

CONNECTED TRANSACTIONS

OVERVIEW

Upon [REDACTED], certain transactions between us and our connected persons, which are entered into in our ordinary course of business, will constitute continuing connected transactions of our Company under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

We have entered into certain transactions with the following connected persons, which will constitute our continuing connected transactions upon [REDACTED]:

Name of our connected persons	Connected relationship
Guangdong Miyuan Enterprise Management Co., Ltd. (廣東覓元企業管理有限公司) (“Miyuan”)	Miyuan is held as to 95% by Ms. Yang Yu (楊煜), the spouse of Mr. Yuan, and therefore a connected person of our Company.
Foshan Fanlaizhiwei Seasoning Food Co., Ltd. (佛山市梵來之味調味食品有限公司) (“Fanlaizhiwei”)	Fanlaizhiwei is held as to 35% by Miyuan, which in turn is held as to 95% by Ms. Yang Yu (楊煜), the spouse of Mr. Yuan, and therefore a connected person of our Company.
Guangdong Huifengyuan Food Co., Ltd. (廣東滙豐園食品有限公司) (“Huifengyuan”)	Huifengyuan is held as to 35% by Miyuan, which in turn is held as to 95% by Ms. Yang Yu (楊煜), the spouse of Mr. Yuan, and therefore a connected person of our Company.
Guangdong Chuwei Engineering Services Co., Ltd. (廣東廚為工程服務有限公司) (“Chuwei”)	Chuwei is held as to 35% by Miyuan, which in turn is held as to 95% by Ms. Yang Yu (楊煜), the spouse of Mr. Yuan, and therefore a connected person of our Company.
Foshan Heshun Food Engineering Co., Ltd. (佛山市合順食品機械有限公司) (“Heshun”)	Heshun is held as to 33% by Miyuan, which in turn is held as to 95% by Ms. Yang Yu (楊煜), the spouse of Mr. Yuan, and therefore a connected person of our Company.
Shenzhen Left-Right Color Advertising Planning Co., Ltd. (深圳市左右色彩廣告策劃有限公司) (“Left-Right Color”)	Left-Right Color is held as to 35% by Miyuan, which in turn is held as to 95% by Ms. Yang Yu (楊煜), the spouse of Mr. Yuan, and therefore a connected person of our Company.
Shenzhen Tebiezhengjing Culture Communication (深圳市特別正經文化傳播有限公司) (“Tebiezhengjing”)	Tebiezhengjing is held as to 42% by Miyuan, which in turn is held as to 95% by Ms. Yang Yu (楊煜), the spouse of Mr. Yuan, and therefore a connected person of our Company.

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OUR CONNECTED TRANSACTIONS

Nature of transaction	Applicable Listing Rules	Waiver sought	Annual caps for the years ending December 31,		
			2026	2027	2028
million					
Non-exempt continuing connected transactions (subject to reporting, annual review, circular and independent Shareholders' approval requirements) (on an aggregated basis)					
Procurement of soup base and sauce packets by our Group from Fanlaizhiwei	14A.35, 14A.36, 14A.105	Announcement, circular and independent Shareholders' approval requirements	35	41	47
Procurement of dumpling wrappers and pre-packaged products by our Group from Huifengyuan	14A.35, 14A.36, 14A.105	Announcement, circular and independent Shareholders' approval requirements	24	28	32
Procurement of in-store cooking equipment by our Group from Chuwei	14A.35, 14A.36, 14A.105	Announcement, circular and independent Shareholders' approval requirements	20	23	27
Procurement of wonton wrappers manufacturing equipment and maintenance services by our Group from Heshun	14A.35, 14A.36, 14A.105	Announcement, circular and independent Shareholders' approval requirements	10	20	10
Procurement of advertising and promotional materials from Left-Right Color	14A.35, 14A.36, 14A.105	Announcement, circular and independent Shareholders' approval requirements	4	5	6
Non-exempt continuing connected transaction (subject to reporting, annual review and announcement requirements)					
Procurement of graphic and spatial design services from Tebiezhengjing	14A.35 14A.76(2) 14A.105	Announcement	4	5	6

Non-Exempt Continuing Connected Transactions (subject to Reporting, Annual Review, Circular and Independent Shareholders’ Approval Requirements)

1. Procurement of soup base and sauce packets by our Group from Fanlaizhiwei

Parties: Fanlaizhiwei and our Company

Principal terms

On [●], we have entered into a framework agreement with Fanlaizhiwei (the “**Fanlaizhiwei Procurement Framework Agreement**”), pursuant to which our Group agreed to procure soup base and sauce packets for our dumpling and wonton products and noodles products from Fanlaizhiwei for a term commencing on the [REDACTED] and ending on December 31, 2028.

Subject to the terms of the Fanlaizhiwei Procurement Framework Agreement, the Group will enter into specific agreements or place purchase orders with Fanlaizhiwei to set out specific terms and conditions including types of products, quantity and quality required, fees and payment methods of the soup base and sauce packets provided by Fanlaizhiwei. The consideration payable by the Group under the Fanlaizhiwei Procurement Framework Agreement will be paid according to the time and method to be agreed in specific agreements or purchase orders.

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The terms shall be no less favorable to our Group than those for transactions between our Group and Independent Third Parties under the same conditions.

Reasons and benefits for the transactions

We are primarily engaged in serving dumplings, wontons and other products in dine in, RTE and RTC in both pick-up and delivery formats, and therefore are in need of the soup base as complements of our dumplings and wontons products and sauce packets for toppings for noodles in store and for takeaway. Fanlaizhiwei is engaged in the production of ingredients and foods, including ingredients for dumplings and wontons which are closely related to our business. Fanlaizhiwei has been supplying such products to us since January 2023 and is familiar with our procurement requirement. In addition, our Directors consider that the quality and quantity of the soup base and sauce packets offered by Fanlaizhiwei can satisfy our commercial needs, especially our quality standards.

Pricing basis

The prices of transactions contemplated under the Fanlaizhiwei Procurement Framework Agreement shall be determined on an arm’s length basis with reference to the prevailing market price, the cost of sales and the markup rate, but in any event shall not be higher than the prices offered by Independent Third Parties.

According to the connected transactions management policy of the Company, the Company will seek quote from independent parties on a regular basis. The Directors consider that the above can ensure that the transactions under the Fanlaizhiwei Procurement Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

Historical figures, annual caps and basis of caps

The historical connected transaction amounts contemplated under the Fanlaizhiwei Procurement Framework Agreement were RMB18.2 million, RMB28.9 million, RMB27.7 million and RMB10.8 million for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026.

Our proposed annual caps of the transactions contemplated under the Fanaizhiwei Procurement Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are RMB35 million, RMB41 million and RMB47 million, respectively.

In arriving at the above annual caps, the Directors have considered, among other things, the following factors:

- i. Historical transaction amounts during the Track Record Period for the procurement of soup base and sauce packets from Fanlaizhiwei by the Group with reference to the growth trends of such transaction amounts over different periods. In particular, the procurement amount from Fanlaizhiwei had historically experienced relatively high year-on-year growth from 2023 to 2024, which reflects the scalability of the Group’s business and the potential growth due to rapid demand;
- ii. The expected increase in our demand due to the potential growth of sales of our in-store products as well as our business expansion plan, including (a) the expected expansion of the Group’s store network, leading to higher demand for soup base and sauce packets, and (b) the continued development of the Group’s overseas business, which is expected to result in an increase in export volumes of our dumplings and wontons products and, in turn, leading to higher demand for soup base and sauce packets; and
- iii. The market price of comparable soup base and sauce packets products.

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2. *Procurement of dumpling wrappers and pre-packaged products by our Group from Huifengyuan*

Parties: Huifengyuan and our Company

Principal terms

On [●], we have entered into a framework agreement with Huifengyuan (the “**Huifengyuan Procurement Framework Agreement**”), pursuant to which our Group agreed to procure (i) dumpling wrappers for our dumpling products and (ii) pre-packaged dumplings and wontons as our retail products, from Huifengyuan for a term commencing on the [REDACTED] and ending on December 31, 2028.

Subject to the terms of the Huifengyuan Procurement Framework Agreement, the Group will enter into specific agreements or place purchase orders with Huifengyuan to set out specific terms and conditions including types of products, quantity and quality required, fees and payment methods of the dumpling wrappers and pre-packaged products provided by Huifengyuan. The consideration payable by the Group under the Huifengyuan Procurement Framework Agreement will be paid according to the time and method to be agreed in specific agreements or purchase orders.

The terms shall be no less favorable to our Group than those available for Independent Third Parties under the same conditions.

Reasons and benefits for the transactions

We are in need of the dumpling wrappers for preparing our in-store dumpling products, and procure pre-packaged dumplings and wontons for our Yuen Kee Taste. Huifengyuan is engaged in the production and sale of a full range of fresh wheat-based products with satisfactory production capabilities which can satisfy our commercial needs. We have been procuring such products from Huifengyuan since November 2022 and they are familiar with our procurement requirement. In addition, our Directors consider that the quality and quantity of the dumpling wrappers and pre-packaged dumplings and wontons offered by Huifengyuan can satisfy our commercial needs, especially our quality standards.

Pricing basis

The prices of transactions contemplated under the Huifengyuan Procurement Framework Agreement shall be determined on an arm’s length basis with reference to the prevailing market price, the cost of sales and the markup rate, but in any event shall not be higher than the prices offered by Independent Third Parties.

According to the connected transactions management policy of the Company, the Company will seek quote from independent parties on a regular basis. The Directors consider that the above can ensure that the transactions under the Huifengyuan Procurement Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

Historical figures, annual caps and basis of caps

The historical connected transaction amounts contemplated under the Huifengyuan Procurement Framework Agreement were nil, RMB24.9 thousand, RMB7.1 million and RMB5.2 million for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026.

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Our proposed annual caps of the transactions contemplated under the Huifengyuan Procurement Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are RMB24 million, RMB28 million and RMB32 million, respectively.

In arriving at the above annual caps, the Directors have considered, among other things, the following factors:

- i. Historical transaction amounts during the Track Record Period for the procurement of dumpling wrappers and pre-packaged products from Huifengyuan by the Group. In particular, in June 2024, we launched Yuen Kee Taste which provided branded pre-packaged retail products including dumplings and wontons, and the Group commenced large-scale procurement of pre-packaged dumplings and wontons from Huifengyuan from June 2025 onwards, which resulted in a substantial increase in the historical transaction amount under the Huifengyuan Procurement Framework Agreement for the year ended 31 December 2025 as compared with prior years. As such, the historical transaction amounts for 2025 reflected a change in procurement pattern under the Huifengyuan Procurement Framework Agreement but the transaction amount in 2025 represented a part of the Company’s needs for pre-packaged dumplings and wontons offered by Huifengyuan;
- ii. The expected increase in our demand due to the potential growth of sales of our stores as well as our business expansion plan. In particular, in June 2024, following the launch of Yuen Kee Taste, we have experienced substantial growth ever since, and the revenue of Yuen Kee Taste increased by 57% for the year ended December 31, 2025. It is anticipated that our revenue from Yuen Kee Taste will continue to bloom in the upcoming years. We procured pre-packaged dumplings and wontons offered under Yuen Kee Taste from Huifengyuan to meet customers’ demand, and therefore we anticipate to have significant increasing demand for pre-packaged dumplings and wontons from Huifengyuan. In addition, the Group is exploring new sales channels from time to time. For example, substantial procurement demand has arisen from our newly developed chain of butcher and grocery stores. Annual caps for the three years ending December 31, 2028 under the Huifengyuan Procurement Framework Agreement have been proposed to satisfy the business needs for potential business expansion brought by the expansion of our sales channels; and
- iii. The market price of comparable dumpling wrappers and pre-packaged dumplings and wontons products.

3. *Procurement of in-store cooking equipment by our Group from Chuwei*

Parties: Chuwei and our Company

Principal terms

On [●], we have entered into a framework agreement with Chuwei (the “**Chuwei Procurement Framework Agreement**”), pursuant to which our Group agreed to procure in-store cooking equipments for producing our products in our stores, such as dumpling cookers, soup pots and water boilers, from Chuwei for a term commencing on the [REDACTED] and ending on December 31, 2028.

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Subject to the terms of the Chuwei Procurement Framework Agreement, the Group will enter into specific agreements or place purchase orders with Chuwei to set out specific terms and conditions including types of equipments, quantity and quality required, fees and payment methods of the equipments provided by Chuwei. The consideration payable by the Group under the Chuwei Procurement Framework Agreement will be paid according to the time and method to be agreed in specific agreements or purchase orders.

The terms shall be no less favorable to our Group than those available for Independent Third Parties under the same conditions.

Reasons and benefits for the transactions

We need cooking equipment for the purpose of serving dumplings, wontons and related products in ready-to-eat format in our stores. Chuwei is able to customize and provide sufficient quantities of value-for-money cooking equipment and provide upgrading services to be deployed in our stores. We have been cooperating with Chuwei to procure such products since October 2022. In addition, our Directors consider that the cooking equipments offered by Chuwei can satisfy our commercial needs, especially our quality standards.

Pricing basis

The prices of transactions contemplated under the Chuwei Procurement Framework Agreement shall be determined on an arm’s length basis with reference to the prevailing market price, the cost of sales and the markup rate, but in any event shall not be higher than the prices of equipment that are offered by Independent Third Parties.

According to the connected transactions management policy of the Company, the Company will seek quote from independent parties on a regular basis. The Directors consider that the above can ensure that the transactions under the Chuwei Procurement Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

Historical figures, annual caps and basis of caps

The historical connected transaction amounts contemplated under the Chuwei Procurement Framework Agreement were RMB16.2 million, RMB19.7 million, RMB11.3 million and RMB5.3 million for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026.

Our proposed annual caps of the transactions contemplated under the Chuwei Procurement Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are RMB20 million, RMB23 million and RMB27 million, respectively.

In arriving at the above annual caps, the Directors have considered, among other things, the following factors:

- i. Historical transaction amounts during the Track Record Period for the procurement of in-store cooking equipment from Chuwei by the Group. During the three years ended December 31, 2023, 2024 and 2025, the number of our newly opened stores (including franchised stores and self-operated stores) amounted to 1,232, 1,067 and 776. The Company engaged several suppliers to procure in-store cooking equipments for producing our products in our stores. Compared to 2023, the Company increased its procurement from Chuwei in view of its superior quality of its products, therefore the procurement amount from Chuwei in 2024 has increased compared to 2023. In addition, as the number of newly opened stores in 2025 was lower compared to that in 2023 and 2024, the Group’s procurement amount from

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Chuwei decreased in 2025 accordingly. Such fluctuation in historical transaction amounts was mainly attributable to changes in the pace of the Company’s store openings rather than any material adverse change in the Group’s cooperation with Chuwei;

- ii. The expected increase in our demand due to the equipment replacement and upgrading needs for our existing stores as well as our business expansion plan domestically and abroad. The demand for in-store cooking equipment is associated with the number of our newly opened stores. We anticipate that our demand for in-store cooking equipment will continue to grow in light of the increasing number of our newly opened stores in the three years ending December 31, 2028, along with our expansion into new countries, and we may increase our procurement from Chuwei considering the superior quality of its products; and
- iii. The market price of comparable in-store cooking equipments and the potential fluctuations in market prices, including possible price increases driven by changes in raw material costs, labour costs and other market factors.

4. Procurement of wonton wrappers manufacturing equipment and maintenance services by our Group from Heshun

Parties: Heshun and our Company

Principal terms

On [●], we have entered into a framework agreement with Heshun (the “**Heshun Procurement Framework Agreement**”), pursuant to which our Group agreed to procure wonton wrappers manufacturing equipment and associated maintenance services of the same for producing our wonton wrappers in our factories from Heshun for a term commencing on the [REDACTED] and ending on December 31, 2028.

Subject to the terms of the Heshun Procurement Framework Agreement, the Group will enter into specific agreements or place purchase orders with Heshun to set out specific terms and conditions including types of equipment, quantity and quality required, fees and payment methods of the equipment provided by Heshun. The consideration payable by the Group under the Heshun Procurement Framework Agreement will be paid according to the time and method to be agreed in specific agreements or purchase orders.

The terms shall be no less favorable to our Group than those for transactions between our Group and Independent Third Parties under the same conditions.

Reasons and benefits for the transactions

Wonton products are our signature products. Therefore we are in need of wonton wrappers for the manufacturing of our own products. Heshun was incorporated in 2007 and has focused on the production of noodles manufacturing equipments, dough mixers and dumpling wrapper manufacturing equipment with a variety of manufacturing capabilities, which can cater to our manufacturing needs. Heshun has been providing customized and diversified wonton wrappers manufacturing equipment at competitive price and associated maintenance services to our Group since July 2021 and is in a better position to understand the unique demand of our Group. In addition, our Directors consider that the wonton wrappers manufacturing equipment and the associated maintenance services offered by Heshun can satisfy our production needs and our quality standards.

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Pricing basis

The prices of transactions contemplated under the Heshun Procurement Framework Agreement shall be determined on an arm’s length basis with reference to the prevailing market price, the cost of sales and the markup rate, but in any event shall not be higher than the prices of equipment that are offered by Independent Third Parties.

According to the connected transactions management policy of the Company, the Company will seek quote from independent parties on a regular basis. The Directors consider that the above can ensure that the transactions under the Heshun Procurement Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

Historical figures, annual caps and basis of caps

The historical connected transaction amounts contemplated under the Heshun Procurement Framework Agreement were RMB3.8 million, RMB1.9 million, RMB5.0 million and RMB0.5 million for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026.

Our proposed annual caps of the transactions contemplated under the Heshun Procurement Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are RMB10 million, RMB20 million and RMB10 million, respectively.

In arriving at the above annual caps, the Directors have considered, among other things, the following factors:

- i. Historical transaction amounts during the Track Record Period for the procurement of wonton wrappers manufacturing equipment and maintenance services from Heshun by the Group. The procurement amounts varied across different years depending on the needs of our production factories and bases. Our Foshan Maideli factory was established in 2021 and put into operation in 2023. In preparation for the operation of Foshan Maideli factory, we purchased more equipment from Heshun in 2023, while most of the procurement amount under the Heshun Procurement Framework Agreement in 2024 was attributable to needs for retrofitting and upgrading existing manufacturing equipments procured in 2023 therefore reflecting a drop in the procurement amount. The increase in procurement amount from 2024 to 2025 was primarily attributable to the expansion of production capacity of our Foshan Maideli factory to procure additional production lines for wonton wrappers and ancillary equipment to support our products diversification;
- ii. The expected increase in our demand for our new production base as well as our business expansion plan. We started the construction of Foshan Yuanshun factory, which is expected to be completed by the end of 2026 and commencement of operation is expected to be in the year of 2027. In addition, our Chengdu Yuantuo factory has already commenced production since February 2026. Therefore, we will have a higher demand for wonton wrappers manufacturing equipment which are to be deployed in the newly constructed production base and factories in the year of 2027 prior to its commencement of operation. As for 2028, we expect that most of the procurement needs will derive from routine maintenance, replacement and selective upgrades for existing equipment procured in 2026 and 2027, therefore the proposed annual cap for the year 2028 is decreased accordingly. The annual caps have been proposed to accommodate our potential procurement demand in wonton wrappers manufacturing equipment and associated maintenance services as we are considering to open new factories in North China and East China to better serve our local stores; and

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- iii. The market price of comparable wonton wrappers manufacturing equipment and associated maintenance services.

5. *Procurement of advertising and promotional materials from Left-Right Color*

Parties: Left-Right Color and our Company

Principal terms

On [●], we have entered into a framework agreement with Left-Right Color (the “**Left-Right Color Procurement Framework Agreement**”), pursuant to which our Group agreed to procure advertising and promotional materials from Left-Right Color for a term commencing on the [REDACTED] and ending on December 31, 2028. Such advertising and promotional materials are primarily used for (i) product promotion and marketing activities at the Group’s stores, including counter displays and price lists for new product launches, and (ii) corporate culture and branding activities within the Group, such as visual and display materials placed at our new offices and production facilities.

Subject to the terms of the Left-Right Color Procurement Framework Agreement, the Group will enter into specific agreements or place purchase orders with Left-Right Color to set out specific terms and conditions including types of materials, fees and payment method. The consideration payable by the Group under the Left-Right Color Procurement Framework Agreement will be paid according to the time and method to be agreed in specific agreements or purchase orders.

The terms shall be no less favorable to our Group than those for transactions between our Group and Independent Third Parties under the same conditions.

Reasons and benefits for the transactions

We are engaged in marketing and promotion activities for our new products from time to time and decoration of our facilities and therefore are in need of advertising and promotional materials with competitive pricing. Left-Right Color is a stable and reliable supplier of our Group since December 2022 and Left-Right Color understands our philosophy and can cater to our business needs and internal requirements with creative and professional designs. In addition, our Directors consider that the quality and quantity of the marketing and promotional materials offered by Left-Right Color can satisfy our commercial needs, especially our quality standards.

Pricing basis

The prices of transactions contemplated under the Left-Right Color Procurement Framework Agreement shall be determined on an arm’s length basis with reference to the prevailing market price, the cost of sales, the markup rate and the amount of our purchase, but in any event shall not be higher than the prices of similar services that are offered by Independent Third Parties. We were offered a favorable price due to our long-term relationship and high quantity of procurement.

According to the connected transactions management policy of the Company, the Company will seek quote from independent parties on a regular basis. The Directors consider that the above can ensure that the transactions under the Left-Right Color Procurement Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

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Historical figures, annual caps and basis of caps

The historical connected transaction amounts contemplated under the Left-Right Color Procurement Framework Agreement were RMB0.6 million, RMB1.8 million, RMB5.4 million and RMB1.8 million for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026.

Our proposed annual caps of the transactions contemplated under the Left-Right Color Procurement Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are RMB4 million, RMB5 million and RMB6 million, respectively.

In arriving at the above annual caps, the Directors have considered, among other things, the following factors:

- i. Historical transaction amounts during the Track Record Period for the procurement of advertising and promotional materials from Left-Right Color by the Group. Our transaction amounts contemplated under the Left-Right Color Procurement Framework Agreement increased by approximately 200% on year-on-year basis;
- ii. The expected increase in our demand due to our business expansion plan and needs for new facilities; and
- iii. The market price of comparable advertising and promotional materials.

Non-Exempt Continuing Connected Transaction (subject to Reporting, Annual Review and Announcement Requirements)

6. Procurement of graphic and spatial design services from Tebiezhengjing

Parties: Tebiezhengjing and our Company

Principal terms

On [●], we have entered into a framework agreement with Tebiezhengjing (the “**Tebiezhengjing Services Framework Agreement**”), pursuant to which our Group agreed to procure graphic and spatial design and interior design services, such as design for our store upgrades, promotional materials, as well as design for our Yuen Kee Taste products from Tebiezhengjing for a term commencing on the [REDACTED] and ending on December 31, 2028.

Subject to the terms of the Tebiezhengjing Services Framework Agreement, the Group will enter into specific agreements or place purchase orders with Tebiezhengjing to set out specific terms and conditions including types of services, fees and payment method. The consideration payable by the Group under the Tebiezhengjing Services Framework Agreement will be paid according to the time and method to be agreed in specific agreements or purchase orders.

The terms shall be no less favourable to our Group than those available for Independent Third Parties under the same conditions.

Reasons and benefits for the transactions

We are in need of design services for our new stores, office buildings and other facilities as well as are engaged in advertising and promotional activities from time to time. We have established long-standing business relationship with Tebiezhengjing since December 2021 and Tebiezhengjing understands our design philosophy and can cater to our business needs and our

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internal requirement. Tebiezhengjing is primarily engaged in cultural and artistic planning and design services. Tebiezhengjing is able to provide a wide range of design services to our Group, ranging from graphic and spatial design to interior design with competitive prices. In addition, our Directors consider that the design services offered by Tebiezhengjing can satisfy our commercial needs, especially our quality standards.

Pricing basis

The prices of transactions contemplated under the Tebiezhengjing Services Framework Agreement shall be determined on an arm’s length basis with reference to the prevailing market price, the cost of sales and the markup rate, but in any event shall not be higher than the prices of similar services that are offered by Independent Third Parties.

According to the connected transactions management policy of the Company, the Company will seek quote from independent parties on a regular basis. The Directors consider that the above can ensure that the transactions under the Tebiezhengjing Services Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

Historical figures, annual caps and basis of caps

The historical connected transaction amounts contemplated under the Tebiezhengjing Services Framework Agreement were RMB2.5 million, RMB2.6 million, RMB1.6 million and RMB1.1 million for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026.

Our proposed annual caps of the transactions contemplated under the Tebiezhengjing Services Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are RMB4 million, RMB5 million and RMB6 million, respectively.

In arriving at the above annual caps, the Directors have considered, among other things, the following factors:

- i. Historical transaction amounts during the Track Record Period for the procurement of graphic and spatial design and interior design services from Tebiezhengjing by the Group;
- ii. The expected increase in our demand due to the newly constructed office building and production bases as well as our business expansion plan. We plan to continue to procure design services from Tebiezhengjing in order to maintain the consistency of our brand image; and
- iii. The market price of comparable graphic and spatial design services.

WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the transactions under the Fanlaizhiwei Procurement Framework Agreement, Huifengyuan Procurement Framework Agreement, Chuwei Procurement Framework Agreement, Heshun Procurement Framework Agreement and Left-Right Color Procurement Framework Agreement have been entered into between our Company and parties who are connected with one another, and the transactions all involve the procurement of products and/or materials from the associates of Mr. Yuan, the transactions under the above five agreements shall be aggregated and treated as if they were one transaction pursuant to Rules 14A.82(1) and 14A.83 of the Listing Rules. As the highest applicable percentage ratio under the Listing Rules in respect of the annual caps under the Fanlaizhiwei Procurement Framework Agreement, Huifengyuan Procurement Framework

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Agreement, Chuwei Procurement Framework Agreement, Heshun Procurement Framework Agreement and Left-Right Color Procurement Framework Agreement, on an annual basis and as aggregated, is expected to be more than 5%, the transactions thereunder are subject to the reporting, annual review, announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

In respect the transactions under the Tebiezhengjing Services Framework Agreement, the highest applicable percentage ratios calculated for the purpose of Chapter 14A of the Listing Rules will be more than 0.1% but less than 5% on an annual basis. Under Rule 14A.76(2) of the Listing Rules, the transactions will be subject to the reporting, annual review and announcement requirements, but will be exempted from the circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As those non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis and have been fully disclosed in this document, our Directors consider that the aforementioned announcement, circular and independent Shareholders’ approval requirements (as the case may be) immediately after the [REDACTED] would be impractical and unduly burdensome, and would lead to unnecessary administrative costs to us.

Accordingly, we have applied to the Hong Kong Stock Exchange for[, and the Hong Kong Stock Exchange has granted,] waivers exempting us from strict compliance with (a) the announcement, circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions under the Fanlaizhiwei Procurement Framework Agreement, Huifengyuan Procurement Framework Agreement, Chuwei Procurement Framework Agreement, Heshun Procurement Framework Agreement and Left-Right Color Procurement Framework Agreement; and (b) the announcement requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transaction under the Tebiezhengjing Services Framework Agreement, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions as set out above have been and will be entered into on normal commercial terms or better and in the Group’s ordinary and usual course of business and are fair and reasonable and in the interests of our Company and Shareholders as a whole, and the proposed annual caps for those transactions are fair and reasonable and in the interest of our Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

The Joint Sponsors are of the view that the non-exempt continuing connected transactions as set out above have been and will be entered into on normal commercial terms or better and in the Group’s ordinary and usual course of business and are fair and reasonable and in the interests of the Company and its shareholders as a whole; and the proposed annual caps are fair and reasonable and in the interests of the Group’s shareholders as a whole.

CONNECTED TRANSACTIONS

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS’ INTERESTS

In order to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- Our Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Listing Rules; and
- Our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap.