary to provide personal information abroad for the purpose of concluding or performing a contract to which an individual concerned is a party, such as cross-border shopping, the transfer activity is exempt to apply for security assessment, file with a standard contract for cross-border data transfer or obtain a personal information protection certification. Based on the foregoing, our PRC Legal Advisors in respect of PRC data compliance law were of the view that our sharing of users' personal information with overseas product vendors for the purpose of providing cross-border shopping services does not require a security assessment, the execution of a standard contract for personal information to be provided abroad, or the obtaining of a personal information protection certification.

Except for the above, the personal information collected and generated in our business operations within China is neither transmitted or stored overseas, nor is any overseas institution, organization or individual permitted to query, retrieve, download or export the personal information stored within China.

Data Using and Sharing

We have formulated the *Partners Data Compliance Management Guidelines* (《合作夥伴資料合規管理規範》). In accordance with the template of the compliance declaration letter (《合規聲明函》) set out in the guidelines, we require third parties that provide us with users' personal information to confirm that they have obtained the users' authorization for such third parties to use the users' personal information, and require such third parties to specify in the agreements the specific scope of the users' authorization, as well as to undertake to us that their data sources and data processing activities comply with the PRC laws and regulations. If we share personal information with third parties, we will enter into compliance declaration letters with such third parties, stipulating matters including the types of personal information involved in the personal information sharing, the purpose of the sharing, the methods for responding to requests from personal information subjects, and the response to personal information leakage and security incidents, and will require the personal information recipients to comply with the laws and regulations relating to personal information compliance. If we entrust third parties to process personal information, we will enter into compliance declaration letters with such third parties, clearly specifying the purpose, term, processing methods, types of personal information, protective measures, and the rights and obligations of both parties in respect of the entrusted processing, and will reserve the right to supervise the personal information processing activities of the trustee, as well as the right to require the trustee to return or delete the personal information upon the termination of the entrustment relationship.

Data Protection

We have established a systematic data security and personal information protection system pursuant to the relevant laws and regulations on the basis of performing our obligations in respect of cybersecurity classification protection. The aforesaid system includes the formulation of a comprehensive security management regime covering the entire data life cycle, which comprises relevant norms governing data classification and grading, personal information protection impact assessment, third party management and information system security. We have also established an emergency response mechanism for security incidents, formulated incident reporting and handling procedures, and conducts regular emergency drills to ensure the timely and effective response to all types of data security incidents. We provide trainings for our employees on cybersecurity, data security and personal information protection through online and offline channels, so as to continuously enhance our security awareness and compliance operation capabilities.

In addition, we have implemented a number of technical measures to safeguard data security. To minimize the risk of information loss or leakage, we encrypt and de-identify personal information that we collect and conduct remote data backup for disaster recovery, check backups on a regular basis and maintain audit trails. Access to personal information is subject to security level control and proper authorization to strictly restrict the scope of personnel with access to personal information. We maintain detailed record of any access to and edit of personal information, and adopt encryption measures for data transmission and encrypted storage technologies for sensitive information in databases. We also implement storage isolation for core business data and deploy an automated vulnerability scanning and continuous detection mechanism.

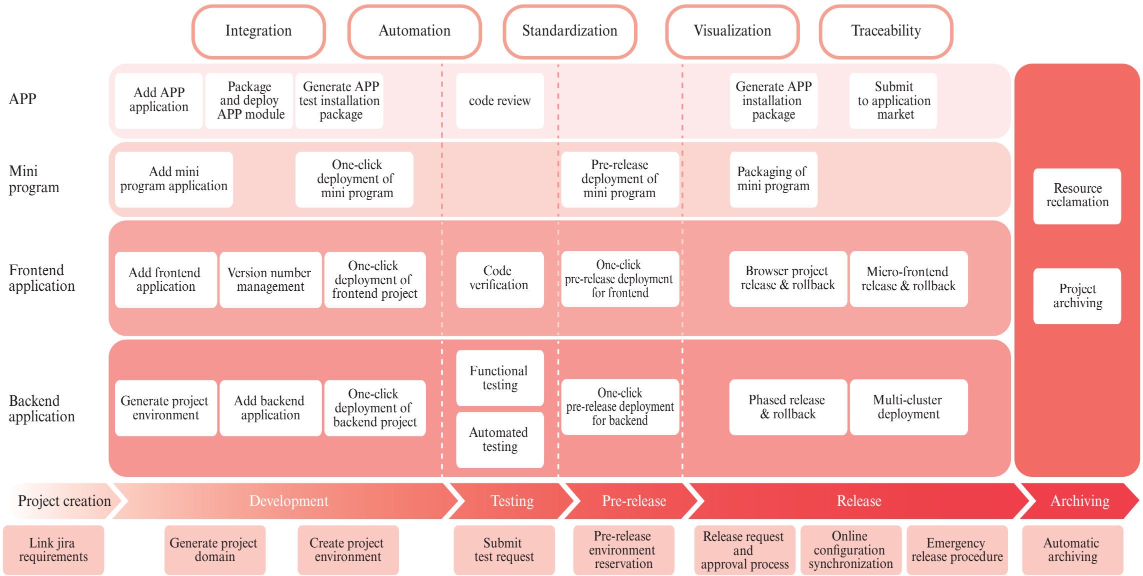
During the Track Record Period and up to the Latest Practicable Date, we had not received any third-party claim against us on the ground of infringement of such party's right to data protection as provided by any applicable laws and regulations. Based on the aforementioned efforts and our commitment to continuously implement and strengthen our data compliance practices, our PRC Legal Advisors in respect of PRC data compliance law have advised us that, as of the Latest Practicable Date, we were in compliance in all material respects with all applicable PRC laws and regulations concerning data privacy and protection. See "Regulatory Overview — Regulations Relating to Cybersecurity and Data Protection" for details of applicable PRC laws and regulations concerning data privacy and protection.

RESEARCH AND DEVELOPMENT

We closely attend to the needs of our customers and respond to their feedback and requests through developing new services or adding advanced or optimized features. Our R&D activities mainly include constantly improving our algorithm and data analytics capabilities, developing and maintenance of our digital tools, providing technological support to our digital marketplace, and assuring data security of our platform. During the Track Record Period, our research and development expenses were RMB35.3 million, RMB33.6 million and RMB21.8 million for the years ended December 31, 2023, 2024 and 2025, respectively, representing 3.3%, 3.3% and 1.6% of our total revenue for the same years, respectively.

Through the integration of best practices in digital R&D, we have established the Hione platform by structuring an end-to-end digital R&D process framework, which covers closed-loop management from requirement capture to product release. As a comprehensive DevOps system, our Hione platform enables the completion of nearly all R&D-related tasks, including project management, application management, branch application and trunk merging, packaging, environment provisioning, deployment, pre-release testing, and formal release. This allows R&D personnel to avoid direct engagement with native operation methods. By doing so, our Hione platform not only significantly enhances R&D efficiency but also minimizes or reduces the probability of human errors.

The following diagram illustrates our overall digital R&D process:



We have an in-house R&D center, which enables us to continuously develop and improve our information technology infrastructure as well as our offerings. As of December 31, 2025, our in-house R&D team comprised 46 full-time employees with over 11 years of working experience on average. Our R&D personnel work under comprehensive and strict procedures covering demand analysis, project initiation, design and development, and testing and launching to effectively control costs as well as guarantee quality.

PRODUCTION

We operate our proprietary brand business under an asset-light approach and engage independent manufacturers to produce our proprietary brand collections on an OEM basis. This approach allows us to focus our resources on maintaining and developing our key competitive strengths, such as exploring and fulfilling diverse consumer needs, instead of investing significantly in production sites and equipment. The OEM production model also enables us to gain flexibility to adapt quickly to market trends and cater to consumers' evolving needs. See "— Self-operated Business — Proprietary Brand Business — OEM Suppliers" for details.

OUR CUSTOMERS

During the Track Record Period, our customers primarily included (i) vendors on our digital marketplace; (ii) buyers of products of our self-operated business; and (iii) our offline trading partners. We do not have substantial reliance on any single customer.

Based on the business registration address of the vendors under our digital marketplace business, we had vendors located in Hong Kong and overseas during the Track Record Period and recorded commissions paid by them. For the years ended December 31, 2023, 2024 and 2025, our revenue generated from Hong Kong and overseas accounted for 5.6%, 5.2% and 5.5% of our total revenue, respectively. However, we do not directly sell products to overseas buyers under our self-operated business, and thus are not subject to export control or export tariffs.

Our Five Largest Customers

The following table sets forth certain information of our five largest customers across all of our business lines (on a consolidated and grouped basis) during the Track Record Period.

Year Ended December 31, 2025

Customer	Major services/products provided by us	Credit terms and payment method	Revenue contribution	As a percentage of our total revenue	Length of business relationship with us
			(RMB'000)	*(%)*	
Customer F(9)	Digital marketplace; sale of products	N/A; bank transfer	46,072	3.3	Since 2024
Customer A(3)	Digital marketplace	N/A; bank transfer	25,209	1.8	Since 2017
Guangdong Bangbao Personal Care Products Co., Ltd. (廣東邦寶個人護理用品有限公司)(2)	Digital marketplace	N/A; bank transfer	16,603	1.2	Since 2019
Customer G(10)	Digital marketplace; sale of products	N/A; bank transfer	15,233	1.1	Since 2024
Customer U(11)	Digital marketplace; sale of products	45 days; bank transfer	14,529	1.0	Since 2025
			117,646	**8.4**	

Year Ended December 31, 2024

Customer	Major services/products provided by us	Credit terms and payment method	Revenue contribution	As a percentage of our total revenue	Length of business relationship with us
			(RMB'000)	*(%)*	
Quanzhou Hexing Hygiene Products Co., Ltd. (泉州市合興衛生用品有限公司)(1)	Digital marketplace	N/A; bank transfer	15,456	1.5	Since 2017
Guangdong Bangbao Personal Care Products Co., Ltd.(2)	Digital marketplace	N/A; bank transfer	13,645	1.3	Since 2019
Customer A(3)	Digital marketplace	N/A; bank transfer	11,990	1.2	Since 2017
Customer B(4)	Sale of products	N/A; bank transfer	9,579	0.9	Since 2022
Customer C(5)	Digital marketplace; sale of products	N/A; bank transfer	9,065	0.9	Since 2018
			59,735	**5.8**	

Year Ended December 31, 2023

Customer	Major services/products provided by us	Credit terms and payment method	Revenue contribution	As a percentage of our total revenue	Length of business relationship with us
			(RMB'000)	*(%)*	
Customer D(6)	Digital marketplace	N/A; bank transfer	17,315	1.6	Since 2020
Quanzhou Hexing Hygiene Products Co., Ltd.(1)	Digital marketplace	N/A; bank transfer	13,839	1.3	Since 2017
Sheng Xi Du (Hong Kong) International Trading Limited (盛喜都(香港)國際貿易有限公司)(7)	Sale of products	N/A; bank transfer	11,935	1.1	Since 2022
Customer A(3)	Digital marketplace	N/A; bank transfer	11,907	1.1	Since 2017
Nan'an City Hong Lai Liu Liling Daily Necessities Business Department (南安市洪瀨劉麗玲日用品經營部)(8)	Digital marketplace	N/A; bank transfer	8,669	0.8	Since 2021
			63,665	**5.9**	

Notes:

(1) Founded in 2017 and headquartered in Fujian Province, China, Quanzhou Hexing Hygiene Products Co., Ltd. primarily engages in the production and brand operation of diapers and has a registered capital of RMB5.0 million.

(2) Founded in 2016 and headquartered in Guangdong Province, China, Guangdong Bangbao Personal Care Products Co., Ltd. primarily engages in the development, production, and sales of diapers and has a registered capital of RMB32.0 million.

(3) Founded in 2014 and headquartered in Chongqing, China, Customer A primarily engages in cross-border e-commerce of maternal and infant products with a registered capital of RMB110.7 million, and is quoted on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統).

(4) Founded in 2009 and headquartered in Jiangsu Province, China, Customer B primarily engages in trade of infant formula, snacks, complementary food and family care products, with a registered capital of RMB1.0 million.

(5) Founded in 2020 and headquartered in Shanghai, China, Customer C primarily engages in the sale of food and daily necessities and has a registered capital of RMB1.0 million.

(6) Founded in 2015 and headquartered in Hunan Province, China, Customer D primarily engages in the development, production, and sales of diapers, with a registered capital of RMB2.0 million. Customer D historically held 10% equity interests in one of our insignificant subsidiaries, Hangzhou Boshu Trading Co., Ltd. (杭州帛殊貿易有限公司) ("**Hangzhou Boshu**"), which had not commenced operations as of the Latest Practicable Date. In April 2026, Customer D transferred its equity interests in Hangzhou Boshu to us, and Hangzhou Boshu has been our wholly-owned subsidiary since then.

(7) Founded in 2022 in Hong Kong, Sheng Xi Du (Hong Kong) International Trading Limited is a private company primarily engaging in international trade.

(8) Founded in 2021 and headquartered in Fujian Province, China, Nan'an City Hong Lai Liu Liling Daily Necessities Business Department is a sole proprietorship primarily engaging in the retail of cosmetics and sanitary products.

(9) Founded in 2020 in Hong Kong, Customer F is a private company primarily engaging in wholesale and retail.

(10) Founded in 2024 and headquartered in Hangzhou Province, China, Customer G primarily engages in the sale of maternal and infant products and has a registered capital of RMB0.1 million.

(11) Founded in 2024 and headquartered in Hunan Province, China, Customer U primarily engages in the sale of food products and hygiene products and has a registered capital of RMB2.0 million.

All of our five largest customers across all of our business lines (on a consolidated basis) during the Track Record Period were Independent Third Parties. To the best knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of such customers during the Track Record Period. Save as Customer D which historically held equity interests in Hangzhou Boshu, to the best knowledge of our Directors, as of the Latest Practicable Date, apart from being our customers, there were no other past or present relationships (business, employment, shareholding, family, trust, financing or otherwise) between such customers, their directors or ultimate beneficial owners, and our Group, our shareholders, our Directors, or senior management, or any of their respective associates.

Product Return and Exchange

We have adopted a unified product return and exchange policy on our *Hipac* platform. We typically allow buyers to return or exchange products with vendors within 24 hours to 7 days upon product delivery depending on the specific product category for reasons including defective or substandard products, mis-delivery, under-delivery and damaged packaging.

Moreover, we provide a series of guidelines for vendors on our *Hipac* platform to deal with customer complaints and provide after-sales services. For product exchange and return requests, we require vendors to process the requests within 48 hours. Pursuant to our platform service agreements with third-party vendors on our *Hipac* platform, vendors are responsible for providing after-sales services, dealing with any customer complaints and shall bear the relevant costs for their products sold through *Hipac* platform. For our own online stores on *Hipac* platform, we follow the same product return and exchange policy and bear the relevant costs. Our own customer service team on *Hipac* platform will provide assistance in mediating disputes between vendors and buyers or if the relevant vendors failed to process the product exchange and return requests within 48 hours. For our self-operated stores on major e-commerce platforms, we follow the product return and exchange policy of the relevant e-commerce platforms.

During the Track Record Period, the value of products returned or refunded on our *Hipac* platform amounted to RMB109.7 million, RMB84.3 million and RMB69.0 million in 2023, 2024 and 2025, respectively, representing 0.9%, 0.8% and 0.7% of the total GMV of our platform, respectively. We do not deduct the returned or refunded portion when we calculate GMV on our platform. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, other than the infant formula recall incident initiated by a global infant formula brand in the first quarter of 2026, there were no material product recalls, product returns, product liability claims or warranty expenses that adversely affected our business. See "Summary — Recent Developments and No Material Adverse Change" for details.

Customer Services

We have been developing and optimizing our customer services since our establishment. We prioritize delivering a professional, efficient, and seamless customer experience, recognizing that real-time feedback is essential to building strong customer loyalty and satisfaction. To gather timely feedback, we actively engage with our customers throughout the entire transaction lifecycle and through customer visits, ensuring their needs and concerns are consistently addressed. We collect customer feedback through multiple channels, including feedback submitted through our *Hipac* platform as well as through continuous communication between our sales and marketing team and offline retail stores. Our customer service personnel promptly responds to customer complaints and suggestions and channel such feedback to different departments for subsequent handling. We use such valuable customer insights to guide the improvements and optimization of our products and services. We also integrate customer feedback into our decision-making process. During the Track Record Period, the number of orders on *Hipac* platform that required after-sales services accounted for less than 5% of the platform's total order volume. During the Track Record Period, the number and GMV of orders involving buyers' complaints related to counterfeit products lodged via *Hipac* platform represented less than 0.01% of the total order volume and the total GMV of our *Hipac* platform, respectively. All such counterfeit-related complaints have been handled in strict accordance with the provisions set forth in the platform service agreement. See" — Quality Control" for details. During the Track Record Period and up to the Latest Practicable Date, we had not received any material customer complaints.

Third-party Settlement Practice

Background

Historically, under our self-operated business, certain payments for our products were settled by third parties (the "**Actual Payers**"), instead of the buyers who placed orders with us (the "**Relevant Buyers**") (the "**Third-party Settlement Practice**"). In 2023, 2024 and 2025, the number of Relevant Buyers was 116, 103 and 76, respectively, representing approximately 0.2%, 0.2% and 0.1% of the total number of buyers under self-operated business (excluding consumers purchasing through major e-commerce platforms) during the same years, respectively; and the total GMV of the transactions involving Third-party Settlement Practice amounted to RMB29.1 million, RMB27.1 million and RMB20.0 million, respectively, representing approximately 3.4%, 2.9% and 1.6% of our total GMV of self-operated business (excluding GMV of direct sales to consumers through major e-commerce platforms) during the same years, respectively.

During the Track Record Period, we did not initiate or encourage any Third-party Settlement Practice, nor were we involved in any separate arrangements between any Relevant Buyer and any Actual Payer for any transaction settlements. The pricing and payment terms for those transactions involving Third-party Settlement Practice remained consistent with those offered to buyers unrelated to the Third-party Settlement Practice. To our best knowledge, all those Actual Payers and the Relevant Buyers were Independent Third Parties.

To our best knowledge, the Actual Payers during the Track Record Period primarily consisted of legal representatives, proprietors, shareholders, affiliated entities and employees of the Relevant Buyers and family members of legal representatives, proprietors or shareholders of the Relevant Buyers.

We have collaborated with a licensed commercial bank in China to implement a one-stop payment and settlement system through the bank to collect payments and automatically verify payer/buyer information to avoid Third-party Settlement Practice. For all the payments made by third-party payers that are automatically identified by such system, we shall initiate refunds to them and ask Relevant Buyers to make payments to us. The payment and settlement system had been in full operation since August 2025, thereby preventing future Third-party Settlement Practice.

Reasons for Third-party Settlement Practice

To our best knowledge, the main reason for the Relevant Buyers to utilize Third-Party Settlement Practice is for convenience and flexibility. According to Frost & Sullivan, China's family care and nutrition product industry in lower-tier market is dominated by offline stores, the vast majority of which operate as small and medium-sized enterprises or individual-run industrial and commercial households. As a result, these buyers typically do not have any dedicated business department or personnel to handle procurement and it is more economical for them to conduct the business in the capacity of individuals and settle procurement through their personal bank accounts. Moreover, such buyers may designate parties that they consider trustworthy and reliable, such as their legal representatives, proprietors, shareholders, affiliated entities, employees and shareholders' family members, to make payment, leading to the occurrence of Third-party Settlement Practice. According to Frost & Sullivan, the Third-party Settlement Practice is common in China's family care and nutrition product industry in lower-tier market due to the same reasons as listed above.

Implications Relating to Third-party Settlement Practice

Our Directors are of the view, and the Sole Sponsor concurs, that our books and records are accurate and complete in all material respects and there have not been any fabricated transactions nor any fraudulent or money laundering activities with respect to the Third-party Settlement Practice, based on the following:

- We have implemented various KYC procedures to effectively prevent fraud or money-laundering activities. Buyers are required to provide detailed information during their registration process on our platform, including valid business licenses and identification certificates of the store owners.

- Transactions on our *Hipac* platform are supported by genuine underlying transactions, and have corresponding orders, waybills and payment records, minimizing the risks of fraud or money laundering.

- During the Track Record Period and up to the Latest Practicable Date, we were not subject to any breach of anti-money laundering policies or administrative procedures which has resulted in any warnings or queries relating to money laundering from the relevant regulatory authorities, and we were not subject to any settled or ongoing criminal sanctions, public security investigations or administrative penalties by any competent authorities in relation to money laundering.

Pursuant to the laws and regulations of the PRC, there is no explicit restriction on the adoption of Third-party Settlement Practice. A Third-party Settlement Practice is generally valid so long as it does not fall within those grounds of invalidation specified under the PRC Civil Code (中華人民共和國民法典) or other applicable laws and regulations, including, among others, where the arrangement is in violation of public order or harms one's legal rights through malicious collusion. During the Track Record Period and up to the Latest Practicable Date, we had not been requested to return any third-party payments received by us.

As advised by our PRC Legal Advisors, according to Article 191 of the *Criminal Law of the PRC* (《中華人民共和國刑法》), the crime of money laundering is committed only if we (i) clearly know that the funds for the third-party payments are proceeds and/or gains derived from drug-related crimes, crimes committed by criminal organizations, crimes of terrorism, smuggling, bribery and corruption, crimes undermining the financial order of society and financial fraud; and (ii) commit certain acts as referred to under Article 191 of the *Criminal Law of the PRC* for the purpose of covering up or concealing the source and nature of the aforementioned proceeds and/or gains. With our KYC measures in place, we have no grounds to believe that (i) the Relevant Buyers are involved in the aforementioned crimes, or (ii) the third-party payments received by us involve proceeds and/or gains derived from such crimes. Further, we have never committed any acts for the purpose of covering up or concealing any source and nature of any proceeds and/or gains derived from such crimes.

During the Track Record Period and up to the Latest Practicable Date, (i) we did not encounter any material disputes with, nor receive any refund request from, any Relevant Buyer or Actual Payer and we were not subject to any material disputes or administrative penalties by the relevant government authorities with respect to the Third-party Settlement Practice; (ii) all Third-party Settlement Practices were based on genuine transactions; (iii) we were not subject to any breach of anti-money laundering policies or administrative procedures which has resulted in any warnings or queries relating to money laundering from the relevant regulatory authorities; and (iv) we were not subject to any settled or ongoing criminal sanctions, public security investigations or administrative penalties by any competent authorities in relation to money laundering. Based on the foregoing and taking into account the background, reasons and enhanced measures undertaken by us, our PRC Legal Advisors are of the view that (i) the Third-party Settlement Practice by itself is merely an assignment of liability from the Relevant Buyers to the Actual Payers pursuant to the PRC Civil Code, once it comes into effect, constitutes valid and binding obligations on each of the parties involved, and such arrangement itself does not contravene or circumvent the mandatory provisions of the PRC Civil Code and the applicable PRC laws (including the anti-money laundering laws) in all material aspects, and (ii) the risks were low for us to be found obligated for fund restitution to the Relevant Buyers or Actual Payers under the Third-Party Settlement Practice which may have a material adverse effect on us.

Taking into account the measures adopted by us to manage the Third-party Settlement Practice, the provisions of applicable PRC laws and the PRC Legal Advisors' view, our Directors are of the view that the Third-party Settlement Practice was legal and valid, and did not contravene or circumvent anti-money laundering, taxation or other applicable PRC laws or regulations during the Track Record Period and up to the Latest Practicable Date.

Enhanced Internal Control Measures and Remedial Measures

To safeguard our interest against risks associated with Third-party Settlement Practice, we implemented the following enhanced measures to mitigate relevant risks:

- we have been actively communicating with Relevant Buyers to minimize Third-party Settlement Practice, and more proactive in reminding buyers not to engage in Third-party Settlement Practice;
- we have significantly enhanced our KYC procedures. These strengthened procedures provide a more thorough understanding of both our customers and any Actual Payers involved in their payment arrangements. We have instituted a due diligence process that includes regular updates of customer records, as well as detailed verification of third-party payment details. Our finance team cross-references payment information against our internal records to ensure that all transactions align with contractual agreements. Any discrepancies or inconsistencies identified are immediately addressed through direct communication with the relevant parties to confirm payment accuracy and prevent errors or fraudulent activity;
- we have instituted an ongoing training program for our staff to ensure that all relevant personnel are well-versed in the latest fraud detection techniques, anti-money laundering regulations, and best practices for third-party payment processing. This training includes mandatory annual sessions focused on identifying potential red flags, responding to suspicious activities, and understanding the latest regulatory requirements. Additionally, scenario-based

workshops are regularly conducted to simulate real-world situations, allowing employees to develop practical skills in recognizing and mitigating payment-related risks. By fostering a culture of awareness and continuous learning, we ensure that our staff is always prepared to handle emerging challenges and safeguard the organization against potential threats;

- we have adopted anti-money laundering policies and updated agreements we enter into with buyers to include anti-money laundering related provisions;
- we have entered into a collaboration agreement with a licensed commercial bank in China in March 2025 to implement a one-stop payment and settlement system through the bank to collect payments and automatically verify payer/buyer information to avoid Third-party Settlement Practice. For all the payments made by third-party payers that are automatically identified by such system, we shall initiate refunds to them and ask Relevant Buyers to make payments to us. The payment and settlement system had been in full operation since August 2025, thereby preventing future Third-party Settlement Practice; and
- we have updated the template of the platform service agreement of our *Hipac* platform in August 2025 to further strengthen the management of user certification and payment process. Pursuant to the updated platform service agreement, (i) logging in the *Hipac* platform with the registered account and password constitutes authorization, empowering the person who logs in the account as the designated representative to sign legal documents, process payments, and submit invoice requests on behalf of the customer; (ii) payment made by the person who logs in the account as the designated representative is deemed as payment made by the customer itself. Save for circumstances where the contract corresponding to the relevant transaction is terminated due to reasons attributable to us or due to force majeure, neither the customer nor the designated representative shall be entitled to demand refund; and (iii) the payor confirms that its payment is not associated with commercial bribery, tax evasion, or fraudulent activities, and that the funds used are neither derived from, nor connected with, any illegal or money-laundering activities or their proceeds, nor do they represent proceeds from unjust enrichment. Should the account holder violate these terms, demand a refund of any paid funds, or cause any loss to us, we shall be entitled to seek compensation and take necessary legal actions. Regulating third-party payments hinges on two critical requirements: verifying that payors obtain explicit authorization for transactions and ensuring adherence to legal obligations. The updated platform service agreement of our *Hipac* platform addresses these imperatives by replicating the legal validity of traditional offline written authorization processes, and requiring users to formally acknowledge their obligation to comply with anti-money laundering and other legal requirements during the authorization process.

In preparation for the [REDACTED], we have engaged an independent third-party consultant (the "**Internal Control Consultant**") to perform an assessment over selected areas on sampling bases of our internal controls over financial reporting (the "**Internal Control Assessment**"). The scope of the Internal Control Assessment performed by the Internal Control Consultant covered, among others, the Third-party Settlement Practice. During the Internal Control Assessment undertaken for the [REDACTED], the Internal Control Consultant had assessed the above internal control measures in relation to third-party payments adopted by us and did not identify any material deficiencies.

Based on the above, our Directors are of the view, and the Sole Sponsor concurs, that the above internal control measures are effective and adequate in preventing the Third-party Settlement Practice.

In light of (i) the relatively low proportion of Third-party Settlement Practice during the Track Record Period, and (ii) there is no loss of customers due to our enhanced internal control measures and remedial measures to our best knowledge, our Directors confirm that the cessation of the Third-party Settlement Practice would not have any material adverse impact on our business, financial condition or results of operations.

OUR SUPPLIERS

During the Track Record Period, our suppliers primarily included (i) family care and nutrition product brands, their authorized distributors and manufacturers from which we sourced products for our general self-operated business; (ii) OEM suppliers for our proprietary brand business; (iii) warehousing and logistics service providers; and (iv) cloud service and transaction processing service providers for our digital marketplace business.

Our products and services are primarily sourced within China. We also directly procure infant formula products from brand owners in Hong Kong, New Zealand and Australia under our general self-operated business, where the relevant import tariffs are paid by us and ultimately passed on to our downstream buyers. Currently the products we sourced from overseas suppliers are not subject to import control.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material disputes with our suppliers, nor did we experience any significant fluctuation in prices set by our suppliers, material breach of contract on the part of our suppliers, or significant shortage or delay in delivery of supplies from our suppliers. We do not have a substantial reliance on any single supplier.

Our Five Largest Suppliers

The following table sets forth certain information of our five largest suppliers across all of our business lines (on a consolidated and grouped basis) during the Track Record Period.

Year Ended December 31, 2025

Supplier	Major products purchased by us	Credit terms and payment method	Purchase amount	As a percentage of our total purchases	Length of business relationship with us
			(RMB'000)	*(%)*	
Supplier A[1]	Infant formula	N/A; bank transfer	415,405	40.9	Since 2021
Meadjohnson group[4]	Infant formula	N/A; bank transfer	211,679	20.8	Since 2024
Supplier B[2]	Infant formula	N/A; bank transfer	102,281	10.1	Since 2022
Winsun[3]	Disposable diapers	3 days; bank transfer	37,372	3.7	Since 2021
Supplier N[8]	Other products	N/A; bank transfer	15,882	1.6	Since 2025
			782,619	**77.1**	

Year Ended December 31, 2024

Supplier	Major products purchased by us	Credit terms and payment method	Purchase amount	As a percentage of our total purchases	Length of business relationship with us
			(RMB'000)	*(%)*	
Supplier A[1]	Infant formula	Up to 5 days; bank transfer	275,077	38.2	Since 2021
Supplier B[2]	Infant formula	N/A; bank transfer	162,572	22.6	Since 2022
Winsun[3]	Disposable diapers	3 days; bank transfer	55,063	7.6	Since 2021
Meadjohnson group[4]	Infant formula	N/A; bank transfer	40,377	5.6	Since 2024
Supplier C[5]	Dietary supplements	N/A; bank transfer	26,198	3.6	Since 2023
			559,287	**77.6**	

Year Ended December 31, 2023

Supplier	Major products purchased by us	Credit terms and payment method	Purchase amount	As a percentage of our total purchases	Length of business relationship with us
			(RMB'000)	*(%)*	
Supplier A[1]	Infant formula	N/A; bank transfer	155,452	23.8	Since 2021
Supplier D[6]	Infant formula	N/A; bank transfer	83,543	12.8	Since 2022
Supplier B[2]	Infant formula	N/A; bank transfer	73,568	11.3	Since 2022
Winsun[3]	Disposable diapers	3 days; bank transfer	71,929	11.0	Since 2021
Guangdong Bangbao Personal Care Products Co., Ltd.[7]	Disposable diapers	5 days; bank transfer	26,215	4.0	Since 2021
			410,707	**62.9**	

Notes:

(1) Founded in 2014 and headquartered in Chongqing, China, Supplier A primarily engages in cross-border e-commerce of maternal and infant products with a registered capital of RMB110.7 million, and is quoted on the National Equities Exchange and Quotations.

(2) Founded in 1867 and headquartered in Switzerland, Supplier B is listed on the SIX Swiss Exchange and primarily engages in the global production and sales of food and beverages, with sales of USD103.8 billion in 2024.

(3) Founded in 2005 and headquartered in Guangdong Province, China, Winsun primarily engages in the development, production, and sales of diapers, with a registered capital of RMB150.0 million.

(4) Founded in 1905 and headquartered in Indiana, USA, Meadjohnson group primarily engages in the research and development, production, and sales of global infant and children's nutrition, with operations spanning over 50 countries.

(5) Founded in 2022 in Singapore, Supplier C is a private company primarily engaging in the wholesale of health supplements.

(6) Founded in 2014 in Hong Kong, Supplier D is a private company primarily engaging in the import and export trade of food, daily necessities and cosmetics, and is an authorized first-tier distributor of a global infant formula brand. As we deepened our collaboration with such infant formula brand and achieved direct procurement arrangement, we gradually ceased our transaction with Supplier D.

(7) Founded in 2016 and headquartered in Guangdong Province, China, Guangdong Bangbao Personal Care Products Co., Ltd. primarily engages in the development, production, and sales of diapers and has a registered capital of RMB32.0 million.

(8) Founded in 2003 and headquartered in Fujian Province, China, Supplier N primarily engages in the sales of hygiene products, with a registered capital of RMB100.0 million.

All of our five largest suppliers across all of our business lines (on a consolidated basis) during the Track Record Period were Independent Third Parties. To the best knowledge of our Directors, none of our Directors, their respective associates or any shareholder who owns more than 5% of our issued share capital had any interest in any of such suppliers during the Track Record Period. Save as Suppler E being the former shareholder of one of our subsidiaries, to the best knowledge of our Directors, as of the Latest Practicable Date, apart from being our suppliers, there were no other past or present relationships (business, employment, shareholding, family, trust, financing or otherwise) between such suppliers, their directors or ultimate beneficial owners, and our Group, our shareholders, our Directors, or senior management, or any of their respective associates.

OVERLAPPING OF CUSTOMERS AND SUPPLIERS

During the Track Record Period, certain of our five largest customers across all of our business lines (on a consolidated basis) in each year of the Track Record Period also acted as our suppliers, or vice versa, which provided OEM services and/or supplied products for us under our self-operated business, and also utilized our digital marketplace as a vendor or engaged our customized marketing services and paid commissions to us.

According to Frost & Sullivan, such arrangements are common in the commerce and service of family care and nutrition product industry. Negotiations of the terms of our sales to and purchases from these overlapping customers and suppliers were conducted on an individual basis and the sales and purchases were neither inter-connected nor inter-conditional with each other. Key terms of our agreements with these overlapping customers and suppliers are substantially comparable to those of our other customers and suppliers engaging in transactions of a similar nature. Based on the above, our Directors confirm, and the Sole Sponsor concurs, that all of our sales to and purchases from these overlapping customers and suppliers were conducted in the ordinary course of business under normal commercial terms and on arm's length basis.

The following table sets forth the breakdown of our revenue generated from, purchase amount paid to and gross profit margin attributable to our overlapping customers and suppliers (each an Independent Third Party), which was among either our five largest customers or suppliers across all of our business lines (on a consolidated basis) during the Track Record Period, for the years indicated:

	Transaction Nature		Year ended December 31,								
			2023			2024			2025		
	As customer	As Supplier	Revenue and percentage of total revenue	Purchases and percentage of total purchases	Gross profit margin[1]	Revenue and percentage of total revenue	Purchases and percentage of total purchases	Gross profit margin[1]	Revenue and percentage of total revenue	Purchases and percentage of total purchases	Gross profit margin[1]
							RMB'000				
Winsun[2]	Utilizing our digital marketplace as a vendor	Provision of OEM services and supply of disposable diapers	32 (0.0%)	71,929 (11.0%)	91.4%	— —	55,063 (7.6%)	—	1 (0.0%)	37,372 (3.7%)	91.0%
Customer A/Supplier A[3]	Utilizing our digital marketplace as a vendor	Supply of infant formula	11,907 (1.1%)	155,452 (23.8%)	91.4%	11,990 (1.2%)	275,077 (38.2%)	91.5%	25,209 (1.8%)	415,405 (40.9%)	91.0%
Customer E/Supplier D[4]	Utilizing our digital marketplace as a vendor, and purchasing products from us	Supply of infant formula	5,170 (0.5%)	83,543 (12.8%)	91.4%	41 (0.0%)	— —	91.5%	321 (0.0%)	— —	91.0%
Guangdong Bangbao Personal Care Products Co., Ltd.[5]	Utilizing our digital marketplace as a vendor	Provision of OEM services and supply of disposable diapers	4,588 (0.4%)	26,215 (4.0%)	91.4%	13,645 (1.3%)	767 (0.1%)	91.5%	16,603 (1.2%)	742 (0.1%)	91.0%
Quanzhou Hexing Hygiene Products Co., Ltd.[6]	Utilizing our digital marketplace as a vendor	Provision of OEM services and supply of disposable diapers	13,839 (1.3%)	— —	91.4%	15,456 (1.5%)	775 (0.1%)	91.5%	10,632 (0.8%)	1,061 (0.1%)	91.0%
Customer I/Supplier B[7]	Engaging our customized marketing services	Supply of infant formula	7,614 (0.7%)	73,568 (11.3%)	91.4%	2,985 (0.3%)	162,572 (22.5%)	91.5%	8,133 (0.6%)	102,281 (10.1%)	91.0%
Meadjohnson group[8]	Engaging our customized marketing services	Supply of infant formula	178 (0.0%)	— —	91.4%	3,727 (0.4%)	40,377 (5.6%)	91.5%	1,212 (0.1%)	211,679 (20.8%)	91.0%

Notes:

(1) The gross profit margin attributable to our overlapping customers and suppliers represents that derived from utilizing our digital marketplace as vendors or engaging our customized marketing services, which is equivalent to the gross profit margin of our digital marketplace business in the relevant year. The costs incurred in respect of such services comprise transaction processing costs and server costs, which cannot be traced or assigned to individual customer accounts.

(2) We have collaborated with Winsun to incubate *Daddy Captain* brand, under which Winsun acts as our OEM supplier. Winsun has also sold us several disposable diapers series it manufactured under other brands and has become a supplier under our general self-operated business. See "— Self-operated Business — Our Proprietary Brand Business — Our Brands and Products." Meanwhile, Winsun utilizes our digital marketplace as a vendor to sell other brands and series it manufactured and paid commissions to us.

(3) Customer A/Supplier A is a supplier of infant formula and rice flour under our general self-operated business, and also utilizes our digital marketplace as a vendor to sell other infant formula series and nutritional supplements and paid commissions to us.

(4) Customer E/Supplier D is an authorized distributor of a leading global infant formula brand and a supplier under our general self-operated business, and also utilizes our digital marketplace as a vendor to sell other infant formula series and paid commissions to us. In 2022, Customer E/Supplier D procured certain infant formula products of another leading global infant formula brand from us, which we procured from another Independent Third Party supplier.

(5) Guangdong Bangbao Personal Care Products Co., Ltd. is our supplier of disposable diapers under our general self-operated business, and also provides OEM services for our proprietary disposable diaper brands. Meanwhile, Guangdong Bangbao Personal Care Products Co., Ltd. utilizes our digital marketplace as a vendor to sell other disposable diaper series it manufactured and paid commissions to us.

(6) Quanzhou Hexing Hygiene Products Co., Ltd. is our supplier of disposable diapers under our general self-operated business, and also provides OEM services for our proprietary disposable diaper brands. Meanwhile, Quanzhou Hexing Hygiene Products Co., Ltd. utilizes our digital marketplace as a vendor to sell other disposable diaper series it manufactured and paid commissions to us.

(7) Customer I/Supplier B is our supplier of infant formula under our general self-operated business, to which we also provides customized marketing services under our digital marketplace business in exchange for commissions.

(8) Meadjohnson group is our supplier of infant formula under our general self-operated business, to which we also provides customized marketing services under our digital marketplace business in exchange for commissions.

The increase in our purchase amounts from overlapping customers and suppliers during the Track Record Period was primarily attributable to our increased procurement of certain popular infant formula based on our deepened collaboration with upstream vendors, which was generally in line with the increased scale of our self-operated business.

QUALITY CONTROL

To maintain excellence across all stages of our operations, we have implemented a comprehensive quality control system. Key aspects of our all-stage quality control system are as follows:

- ***Vendor admission on our digital marketplace***. To maintain compliance with applicable laws and regulations, we rigorously verify all vendors' qualifications during the registration process, including validating business licenses, relevant permits, and product certifications. For brand distributors operating flagship stores on *Hipac* platform, we require proof of authorized distribution, such as letter of exclusive authorization from and/or distribution agreements with the relevant brands. All vendors are also required to execute an authenticity guarantee as part of the platform service agreement, warranting all products sold by them on *Hipac* platform are authentic and compliant with applicable standards. Vendors must also warrant that all supporting documents they provided, including but not limited to procurement agreements, payment certificates, brand authorization certificates, customs declaration and inspection documents, and inspection and quarantine certificates, are genuine, legally valid and not forged. Vendors are solely liable for all legal consequences and compensation obligations arising from the sale of any counterfeit product and must indemnify us for all related damages.

- ***Quality control in product authenticity on our digital marketplace.*** For products suspected of being counterfeit, we are entitled to prohibit the sale of such products, remove them from the platform, and freeze the relevant vendors' accounts, sales proceeds and deposits to conduct further verification of the products' authenticity. Where such products are confirmed to be counterfeit, we will permanently remove the counterfeit products from the platform, block the search results of the relevant vendor's store and/or all of the vendor's products, freeze the vendor's account, deduct the vendor's security deposit and/or the balance of sales proceeds in the vendor's account (which will be used to compensate consumers who placed orders for such counterfeit products), cancel unpaid orders while processing refunds to the relevant consumers, and we shall be entitled to claim liquidated damages in accordance with the platform service agreement. In addition, based on the severity of the counterfeit product sales and the vendor's sales history, we may terminate the cooperation with such vendor or transfer the case to the judicial authorities for handling. We have taken disciplinary actions against the vendors for sales of counterfeit products in strict accordance with the platform rules and the platform service agreement. In 2023, 2024 and 2025, we froze 8, 3 and 16 vendors' accounts and terminated cooperation with them due to sales of counterfeit products, and claimed liquidated damages from such breaching vendors amounting to RMB40,000, RMB15,000 and RMB122,285, respectively. We had not transferred any case of sales of counterfeit products to judicial authorities as of the Latest Practicable Date.

- ***Quality control at supplier selection stage***. We have established strict supplier onboarding procedures to ensure supply chain efficiency and product quality, and we carefully select our suppliers according to our internal procurement management guidelines. Before engagement, we perform comprehensive background checks to evaluate supplier candidates' business conditions, scale, achievements, credit and qualifications. We verify their business licenses and qualifications, as well as their operational permits, and assess their brand reputation, production capacity, reliability, historical record, and pricing. For OEM suppliers, our evaluation criteria also include manufacturing facilities, quality control, production site management, production management, staff management, sanitation, pollution control, on-site inspection control and ESG initiatives. We have also incorporated relevant authenticity guarantee clauses into the procurement agreements entered into with our suppliers. Pursuant to such clauses, the suppliers are obligated to guarantee that all products supplied by them are authentic, intact, lawfully imported (where applicable), and in compliance with the applicable labelling, quality and packaging standards. In the event that any of the products supplied by the suppliers fail to meet the aforesaid standards, the suppliers shall be required to issue a refund to us, fully compensate us for all losses incurred thereby, and bear the corresponding liability for breach of contract.

- ***Quality control in product production***. We typically conduct on-site inspections to make sure sufficient quantities and proper qualities of supplies will be delivered in a timely manner.

- ***Quality control upon delivery***. We have established a complete procurement management guideline to assess ratings of suppliers and the quality of their products. For products delivered to our designated places, we conduct inspection on both quantity and quality before acceptance of such products.

INVENTORY MANAGEMENT

Inventory

Our inventories consist of (i) raw materials, representing residual raw materials and packaging materials arising from our historical attempts to develop certain proprietary brand collections which we have ceased to pursue; (ii) work in progress, representing the aforementioned residual raw materials from our historical development of certain proprietary brand collections, which were under production by our processing OEM suppliers; and (iii) finished goods, representing our products under self-operated business. Our OEM suppliers for our proprietary brand business are principally suppliers of finished goods, which process raw materials purchased by themselves and provide us with the finished products.

We generally do not bear inventory risks under our digital marketplace business. For our self-operated business, instead of committing to one-off bulk purchases, we have adopted a strategy of frequent purchases and continuous monitoring of our inventory levels to ensure timely replenishment. In particular, with respect to infant formula products under our general self-operated business, we typically communicate our procurement plans with infant formula brands or their authorized distributors one month in advance and place orders on a weekly basis. We have also established a pool of high-quality disposable diaper manufacturers and implemented a sales-based procurement mechanism. For products under our proprietary brands, we collect sales demand across all sales channels on a biweekly basis, and formulate procurement plans based on in-depth analysis of real-time sales data, market feedback, inventory levels and supplier lead times. Depending on the specific product categories, we conduct daily or weekly reviews of product sales and inventory levels for our self-operated business to ensure that inventory turnover is maintained at approximately one month. In addition, except for imported infant formula products, which are stored in bonded warehouses, most of the products under our self-operated business are stored in third-party warehouses located in Central China, enabling optimal nationwide distribution efficiency and cost-effectiveness. This flexibility allows us to maintain a stock level that aligns with our production cycles, and is instrumental in avoiding excessive inventory buildup, mitigating inventory-related risks and optimizing our working capital. We perform monthly analyses on inventory turnover and conduct quarterly monitoring and physical counts of our inventories. Our inventory turnover days were 33 days, 36 days and 25 days in 2023, 2024 and 2025, respectively, and we had write-down of inventories of RMB1.7 million, RMB4.1 million and RMB3.3 million as of December 31, 2023, 2024 and 2025, respectively.

Moreover, our efficient inventory management allows us to adjust inventory allocation across our various sales channels and markets based on sales performance. This dynamic approach ensures that we can quickly respond to the fluctuating demand and optimize stock levels in real time. For instance, if we find that the sales performance of a product at the initial stage of its launch does not meet our expectation, we can make prompt adjustments, which may include reallocating the product to other sales channels or markets where it is likely to perform better.

Warehousing and Logistics

As of the Latest Practicable Date, we did not own or operate any warehouses. Instead, we enter into annual warehousing and logistics service agreements with third-party suppliers. We typically pay such third-party suppliers monthly warehouse utilization fees calculated based on the area we utilized and service fees for inward, storage, outward and logistics services calculated based on number of orders and products, which we settle monthly with such suppliers. The annual warehousing and logistics service agreements can be terminated (i) with a two-months' prior notice by either party, (ii) by the non-defaulting party in the event of a material breach, or (iii) due to force majeure events. Moreover, certain of our OEM suppliers also provide warehousing services for us as stipulated in our service agreements with OEM suppliers.

We engage third-party logistics service providers for delivery services and enter into annual or biennial logistics service agreements with them. Finished products that have passed quality inspections are delivered by the logistics service providers from our OEM suppliers to our designated warehouses or directly to locations specified by buyers. We typically pay such third-party suppliers monthly logistics service fees calculated based on the number, size and weight of the products, with extra charges for peak seasons and remote areas, which we settle monthly with such suppliers. The logistics service agreements can be terminated (i) with a 30-day prior notice by either party, or (ii) by the non-defaulting party in the event of a material breach.

COMPETITION

We operate in the steadily growing and increasingly competitive China's commerce and service of family care and nutrition product industry in lower-tier market. According to Frost & Sullivan, the industry concentration of China's commerce and service of family care and nutrition product industry in lower-tier market still has room for further growth, with top five commerce and service platforms serving businesses collectively accounted for a market share of 23.9% in 2025 in terms of GMV. Our competitors mainly comprise traditional distributors and other commerce and service platforms. We distinguish ourselves through key factors such as the recognition of brand name, stable supply chain and extensive sales network. We believe we are well positioned to capitalize on future industry growth, leveraging our leading market position and extensive market knowledge accumulated over years of operations. See "Industry Overview" for a detailed discussion on the markets where we operate.

AWARDS AND RECOGNITIONS

The following table sets forth major awards and recognitions received by our Group and our key personnel over the years:

Year	Entity receiving award/recognition	Award/Recognition	Award/Recognition issuing authority
2024	Hangzhou Yangtuo Internet	National High and New Technology Enterprise (國家高新技術企業)	Economy and Information Technology Department of Zhejiang (浙江省經濟和信息化廳), Zhejiang Provincial Department of Finance (浙江省財政廳), and Zhejiang Provincial Tax Service, State Taxation Administration (國家稅務總局浙江省稅務局)

Year	Entity receiving award/recognition	Award/Recognition	Award/Recognition issuing authority
2025	Hangzhou Yangtuo Internet	"Specialized and New" Small and Medium-sized Enterprise in Zhejiang Province (浙江省「專精特新」中小企業)	Economy and Information Technology Department of Zhejiang
2023	Hangzhou Yangtuo Internet	Provincial Enterprise Institute of Zhejiang Province (浙江省企業研究院)	Department of Science and Technology of Zhejiang Province (浙江省科學技術廳)
2024	Hangzhou Yangtuo Internet	Zhejiang E-commerce Demonstration Enterprise (浙江省電商示範企業)	Department of Commerce of Zhejiang Province (浙江省商務廳)
2023	Hangzhou Yangtuo Internet	Hangzhou Trade Secret Protection Demonstration Base (杭州市商業秘密保護示範基地)	Hangzhou Municipal Administration for Market Regulation (杭州市市場監督管理局)

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had (i) 4 registered patents in the PRC; (ii) 15 registered trademarks in the PRC; (iii) 1 registered domain name in the PRC; and (iv) 6 registered software copyrights in the PRC, which were material to our business. See "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual property rights of our Group" for details of our material intellectual property rights.

Our principal intellectual properties include patents, trademarks and copyrights relating to our platform and products. We recognize the importance of our intellectual property rights and will protect and enforce our intellectual property rights when we become aware of any potential infringement. During the Track Record Period and up to the Latest Practicable Date, we had not been engaged in or threatened with any claim for any material infringement of intellectual property rights, whether as a claimant or as a defendant. See "Risk Factors — Risks Relating to our Business and Industry — We may be subject to intellectual property rights infringement or misappropriation claims by third parties, which may force us to incur legal expenses and, if determined adversely against us, may materially disrupt our business" for risks that we may face in this respect.

EMPLOYEES

As of December 31, 2025, we had 840 full-time employees, among which 478 were employees at our headquarters in Hangzhou. All of our employees were based in China as of the same date. Approximately 38.5% of the total number of our employees as of December 31, 2025 were females. The following table sets forth a breakdown of our full-time employees by function as of the same date.

Function	Number of full-time employees	% of total full-time employees
Sales and marketing	449	53.5%
Operation and procurement	119	14.2%
Management	101	12.0%
Customer service	53	6.3%
Finance, legal, investment, IT, HR and administrative	70	8.3%
Platform R&D	48	5.7%
Total	**840**	**100.0%**

We primarily rely on offline and online social recruitment, talent market, talent scout and talent referral to satisfy our demand for different types of talent. Our full-time employees typically enter into standard employment contracts with us. Our key full-time employees have entered into confidentiality agreements with us, and/or are subject to non-competition agreements effective during and up to one year after his or her employment with us.

We consistently invest in various training programs, including regular general training as well as customized training tailored to individual characteristics and job requirements. All new employees undergo comprehensive onboarding training, enabling them to gain a deep understanding of our corporate culture. We offer highly competitive remuneration packages when establishing a fair and reasonable compensation system. Remuneration packages for our full-time employees primarily consist of base salary and performance-based bonus. We also align our interest with selected employees by offering them participation in the 2015 Share Incentive Scheme and the 2023 Share Incentive Scheme. See "Appendix IV — Statutory and General Information — D. [REDACTED] Share Incentive Schemes" for details.

We believe we have maintained good relationships with our full-time employees. As of the Latest Practicable Date, our employees had not formed a labor union. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any strikes or labor disputes with our full-time employees which have had or are likely to have a material effect on our business.

Social Insurance and Housing Provident Fund

During the Track Record Period, (i) we failed to make social insurance and housing provident fund contributions in full for certain employees as required by relevant PRC laws and regulations, with a shortfall amounting to RMB35.6 million, RMB26.6 million and RMB24.0 million, for the years ended December 31, 2023, 2024 and 2025, respectively, primarily due to our HR staff's unfamiliarity with the relevant PRC laws and regulations, and unwillingness of certain employees to make social insurance and housing provident fund contributions in full for personal reasons, mainly caused by their financial burden; (ii) we engaged third-party human resource agencies to make social insurance and housing provident fund contributions for certain employees, primarily due to certain employees' personal preference to pay such contribution at their respective resident places instead of working places; and (iii) we failed to register social insurance account for one subsidiary which was not in operation with no employees, and failed to register housing provident fund accounts for certain subsidiaries which had no employees, primarily as the local authorities do not support or mandate companies without employees to handle such registration.

As advised by our PRC Legal Advisors, pursuant to applicable PRC laws and regulations: (i) for failure to make social insurance contributions in full, the relevant government authorities may order us to pay the shortfall amount within the prescribed time period with a late charge at the daily rate of 0.05% on the shortfall amount, and if and only if we fail to do so, we may be imposed a fine or penalty ranging from one to three times of the shortfall amount; (ii) for failure to make housing provident fund contributions in full, the relevant government authorities may order us to pay the shortfall amount within the prescribed time period, and they may apply to competent court for enforcement of the shortfall amount if we fail to do so; (iii) for engaging third-party human resource agencies to make social insurance and housing provident fund contributions, we may be ordered to pay social insurance and housing provident fund contributions for our employees under our own accounts instead of through third-party accounts, and make social insurance and housing provident fund contributions in full for our employees if the third-party human resource agencies fail to make social insurance or housing provident fund contributions for and on behalf of our employees; and (iv) for failure to register social insurance and/or housing provident fund accounts, we may be requested to (a) register the social insurance accounts within the prescribed time period and if we fail to do so, they may impose a fine or penalty ranging from one to three times of the social insurance contributions payable on us and a fine of no less than RMB500 and not exceeding RMB3,000 on the person in charge, and (b) pay the housing provident fund contributions payable within the prescribed time period, and if and only if we fail to do so, we may be imposed a fine of no less than RMB10,000 and not exceeding RMB50,000.

As of the Latest Practicable Date, (i) we had ceased engaging third-party human resource agencies to make social insurance and housing provident fund contributions and started to make social insurance and housing provident fund contributions for all of our employees under our own accounts; (ii) we started to make social insurance and housing provident fund contributions in full for certain employees, and were still making efforts to communicate with the remaining employees and get their cooperations to make social insurance and housing provident fund contributions in full, as making such contributions in full would also require them to pay their respective contributions in full at the same time; and (iii) we had deregistered the subsidiary which had not registered social insurance account due to its non-operating status, and were in preparation of registering housing provident fund accounts for the other affected subsidiaries where practicable or deregistering such subsidiaries. We are in active communication with the relevant government authorities regarding the rectification measures, and expect to make social insurance and housing provident fund contributions in full for all employees in accordance with all applicable PRC laws and regulations upon request by the relevant government authorities, and in any event, no later than one year upon [REDACTED].

During the Track Record Period and up to the Latest Practicable Date, our Group has not been subject to any administrative penalties, or involved in any disputes or complaints of material importance in respect of social insurance or housing provident fund contributions. Based on the relevant regulatory policies, the foregoing facts, the expected rectification measures disclosed herein, the interviews and consultations with the relevant governmental authorities, and confirmations provided by the relevant PRC subsidiaries, our PRC Legal Advisors are of the view that, in the absence of any notice from the competent PRC authorities, (i) the likelihood of the relevant PRC subsidiaries being required by competent PRC authorities to make full payment of the aggregate outstanding social insurance contributions and to make full retroactive housing provident fund contributions for the Track Record Period is low, and (ii) the likelihood of the relevant PRC subsidiaries being subject to administrative penalties for underpayment of social insurance contribution and housing provident funds during the Track Record Period is low, provided that there are no material adverse changes in the current regulatory policies and if we rectify the non-compliance within the prescribed period after receiving any complaints or notice from the relevant authorities. Considering the above, our Directors are of the view that the abovementioned non-compliance would not have any material adverse impact on our business and operations, and as a result we did not make any provisions in connection with the shortfall in social insurance and housing provident fund contributions during the Track Record Period.

To monitor our compliance with relevant laws and regulations in respect of social insurance and housing provident fund contributions, we have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident funds on a monthly basis. We are in the process of communicating and will continue to communicate with our employees with a view to seeking their understanding and cooperation in complying with the applicable payment base for the social insurance and housing provident funds, which also requires additional contributions from our employees. We will consult our PRC legal advisor as to our general operations on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant PRC laws and regulatory developments, including but not limited to PRC laws and regulations in relation to social insurance and housing provident funds, and will provide relevant employees with legal compliance trainings relating to the same.

See "Risk Factors — Risks Relating to Our Business and Industry — We may be subject to administrative penalties for failure to fully comply with the relevant laws and regulations in connection with social insurance and housing provident funds."

INSURANCE

We maintain insurance coverage in place for our daily operations. Our principal insurance policies primarily include social security for our employees. We do not, and are not required by PRC laws and regulations to, maintain property insurance, business interruption insurance or key person insurance. During the Track Record Period and up to the Latest Practicable Date, we had not submitted any material insurance claims, nor had we experienced any material difficulties in renewing our insurance policies. Our Directors believe that our insurance coverage is adequate and is in line with the industry practice. We periodically review and will make necessary and appropriate adjustments to our insurance coverage. However, the risks relating to our business and operation may not be fully covered by insurance. See "Risk Factors — Risks Relating to our Business and Industry — We have customary insurance coverage, and any claims beyond our insurance coverage may result in us incurring substantial costs and a diversion of resources."

PROPERTIES

As of the Latest Practicable Date, we did not own any properties. As of the Latest Practicable Date, we leased 11 properties in China with a total GFA of 7,003.94 sq.m. These properties are primarily used as offices and business registration addresses, which are non-property activities as defined under Rule 5.01(2) of the Listing Rules.

As of the Latest Practicable Date, 11 lease agreements had not been registered with the relevant PRC government authorities, primarily due to the difficulty of procuring our lessors' cooperation. As advised by our PRC Legal Advisors, failure to register an executed lease agreement will not affect its validity. However, we may be subject to a fine of no less than RMB1,000 and not exceeding RMB10,000 for each unregistered lease agreement if the relevant PRC government authorities require us to rectify and we fail to do so within the prescribed time period. As a result, we may face a total maximum fine up to RMB110,000 assuming a maximum fine of RMB10,000 is imposed on each unregistered lease agreement. We believe that the failure to register these lease agreements will not have any material adverse effect on our financial condition or results of operations. We will actively liaise with the respective lessors to complete the registration of all such lease agreements to the extent we can. During the Track Record Period and up to the Latest Practicable Date, we did not experience any disputes, controversies, third party claims or administrative penalties arising out of our leased properties.

Furthermore, as of the Latest Practicable Date, (i) 1 leased property with a GFA of approximately 50.00 sq.m. (accounting for approximately 0.71% of the aggregate GFA of our total leased properties) was leased from a lessor who failed to provide sufficient or valid title certificates or relevant authorization documents evidencing its rights to lease the property to us; and (ii) 3 leased properties with an aggregate GFA of approximately 96.00 sq.m. (accounting for approximately 1.37% of the aggregate GFA of our total leased properties) had been mortgaged by the landlords to third parties before entering into lease agreements with us. These properties are being used as our office premises and business registration addresses. There may be risks that these leases may be declared invalid or terminated due to the above factors, and therefore we may not be able to continue to occupy and use such properties and may be exposed to a potential relocation risk. In the unlikely event that we are required to relocate due to the above factors, we believe we will be able to easily find alternative properties considering the purposes and GFA of such leased properties. In the event that we are required to relocate from the leased properties, we estimate the aggregate relocation cost to be less than RMB10,000. During the Track Record Period and up to the Latest Practicable Date, we have not received any material penalty, objection, inquiry or investigation from competent authorities over safety conditions in respect of such leased properties. We believe that our use of these leased properties individually or collectively will not have a material adverse effect on our business, financial condition or results of operations.

For more details, see "Risk Factors — Risks Relating to Our Business and Industry — We face risks in relation to the non-registration and title defect of our leased properties."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE MATTERS

We are committed to promoting corporate social responsibility and sustainable development and integrating it into all major aspects of our business operations. We advocate the circular economy, green economy and low-carbon economy. We will establish a set of ESG policies in accordance with the standards of Appendix C2 to the Listing Rules, which outlined, among others, (i) the appropriate risk governance on ESG matters, including climate-related risks and opportunities, (ii) ESG strategy formation procedures, (iii) ESG risk management and monitoring, (iv) the identification of KPI, and (v) the relevant measurements and mitigating measures. Our ESG policies will set out different parties' respective responsibilities and authority in managing ESG matters. Our Board will have overall responsibility for overseeing and determining our environmental, social, and climate-related risks and opportunities impacting us, establishing and adopting the ESG policies and our targets, and estimating our ESG-related risks. Our Board will establish an ESG working group comprising of our senior management upon [REDACTED] to support our Board in implementing the agreed ESG policies, targets and strategies.

As we do not operate any production facilities, we do not pose significant risks in terms of climate, health, work safety, social or environmental regulations. During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any fines or penalties for non-compliance with these PRC laws and regulations related to social, health, safety and environmental matters.

Environmental Protection

We do not operate any production facilities. Due to the nature of our business, the environmental, social and climate-related impacts arising from our business operations and operating systems are limited. We do not generate any material hazards or pollutants during our operations. However, we recognize our social responsibilities in minimizing impacts of our operations on environment.

To support our daily operations, we built our information technology infrastructure by leveraging the public cloud services from third-party cloud service providers. Cloud services data centers and server clusters require substantial electricity consumption to support the daily operation of servers and cooling systems. To reduce the electricity consumed by data centers and servers as well as the resultant greenhouse gas emissions, we have incorporated data center energy consumption into the considerations for selecting cloud service providers. Meanwhile, we advocate that cloud service providers enhance energy efficiency and reduce greenhouse gas emissions. Our cloud service providers have established a comprehensive data center environmental management system and implemented a series of energy-saving initiatives, including intelligent algorithm-based operation and maintenance strategies, liquid-cooled server technology, and waste heat recovery and utilization in data centers, aiming to lower the power usage effectiveness of data centers.

Power Usage

We endeavor to proactively conserve energy in response to the government's initiatives. Such power usage includes energy consumed by our leased office facilities, which does not include the cloud servers in custody with third-party cloud infrastructure. We intend to continue to reduce the level of our power usage over the next three years.

Water Consumption

We voluntarily take on our social responsibilities to practice water conservation. Our water consumption were mainly for daily use in offices. Municipal water supply networks are the main incoming source of our water supply, and we have not encountered any major difficulties seeking suitable water sources during the Track Record Period. We intend to continue to reduce the level of our water usage over the next three years.

Emissions

Waste

Although we do not operate any production facilities, we have procedures in place for waste management to ensure compliant waste disposal and reduce environmental impact. The waste we produce mainly comprise non-hazardous waste, such as domestic waste, kitchen waste, waste packages and paper boxes, and to a much lesser extent, hazardous waste, mainly including printer waste toner cartridges and waste batteries.

Greenhouse Gas Emissions

Our greenhouse gas emissions primarily include the greenhouse gas emissions from our usage of purchased electricity. In response to the national target of carbon neutrality, we actively focus on reducing the greenhouse gas emissions generated during our operations.

Packaging Material Management

We actively implement green packaging material management practices to mitigate the adverse environmental impact of packaging materials. We adhere to the principles of lightweight design and material reduction, selecting express packaging based on the size and dimensions of our products to minimize unnecessary material waste. In the product logistics and transportation process, we prioritize cartons as the primary transportation packaging material. Additionally, we encourage our collaborating warehouses to recycle materials such as pallets, turnover boxes and foam pads used for warehouse outbound operations and product shipments, aiming to enhance resource utilization efficiency.

Metrics and Indicators

We have established a comprehensive set of KPIs to constrain and guide our business operations. The following table sets forth the information of our environmental performance during the Track Record Period:

	Year ended December 31,		
	2023	**2024**	**2025**
Waste emission			
Non-hazardous waste (tons)	7.3	5.6	5.6
Hazardous waste (tons)	0.2	0.2	0.2
Total waste emissions (tons)	7.5	5.8	5.8
Total waste emissions intensity (kg/million RMB revenue)	7.0	5.6	4.1
Energy consumption			
Total energy consumption (MWh)[1]	636.1	600.5	615.3
Total energy consumption intensity (MWh/million RMB revenue)	0.6	0.6	0.4
Water usage			
Total water consumption (m^3)[2]	512.0	545.0	2,908.6
Total water consumption intensity (m^3/million RMB revenue)	0.5	0.5	2.0
Greenhouse gas emissions[3]			
Scope 2 (tons of CO_2 equivalent)[4]	372.5	351.6	360.3
Scope 3 (tons of CO_2 equivalent)[5]	627.2	364.3	342.7
Total greenhouse gas emissions (tons of CO_2 equivalent)[6]	999.7	716.0	703.0
Total greenhouse gas emissions intensity (tons of CO_2 equivalent/million RMB revenue)	0.9	0.7	0.5

Notes:

(1) The total energy consumption only includes purchased electricity, as our operational activities only consume electricity and do not involve the use of fuels or direct energy consumption.

(2) Our water consumption is mainly for daily use in offices. In 2023 and 2024, water charges for office premises were mainly borne by property management parties. In 2025, following the relocation of our office premises, all water charges became payable by us, resulting in a significant increase in water expenses, water consumption and water intensity.

(3) The calculation of greenhouse gas emissions was made in reference to the GHG Protocol.

(4) Scope 2 emissions represent indirect greenhouse gas emissions generated from electricity consumption. The factor for Scope 2 greenhouse gas emissions is adopted from the *Notice on the Release of the 2022 Electricity Greenhouse Gas Emission Factor* (《關於發佈2022年電力二氧化碳排放因數的公告》) published by Ministry of Ecology and Environment of the PRC (中華人民共和國生態環境部) and National Bureau of Statistics (國家統計局).

(5) Our Scope 3 emissions mainly represent indirect greenhouse gas emissions generated from the disposal of waste from our operations and business travel. Our Scope 3 emissions significantly declined in 2024, primarily due to the decrease in greenhouse gas emissions generated from business travels resulting from our downsized sales and marketing personnel stationed outside our headquarters and our updated travel policy.

(6) We did not generate Scope 1 emissions, as our operational activities only consume electricity and do not involve the use of fuels or direct energy consumption. The total greenhouse gas emissions only include Scope 2 and Scope 3 emissions.

We have adopted the following measures to pursue energy efficiency, reduce carbon footprint and manage resource utilization: (i) switching off lights which are not in use; (ii) powering off computers and displays when the relevant staff are away from workplace for long or are off duty; (iii) setting electronic equipment in offices to energy-saving mode; (iv) adopting a paper management system to avoid unnecessary printing, reuse single-sided printed papers and reduce paper waste; (v) encouraging our staff to build a paperless office; and (vi) emphasizing environmental protection in offices and encouraging reuse of office supplies.

Social Responsibility

We are committed to offering a safe and healthy working environment to our full-time employees. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material accidents in the course of our operation, nor had we been subject to any material claims for personal injuries or property damages in connection with health and occupational safety of our employees. We are committed to promoting fairness, equality, and transparency in the workplace, ensuring equal opportunities for recruitment, promotion, welfare, and career development, with zero tolerance for discrimination on any basis, whether gender, sexual orientation, disability, age, race, nationality, family status, or any other legally protected factor. We foster a diverse and respectful culture, offering equal treatment in hiring, training, wellness, and professional development. We provide a variety of role-specific training programs, including those led by external experts, as part of our employee welfare initiatives.

Operational Compliance

To uphold ethical standards, we have implemented a comprehensive anti-fraud policy, addressing areas such as conflict of interest, confidentiality, bribery, and anti-corruption. Violations of this policy could result in termination of business relationships or employment. Our anti-fraud measures include thorough risk assessments, internal controls, and multiple reporting channels for employees and stakeholders to report any breaches or unethical conduct. We foster a transparent, accountable environment by encouraging the responsible reporting of any violations to protect our integrity and reputation.

Product Responsibility

Product quality is of paramount importance. We operate a robust quality management system, ensuring that products undergo thorough testing before market introduction. We adhere to stringent quality control procedures, including product sourcing, in-process and finished product inspections, ensuring that all products meet the highest standards.

Board Diversity

We strive to achieve and maintain board diversity to improve our Board's effectiveness, bring unique perspectives to the boardroom and enhance our Board's performance. In particular, Ms. Wang Xun (王恂) [has been] appointed as our independent non-executive Directors to promote the gender diversity of our Board. Our Board members also obtained degrees in various majors including finance, science, marketing, engineering, business administration, economics, law and others. See "Directors and Senior Management" for details.

LICENSES, PERMITS AND CERTIFICATES

We are required to obtain various licenses, permits and certificates for operation. See "Regulatory Overview" for details of the relevant requirements. The following table sets forth material licenses, permits and certificates for us as of the Latest Practicable Date.

Holder	License/Permit/Certificate	Issuing authority	Effective date	Expiration date
Hangzhou Yangtuo Internet	Value-added Telecommunications Business Operations License (增值電信業務許可證)[1]	MIIT	August 5, 2025	August 5, 2030
Hangzhou Yangtuo Internet	Third-party Online Food Trading Platform Filing (網絡食品銷售第三方平台備案)	N/A	N/A	N/A
Hangzhou Yangtuo Trading	Food Business License (食品經營許可證)	Market Supervision and Administration Bureau of Xihu District, Hangzhou (杭州市西湖區市場監督管理局)	June 12, 2026	June 11, 2031
Hangzhou Yimucao	Food Business License	Market Supervision and Administration Bureau of Xihu District, Hangzhou	December 25, 2025	December 24, 2030
Hangzhou Hitun	Food Business License	Market Supervision and Administration Bureau of Xihu District, Hangzhou	February 4, 2026	February 3, 2031
Hangzhou Jinwen Technology Co., Ltd.	Food Business License	Market Supervision and Administration Bureau of Xihu District, Hangzhou	August 15, 2025	August 14, 2030
Hangzhou Yangtuo Internet	Record Filing and Registration Form for Foreign Trade Operators (對外貿易經營者備案登記表)	Foreign Trade Operator Record-filing Registration Authority of Xihu District, Hangzhou, Zhejiang Province (對外貿易經營者備案登記機關(浙江杭州西湖))	November 28, 2019	N/A
Hangzhou Yangtuo Internet	Registration of a Consignee or Consignor of Imported or Exported Goods (海關進出口貨物收發貨人備案)	Third Comprehensive Business Division of Qianjiang Customs (錢江海關綜合業務三處)	December 3, 2019	N/A
Hangzhou Yangtuo Internet	Information System Security Protection Level Filing Certificate (信息系統安全等級保護備案證明)	Hangzhou Public Security Bureau (杭州市公安局)	August 16, 2021	N/A

Note:

(1) During the Track Record Period and up to the Latest Practicable Date, Hangzhou Yangtuo Internet had conducted the digital marketplace business under valid Value-added Telecommunications Business Operations Licenses. Following the termination of the 2015 Contractual Arrangements, Hangzhou Yangtuo Internet filed the deregistration application for its previous Value-added Telecommunications Business Operations License, and applied for the recertification for such license with its wholly foreign-controlled shareholding structure in June 2025. As of the Latest Practicable Date, Hangzhou Yangtuo Internet had obtained the new Value-added Telecommunications Business Operations License with its wholly foreign-controlled shareholding structure from MIIT. See "History, Reorganization and Corporate Structure — Reorganization — (2) Equity Transfer of Hangzhou Yangtuo Internet and Termination of 2015 Contractual Arrangements." Our PRC Legal Advisors are of the view that, taking into account (i) the new valid Value-added Telecommunications Business Operations License obtained by us in compliance with applicable laws and all requirements of the regulatory administrations, and (ii) the enterprise special credit reports of Hangzhou Yangtuo Internet issued by the Zhejiang Credit Center showing no records of non-compliance or regulatory violations related to

telecommunications of Hangzhou Yangtuo Internet during the Track Record Period and up to the issuance date of the new Value-added Telecommunications Business Operations License, the risk of being imposed material administrative penalty for the operation of our digital marketplace business during the license exchange process is remote.

Based on our Directors' confirmation, our PRC Legal Advisors are of the view that, as of the Latest Practicable Date, we had obtained all requisite licenses, permits and approvals from relevant authorities that are mandatory and material for our current operations in China, and such licenses, permits and approvals were valid and remained in effect.

We monitor the validity status of, and make timely applications for the renewal of, relevant licenses, permits and certificates prior to the expiration date. We had not experienced any material difficulty in obtaining or renewing required licenses, permits and certificates for our business operations during the Track Record Period and up to the Latest Practicable Date. Our PRC Legal Advisors are of the view that, based on foregoing, as of the Latest Practicable Date, there is no material legal impediment in renewing licenses, permits and certificates in connection with our current business operation in China which are valid and subject to renewal upon expiry as long as we are in compliance with applicable PRC laws and regulations. However, we cannot assure you that we will be able to obtain or renew such licenses, permits or certificates in the future. See "Risk Factors — Risks Relating to our Business and Industry — If we fail to obtain or maintain the requisite licenses, permits, certificates, approvals, registrations or filings required under the regulatory environment applicable to our business in any jurisdiction where we operate, or if it is time-consuming or costly to obtain or maintain such licenses, permits, certificates and approvals, our business, financial condition and results of operations may be materially and adversely affected."

COMPLIANCE AND LEGAL PROCEEDINGS

Compliance

During the Track Record Period and up to the Latest Practicable Date, we had not been imposed any material administrative penalties by PRC government authorities, nor had we been involved in any non-compliance incidents that were systemic or had a material adverse effect on our business, financial condition or results of operations.

Other than the non-compliance incidents disclosed below, during the Track Record Period and up to the Latest Practicable Date, we did not experience any other systemic non-compliance incidents against us or any of our subsidiaries which could have a material adverse effect on our financial conditions or results of operations.

Conducting Payment Services as a Non-financial Institution Without a Requisite License

Payment services in China are subject to the supervision of the PBOC. See "Regulatory Overview — Regulations Relating to the Payment Services and Prepaid Cards." According to the applicable PRC laws and regulations, a non-bank payment institution must obtain a payment business license (the "**Payment Business License**") before providing payment services, which refer to transfer service of monetary capital as an intermediary between payees and payers, including provide online payment, issuance and acceptance of prepaid cards, bankcard acquiring, and other payment services determined by the PBOC. During the Track Record Period, our subsidiary conducting digital marketplace business, Hangzhou Yangtuo Internet, collected payments from buyers on behalf of vendors, and subsequently settled payments with vendors after deducting the commissions we are entitled to receive, which may be deemed to provide payment services without a Payment Business License. See "— Digital Marketplace Business — Our Hipac Platform." In addition, during the Track Record Period, our subsidiaries, Hangzhou Yangtuo Internet (mainly engaging in our digital marketplace business) and Hangzhou Yangtuo Trading (mainly engaging in our self-operated business), issued and sold pick-up card to buyers on our *Hipac* platform for promotion, a type of prepaid card which can be utilized by buyers for purchasing products sold by third-party vendors on our platform, which may be deemed as operating stored-value accounts without a Payment Business License. During the Track Record Period, revenue generated from such fund settlement or pick-up card practices in aggregate accounted for 23.3%, 18.8% and 5.8% of our total revenue for the years ended December 31, 2023 and 2024 and for the seven months ended July 31, 2025 (prior to the full operation of the Service Systems), respectively.

As advised by our PRC Legal Advisors, pursuant to applicable PRC laws and regulations, non-bank payment institutions unlawfully engaging in payment business, whether directly or under any pretext, are banned by the PBOC, and where payment services are conducted without a valid Payment Business License, the competent regulatory authorities may (i) invalidate the business and confiscate any illegal gains derived therefrom, and (ii) impose a fine ranging from one to five times of the amount of illegal gains and a fine of no less than RMB100,000 and not exceeding RMB500,000 on the legal representative or responsible individual.

We have been undertaking continuous efforts to rectify our fund settlement arrangements. In November 2019, we entered into a cooperation agreement with a licensed commercial bank to establish a fund settlement system. However, this system was subsequently deemed unsatisfactory by our platform users and failed to fully align with our actual business needs. In the transitional period, we gradually reduced the volume of fund settlements processed through the aforementioned bank while kept seeking more suitable licensed financial institutions to develop settlement functions tailored to our business needs.

As of the Latest Practicable Date, we had undertaken the following measures to rectify and manage the relevant risks: (i) we entered into cooperation agreements with licensed financial institutions in March and April 2025 to develop payment settlement functions and connect the systems (the "**Service Systems**") operated by such financial institutions with our *Hipac* platform on a free-of-charge basis to manage and settle payments between buyers and vendors. The Service Systems had been in full operation since August 2025. By leveraging the Service Systems and the services provided by the licensed financial institutions, all payments for product purchases from buyers to vendors on our *Hipac* platform under our digital marketplace business are processed through such systems. Under the Service Systems, all payments are processed and settled through bank-supervised escrow accounts for transaction attestation, instead of processing through our general bank accounts, thereby ensuring that the funds are safeguarded and segregated from our own proprietary funds; (ii) we terminated further sales of all pick-up cards on our *Hipac* platform as of June 30, 2025, and integrated the stored-value function together with the outstanding balance from the pick-up cards of RMB11.0 million into the Service Systems in August 2025, where all the prepaid fund from buyers remains valid for purchasing products on our platform under the supervision of our collaborating commercial bank in accordance with the recommendation of our collaborating commercial bank; and (iii) we had continuously monitored our fund settlement arrangements and ensured that transaction funds under our digital marketplace business remain in compliance with applicable regulations through regular consultation with the licensed financial institutions. In the event that we are subject to any regulatory requirements imposed by the competent authorities in respect of the payment arrangements on our *Hipac* platform, we will use our best efforts to cooperate with such authorities and take all necessary rectification measures in a timely manner. During the Track Record Period and up to the Latest Practicable Date, (i) fund transfers and settlements historically processed by us were conducted pursuant to the stipulated rules under the platform service agreements, and we had not caused any significant financial loss or systematic fund safety incidents on our platform; and (ii) we had not been involved in any investigations against us, rectification orders, subject to administrative penalties by the competent authorities, nor have we been pursued for criminal liability by judicial authorities for non-compliance with relevant laws, regulations or regulatory requirements relating to our fund settlement or pick-up card practices.

As advised by our PRC Legal Advisors, based on the above and further taking into account that: (i) pursuant to the written confirmations issued by our collaborating licensed financial institutions, the services provided through the Service Systems do not contravene applicable laws, and the fund arrangements under our cooperation with them comply with applicable payment service regulations. As of the Latest Practicable Date, the Service Systems had been in full operation, which replaced our fund settlement for all vendors operating on our platform and pick-up card practices;

and (ii) pursuant to a telephone consultation with an official of the Payment and Settlement Division of the Zhejiang Provincial Branch of the PBOC (confirmed by our PRC Legal Advisors as the competent authority and competent person to provide the confirmation) on a named basis conducted jointly by us, our PRC Legal Advisors and the Sponsor's PRC Legal Advisors in June 2025, we will not be subject to penalties in respect of such historical practices provided that we have completed the rectification measures through cooperation with the licensed financial institutions, our PRC Legal Advisors are of the view that (i) based on the foregoing, such settlement practice complies with relevant PRC laws and regulations in all material respects provided that the collaborating financial institutions maintain compliance with the regulations applicable to them in the course of providing the relevant services to the Company; and (ii) the likelihood of the competent PBOC authorities imposing penalties on us which would have a material adverse effect on our business and financial condition with regard to such historical practices during the Track Record Period is low. Considering the above, our Directors are of the view that the abovementioned non-compliance would not have any material adverse impact on our business and operations.

See "Risk Factors — Risks Relating to Our Business and Industry — We may be considered as conducting payment services as a non-financial institution without a requisite license."

Failure to Timely Renew Our Value-added Telecommunications Business Operations License

One of our insignificant subsidiaries operating a minimal scale e-commerce platform, Hangzhou Shirui Internet Technology Co., Ltd. (杭州是睿網絡科技有限公司) ("**Hangzhou Shirui**"), failed to timely renew its Value-added Telecommunications Business Operations License (增值電信業務許可證) upon its expiry in July 2024, as we intended to transfer the e-commerce platform business of Hangzhou Shirui to Hangzhou Yangtuo Internet, which held a valid Value-added Telecommunications Business Operations License at the time. Revenue generated from such e-commerce platform accounted for less than 0.1% of our total revenue throughout the Track Record Period.

As advised by our PRC Legal Advisors, pursuant to the applicable PRC laws and regulations, telecommunications services providers shall obtain operating licenses from the MIIT or its provincial counterparts prior to the commencement of operations; for failure to obtain the operating license, the relevant government authorities may order us to rectify, confiscate our illegal income, suspend business for rectification, and impose a fine ranging from three to five times of the amount of illegal income on us; where the illegal income is less than RMB50,000, the fine would range from RMB100,000 to RMB1.0 million.

Taking into account that (i) as of the Latest Practicable Date, we had shut down such e-commerce platform and had transferred the domain name of such e-commerce platform to Hangzhou Yangtuo Internet; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties by the competent authorities due to such non-compliance; (iii) pursuant to the enterprise special credit report of Hangzhou Shirui issued by the Zhejiang Credit Center, Hangzhou Shirui had no records of non-compliance or regulatory violations related to telecommunications; and (iv) Hangzhou Shirui is our insignificant subsidiary and only generated negligible revenue from such e-commerce platform during the Track Record Period, as advised by our PRC Legal Advisors, the abovementioned non-compliance would not have any material adverse impact on our principal business. Considering the above, our Directors are of the view that the abovementioned non-compliance would not have any material adverse impact on our business and operations.

See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to obtain or maintain the requisite licenses, permits, certificates, approvals, registrations or filings required under the regulatory environment applicable to our business in any jurisdiction where we operate, or if it is time-consuming or costly to obtain or maintain such licenses, permits, certificates and approvals, our business, financial condition and results of operations may be materially and adversely affected."

Failure to Complete Filing Formalities for Our Prepaid Cards

According to applicable PRC laws and regulations, enterprises issuing single-purpose commercial prepaid cards must complete filing formalities within 30 days from the date of carrying out such businesses. Our subsidiary, Hangzhou Hitun (mainly engaging in our self-operated business), historically issued fixed face prepaid cards to buyers for them to purchase products from our self-operated stores under our self-operated business, which fall within the scope of single-purpose commercial prepaid cards, but failed to complete the filing formalities. During the Track Record Period, revenue generated from such fixed face prepaid cards accounted for 0.1%, 0.1% and less than 0.1% of our total revenue for the years ended December 31, 2023, 2024 and 2025, respectively.

As advised by our PRC Legal Advisors, for failure to complete the filing formalities for single-purpose commercial prepaid cards, the relevant government authorities may order us to rectify within the prescribed time period and if we fail to do so, they may impose a fine ranging from RMB10,000 to RMB30,000.

Taking into account that (i) Hangzhou Hitun terminated the issuance of prepaid cards in June 2025; (ii) during the Track Record Period and up to the Latest Practicable Date, we had not been subject to any administrative penalties by the competent authorities due to such non-compliance; and (iii) pursuant to the enterprise special credit report of Hangzhou Hitun issued by the Zhejiang Credit Center, Hangzhou Hitun had no records of non-compliance or regulatory violations related to its business, as advised by our PRC Legal Advisors, the abovementioned non-compliance would not have any material adverse impact on our business. The outstanding amount of the prepaid cards immediately prior to the termination of prepaid card activities in June 2025 amounted to RMB68,829, representing a negligible proportion of our total revenue, which remains valid for the relevant buyers to purchase products from our self-operated stores. We are in the process of refunding the unutilized outstanding balance to the relevant buyers. The liabilities associated with the prepaid cards would be derecognized, once at the termination of the prepaid cards and refund the advance payments. Considering the above, our Directors are of the view that the abovementioned non-compliance would not have any material adverse impact on our business and operations.

See "Risk Factors — Risks Relating to Our Business and Industry — If we fail to obtain or maintain the requisite licenses, permits, certificates, approvals, registrations or filings required under the regulatory environment applicable to our business in any jurisdiction where we operate, or if it is time-consuming or costly to obtain or maintain such licenses, permits, certificates and approvals, our business, financial condition and results of operations may be materially and adversely affected."

Legal Proceedings

From time to time, we may become involved in legal proceedings and claims that arise in the ordinary course of our business activities. We cannot predict the results of litigation and claims. See "Risk Factors — Risks Relating to our Business and Industry — We may be involved in legal or administrative proceedings and commercial disputes, which could materially affect our business, financial condition and results of operations."

As of the Latest Practicable Date, we were not a party to any ongoing material litigation, arbitration or administrative proceeding, and we were not aware of any claims or proceedings contemplated by government authorities or third parties which would materially and adversely affect our business. Our Directors are not involved in any actual or threatened material claims or litigations.

RISK MANAGEMENT AND INTERNAL CONTROL

Our risk management and internal control measures are designed to meet our specific business needs and minimize our risk exposure. We have adopted different internal guidelines, policies and procedures to monitor and reduce the impact of risks relating to our business, improve our corporate governance and ensure our compliance with applicable laws and regulations. Our Board is responsible for establishing our risk management and internal control measures and reviewing their effectiveness. We [have established] an audit committee which comprises which comprises three Directors, being Ms. Wang Xun (王恂), Mr. Shen Kai (慎凱) and Mr. Feng Peihua (馮培華), chaired by Ms. Wang Xun. The audit committee [has also adopted] its terms of reference which set out clearly its duties and obligations for ensuring compliance with the relevant regulatory requirements and providing an independent view on the effectiveness of our internal control policies, financial management processes and risk management systems. In particular, the audit committee is empowered under its terms of reference to review any arrangement which may raise concerns about possible improprieties in financial reporting, internal control or other matters.

In preparation for the [REDACTED], we have engaged the Internal Control Consultant in May 2025 to perform the Internal Control Assessment. The Internal Control Consultant performed the follow-up assessment in June 2025 to assess the status of the management actions taken by us to address the findings of the Internal Control Assessment (the "**Follow-up Assessment**"). We had improved our internal control system and the Internal Control Consultant did not have any further recommendation in the Follow-up Assessment.

Our Board of Directors is responsible for establishing and assessing the effectiveness of our internal control system, which includes the implementation of a range of policies and measures designed to maintain the integrity and efficiency of our operations. Additionally, we are committed to providing regular compliance training for our Directors, senior management, and employees, enabling them to proactively identify and address any potential compliance issues.

We have established comprehensive internal control policies that cover all major aspects of our business operations, including, among others, financial reporting and control, asset management, procurement and inventory processes, and risk management. These policies are designed to: (i) ensure segregation of duties by clearly defining roles within financial and accounting management, as well as other departments, to prevent compliance issues such as conflicts of interest and fraud; (ii) implement authorization and approval mechanisms across our funds and bills management, financing, investment, and reimbursement policies, requiring managerial oversight for significant transactions and expenditures; (iii) enforce physical control to safeguard our fixed assets and inventory, complemented by specific control policies for warehouse and seal management; (iv) implement documentation and record-keeping controls to ensure compliance and traceability, particularly in our contract and asset management; (v) promote a culture of ethical compliance through anti-corruption, anti-bribery, and anti-fraud policies and measures; (vi) embed internal control procedures within our insurance, claims, and risk management policies to proactively identify and mitigate potential threats; and (vii) conduct periodic reviews and internal audits, as part of our compliance management system, to continuously assess the effectiveness of our internal controls.

In addition, we have adopted and implemented a series of new internal control policies as well as measures and procedures designed to provide further assurance on effective and efficient operation, reliable financial reporting and regulatory compliance. In particular our Directors have attended trainings conducted by our Hong Kong legal advisor on the ongoing obligations, duties and responsibilities of directors of [REDACTED] companies under the Companies Ordinance, the SFO and the Listing Rules and the Directors are fully aware of their obligations, duties and responsibilities as directors of a [REDACTED] company in Hong Kong. We have appointed Somerley Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules to ensure that, among other things, we are properly guided and advised as to compliance with the

Listing Rules and all other applicable laws, regulations, rules, codes and guidelines. Going forward, we will continue to regularly review and improve our internal control policies, measures and procedures.

OUTBREAK AND SPREAD OF COVID-19

According to Frost & Sullivan, the later ages for first marriage, parenting pressures and the outbreak of COVID-19 led to continuous declines in China's birth rate and newly-born population from 2020 to 2025, with birth rate decreased from 8.5‰ to 5.6‰, and newly-born population decreased from 12.0 million to 7.9 million. See "Industry Overview — Overview of China's Lower-tier Market" for details. Noteworthy, fluctuations in birth rate and newly-born population have exerted a lagged impact on sales of infant products, especially infant formula and disposable diapers. As our digital marketplace has encompassed nearly all major infant formula brands, such industry backdrop has a more substantial impact on our digital marketplace business. As a result, revenue generated from our digital marketplace business decreased from RMB296.2 million in 2023 to RMB229.3 million in 2024, and further decreased to RMB180.7 million in 2025. On the other hand, as most of the products on our platform primarily target infants and toddlers aged below three years old, we expect to gradually capture the lagged benefits arising from the uptick in China's birth rate over the next three years.

Considering the leading position we maintained as the largest commerce and service platform serving businesses in China's family care and nutrition product industry in lower-tier market in terms of GMV in 2025, and the substantial growth in our self-operated business during the Track Record Period, our Directors believe that the negative impacts caused by the COVID-19 pandemic were immaterial to the operational and financial performance of our Group during the Track Record Period.

OUR BUSINESS SUSTAINABILITY

We focus on the sustainable and long-term growth of our business instead of short-term financial returns or non-persistent net operating cash inflow.

Historical Performance

We recorded an overall increase in our revenue during the Track Record Period. Our total revenue remained relatively stable at RMB1,066.8 million and RMB1,032.4 million in 2023 and 2024, respectively, and increased to RMB1,401.0 million in 2025, representing a CAGR of 14.6% from 2023 to 2025. Our gross profit also increased by 8.8% from RMB335.3 million in 2024 to RMB364.9 million in 2025.

In particular, the revenue generated from our self-operated business increased with a CAGR of 25.9% from RMB767.8 million in 2023 to RMB1,216.1 million in 2025. Gross profit generated from our self-operated business also increased with a CAGR of 23.8% from RMB128.1 million in 2023 to RMB196.3 million in 2025. Notwithstanding the larger scale of GMV generated by our digital marketplace business, our self-operated business demonstrates significantly stronger profit efficiency. The average conversion rate of GMV to gross profit under self-operated business (13.4%, 12.3% and 13.0% in 2023, 2024 and 2025, respectively) is substantially higher than the conversion rate of our digital marketplace business (2.4%, 2.1% and 1.8% in 2023, 2024 and 2025, respectively). Our strategic shift of business focus from scale-oriented development (digital marketplace business) to profit-oriented development (self-operated business) since 2022 has yielded positive results, evidenced by the increase in the proportion of revenue and gross profit derived from self-operated business in our total revenue and gross profit from 71.9% and 31.9% in 2023 to 86.8% and 53.8% in 2025, respectively. We monitored our inventories carefully and maintained healthy inventory turnover days during the Track Record Period despite the shift in our business focus, with inventory turnover days of 33, 36 and 25 in 2023, 2024 and 2025, respectively.

Despite our overall revenue growth, our net loss increased during the Track Record Period. We recorded net losses of RMB56.5 million, RMB78.8 million and RMB358.7 million for the years ended December 31, 2023, 2024 and 2025, respectively.

We recorded fair value loss on convertible redeemable preferred shares of RMB73.0 million, RMB76.2 million and RMB147.8 million in 2023, 2024 and 2025, respectively, relating to the redemption right granted to our [REDACTED] Investors. As all preferred shares will be automatically converted to ordinary shares upon the [REDACTED], the convertible redeemable preferred shares will be reclassified from liabilities to equity upon [REDACTED], and we will no longer recognize fair value changes or interest thereof. We recorded adjusted net profit (non-HKFRS financial measure) of RMB19.3 million, RMB25.8 million and RMB42.6 million for the years ended December 31, 2023, 2024 and 2025, respectively. For details of our net loss during the Track Record Period, please see "Financial Information — Year to Year Comparison of Results of Operations."

Moreover, as of December 31, 2023, 2024 and 2025, we recorded net current liabilities of RMB2,041.6 million, RMB2,132.4 million and RMB2,114.2 million, respectively. As of December 31, 2023, 2024 and 2025, we recorded net liabilities of RMB1,917.3 million, RMB2,001.2 million and RMB2,075.1 million, respectively. See "Financial Information — Discussion of Certain Key Items from Consolidated Statements of Financial Position" for details. In addition, our net cash outflow from operating activities amounted to RMB6.0 million, RMB112.3 million and RMB142.6 million, respectively, in 2023, 2024 and 2025. See "Financial Information — Liquidity and Capital Resources — Cash Flows."

Sustainable Growth

Driving Continuous Revenue Growth

Our revenue growth has been driven by common factors affecting China's family care and nutrition product industry in lower-tier market. See "Industry Overview — Overview of China's Family Care and Nutrition Product Industry in Lower-tier Market" for details. We benefit from our first-mover advantage in reorganizing the family care and nutrition product supply chain and deepening nationwide market penetration, thereby holding the preeminent competitive advantages in the steadily growing China's family care and nutrition product industry in lower-tier market. Moreover, we plan to pivot our business focus to self-operated business to further release its robust growth momentum while maintaining the leading position of digital marketplace as the foundation of our business, thereby driving continuous revenue growth. Specifically, our revenue is expected to be further driven by the following measures:

(i) ***Maintaining the leading advantage of digital marketplace business***. As the cornerstone of our business, our digital marketplace business has achieved substantial growth during the past decade, during which we have fostered deep collaboration with upstream brands, distributors and manufacturers, as well as built a royal downstream buyer base. Notwithstanding our strategic shift in business focus towards the self-operated business segment, we expect to sustain the overall GMV scale of our digital marketplace business, contain the downward trajectory of this business segment, and retain our leading market position in the market through the following measures.

- *Enhancing the commission rate for advantageous categories*. Building on our extensive sales network and industry expertise, we plan to continuously enhance our service capacity for brand owners, provide them with personalized data-driven market analyses and highly efficient customized marketing services in exchange for higher commission rates, and expand our customer base under our customized marketing service. Specifically, for infant formula products, which serve as the cornerstone of our digital marketplace business, we target to maintain the current commission rates in line with industry trends leveraging our leading position as the largest family care and nutrition product commerce and service platform in China in terms of GMV generated from infant formula products in 2025. We intend to enhance the supply chain hierarchy of infant formula products on our platform, such as collaborating with infant formula brand owners directly instead of their authorized distributors, and proactively attracting new suppliers to station on our platform. For other product categories, we plan to enhance our overall commission rate under digital marketplace business through increasing the proportion of product categories with higher commission rates, such as non-edible family care products, enhancing the supply chain hierarchy on our platform, such as collaborating with brand owners and manufacturers directly instead of their authorized distributors, and proactively attracting new suppliers to station on our platform. For example, we observed an upward trend in commission rates for adult dietary supplements under our digital marketplace business, with the average commission rate for such product category increased from approximately 6.7% in the first quarter of 2025 to 7.1% in the first quarter of 2026, which also contributed to the growth in commission revenue derived from this product category.

- *Expansion of product categories*. According to Frost & Sullivan, as the key decision-makers in household consumption, mothers have been increasingly attentive to the health and nutritional needs of family members. Meanwhile, offline retail stores generally offer product recommendations and professional guidance tailored to local consumer needs, becoming an effective sales channel of dietary supplements, which also drive the growth of consumption demand for such products. Grasping the growing consumer health awareness and consumer demand for household immunity enhancement in the post-pandemic era, we plan to further expand the product category of dietary supplements on our platform.

- *Enhancing buyer engagement*. The buyers transacting ratio, calculated as transacting buyers as a percentage of buyers which logged into our *Hipac* platform for at least once in the relevant years, remained consistently above 80% throughout the Track Record Period. We plan to further enhance buyer engagement on our platform through facilitating their efficient and sustainable business operation. We plan to further promote online marketing and operation management tools, such as store mini programs, designed to provide store owners with convenient and user-friendly, lightweight solutions for managing private-domain traffic and conducting marketing promotions.

(ii) ***Our strategic shift from a scale-driven approach to a profitability-focused model***. Notwithstanding the larger scale of GMV generated by our digital marketplace business, our self-operated business demonstrates significantly stronger profit efficiency attributable to our deeper integration into the industry value chain, as compare with merely charging commissions under the digital marketplace business. As the average conversion rate of GMV to gross profit under self-operated business (13.4%, 12.3% and 13.0% in 2023, 2024 and 2025, respectively) is substantially higher than the conversion rate of our digital marketplace business (2.4%, 2.1% and 1.8% in 2023, 2024 and 2025, respectively), we plan to continue pivoting our business focus to and expanding our self-operated business to further enhance our profitability.

- *Elevating profit margin under general self-operated business*. We plan to further strengthen our collaboration with upstream brand owners, especially infant formula brands, through direct procurement or designated channel arrangements, thereby expanding our brand and product portfolio under our self-operated business and elevating our gross profit. In addition, we will further enhance the proportion of product categories with higher gross profit margins under our general self-operated business, such as dietary supplements and non-edible family care products.

- *Releasing the potential of our second growth curve*. We will continue developing our family dietary supplements, a category with deeper moat, broader target customers, higher growth rate and greater opportunities, thereby further leveraging the growth momentum of dietary supplements as our second growth curve. Our revenue generated from dietary supplements under our self-operated business surged from RMB12.0 million in 2023 to RMB106.0 million in 2025. Gross profit generated from dietary supplements under self-operated business also leaped from RMB1.2 million in 2023 to RMB45.6 million in 2025. The number of new dietary supplement SKUs launched under our proprietary brand business amounted to 9, 100 and 110 in 2023, 2024 and 2025, respectively. According to Frost & Sullivan, the market size of dietary supplements in China in terms of retail sales is expected to grow at a CAGR of 9.6% from 2025 to 2030. Drawing insights from customer feedback at our extensive nationwide retail network, we plan to further expand our proprietary dietary supplement brand and product portfolio and develop products tailored for the diverse needs of specific age groups, which we believe will materially contribute to our growth in revenue and profit going forward. Furthermore, we plan to collaborate with KOLs and engage brand ambassadors to leverage their industry influence and follower base, thereby driving the further development and market penetration of our proprietary dietary supplement brands, which we believe will enable us to effectively enhance the brand awareness and consumer reach of our proprietary dietary supplement brands, accurately tap into targeted consumer groups, and further strengthen the market position of these brands.

- *Enhancing the mutual promotional effects among our sales channels*. We take pride in maintaining a streamlined yet dedicated sales and marketing team. As of December 31, 2025, our sales and marketing team comprised 508 full-time personnel stationed across 27 provinces, municipalities and autonomous regions, who dive deep into the neighborhood, conduct offline visits and gather valuable feedback from offline retail stores through in-person interactions. Leveraging the mutual promotional effects among our sales and marketing team, our *Hipac* platform, sales through major e-commerce platforms and offline trading partners, we plan to further enhance the brand appeal of our proprietary brand and extend our market reach.

(iii) ***Leveraging our competitive strengths to drive sustainable growth***. We believe that our sustainable growth in China's commerce and service of family care and nutrition product industry in lower-tier market can be propelled by our competitive strengths as detailed in "— Our Competitive Strengths."

- *A commerce and service platform serving businesses in China's family care and nutrition product industry in lower-tier market*. We are the largest commerce and service platform serving businesses in China's family care and nutrition product industry in lower-tier market in terms of GMV in 2025, according to Frost & Sullivan. We have covered nearly all major infant formula brands, and have become the largest family care and nutrition product commerce and service platform in China in terms of GMV generated from infant formula products in 2025. In 2025, our *Hipac* platform covered 28 major product categories, with over 733,000 SKUs, which was the highest among commerce and service platforms serving businesses in the family care and nutrition product industry in China, according to Frost & Sullivan.

- *Extensive and active sales network deeply rooted in lower-tier market*. As of December 31, 2025, 81.4% of the transacting offline retail stores on our platform are located in lower-tier market, covering over 3,000 counties and villages nationwide. For the year ended December 31, 2025, our *Hipac* platform recorded average number of orders per transacting buyer per month amounting to 6 and average number of orders per core buyer per month amounting to 11, respectively. The buyers transacting ratio, calculated as transacting buyers as a percentage of buyers which logged into our *Hipac* platform for at least once in the relevant years, reached over 80% throughout the Track Record Period, which was the highest among commerce and service platforms serving businesses in the family care and nutrition product industry in China, according to Frost & Sullivan.

- *Strong synergies across our business lines*. According to Frost & Sullivan, there are relatively few commerce and service platforms serving businesses in China's family care and nutrition product industry that are capable of simultaneously developing diversified business lines and effectively incubating their proprietary brands towards large-scale commercial development. Therefore, platforms that can conduct business operations through diversified business models generally demonstrate a greater ability to form certain competitive advantages and enhance their market influence. Underpinned by the substantial traffic and retail network that we cultivate during our operation of digital marketplace business, we maintain close and long-term collaborative relationships with upstream brands, their authorized distributors and manufacturers, and are adept at promptly and accurately identifying the genuine, nuanced and unmet demands of consumers, laying a solid foundation for our self-generated business, and giving us a competitive edge for the strategic shift from a scale-driven approach to a profitability-focused model to further enhance our profitability.

Improving cost-efficiency and profitability

(i) ***Managing our cost of sales***. Going forward, we expect to achieve long-term profitability through effective cost control measures.

- *Increasing procurement of products with higher gross margin*. We intend to enhance procurement of other product categories with higher gross profit margins, such as dietary supplements and non-edible family care products, in addition to infant formula. Drawing on our cooperation experience with global leading infant formula brands, we plan to increase procurement of promising new brands and product series with less established brand presence but higher gross profit margins.

- *Lowering cost of goods for proprietary brands*. We intend to expand the scale of our proprietary dietary supplement brands, which command higher gross profit margins attributable to their premium pricing compared to our other proprietary products, reflecting their specialized ingredients and functional value. Moreover, we plan to increase orders for our best-selling products to achieve economies of scale, thereby reducing the proportion of cost of goods.

(ii) ***Enhancing our selling and distribution efficiency***. To further improve our selling and distribution efficiency in the future, we plan to control the proportion of advertising and promotion expenses in the future as the brand awareness of our proprietary brands enhances. Moreover, we seek to further improve per capita operational efficiency by strategic shift of our business focus from scale-oriented development to profit-oriented development and implementing multi product category strategies, with a view to increasing per capita revenue and effectively reducing the proportion of employee benefit expenses in relation to revenue.

(iii) ***Enhancing our administrative efficiency***. We seek to achieve higher administrative cost-effectiveness by optimizing organizational structure and slimming down our in-house administrative or managerial staff who do not directly contribute to our business growth and outsourcing certain preliminary administrative activities, while at the same time maintaining adequate requisite employees to support our business growth.

Operating Cash Position and Working Capital Sufficiency

We closely monitor the adequacy of our cash position in light of our business operations and future expansion. We have implemented the following consolidated measures to pursue optimal operating cash flow management:

- ***Strengthening trade receivables management***. Our trade receivables mainly represent outstanding balances due from vendors under our digital marketplace business and outstanding balances due from customers under our self-operated business.

Under our digital marketplace business, we charge vendors commissions based on the GMV of their sales on our platform, which will be deducted directly when we settle the payment with them according to the scheduled settlement cycles. To a lesser extent, where vendors choose to remit us the relevant commissions for customized marketing services directly, we maintain close oversight of the status of such trade receivables. To facilitate timely collection, we may suspend the provision of customized marketing services to such vendors or impose late payment fees thereon.

With respect to our self-operated business, we have established an appropriate internal control process for approval of credit limits, and credit terms are extended solely to business customers with relatively large purchase volumes and high credit ratings. We seek to maintain strict control over our outstanding trade receivables and overdue balances are reviewed closely and regularly by our management. We perform periodic impairment assessment on trade receivables, hold periodic meetings to discuss the status of trade receivables, timely communicate with the relevant customers and remind them of due payments, and closely monitor the status of the trade receivables to ensure that corresponding follow-up actions are taken to recover overdue debts.

- ***Improving prepayment management***. Our prepayment risks primarily arise from the advance payments made to upstream vendors for procurement of products under our general self-operated business. We classify suppliers based on their performance capabilities and generally permit prepayments to those with a high delivery punctuality rate, low defective product rate and long-standing cooperative relationships. We also exercise strict control over the proportion and duration of prepayments. For instance, in respect of product categories with longer inventory turnover cycles, we maintain a lower prepayment proportion. We generally limit the prepayment period to 180 days and approximately equivalent to the expected sum of the supplier's delivery cycle and the inventory turnover cycle, so as to ensure that the prepayments can be settled in a timely manner through subsequent sales proceeds. We closely monitor the production scheduling and delivery status of suppliers, implement a tiered approval process based on the amount of prepayments, and conduct monthly reviews of the subsequent settlement of prepayments, with a view to maintaining a healthy cash flow.

- ***Optimizing inventory management***. See "— Inventory Management — Inventory."

- ***Controlling costs and operating expenses***. We have a proven track record in controlling our costs and operating expenses. Our total staff costs (including staff costs recorded in cost of sales and employee benefit expenses recorded in selling and distribution expenses, administrative expenses and research and development expenses, but excluding equity-settled share-based payments) as a percentage of our revenue decreased during the Track Record Period resulting from our concerted efforts to streamline our personnel in order to optimize our labor structure and increase overall operational efficiency. Our selling and distribution expenses as a percentage of our revenue also decreased during the Track Record Period. See "— Improving Cost-efficiency and Profitability."

Also see "Financial Information — Liquidity and Capital Resources — Cash Flows — Net Cash Used in Operating Activities" for details.

During the Track Record Period, we funded our cash requirements primarily with cash flow from operations and bank loans. As of December 31, 2023, 2024 and 2025, we had cash and cash equivalents of RMB388.3 million, RMB368.5 million and RMB165.1 million, respectively. In addition, we have worked to maintain strong relationships with banks to secure and fully utilize available credit facilities, ensuring access to necessary funding. As of April 30, 2026, we had unutilized committed credit facilities of RMB90.0 million. Taking into account the financial resources available to us, including cash flow from operating activities, cash and cash equivalents, available banking facilities and the estimated [REDACTED] from the [REDACTED], our Directors are of the view, and the Sole Sponsor concurs, that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document. Based on the foregoing and considering our available financial resources, our Directors are of the view, and the Sole Sponsor concurs, that our Group's business is sustainable.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any difficulty in obtaining borrowings or default in repayment of borrowings. Considering our good credit history and our current credit status, we do not expect we will encounter any major difficulties in obtaining additional borrowings to fund our business growth and improve our working capital sufficiency in the future.