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Post Hearing Information Pack of



YUEN KEE FOOD GROUP CO., LTD.
袁記食品集團股份有限公司

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

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YUEN KEE FOOD GROUP CO., LTD.
袁記食品集團股份有限公司

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

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

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SUMMARY

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

OVERVIEW

Who We Are

We are the largest Chinese-style quick service restaurant (QSR) company in China by number of stores, according to CIC, as of December 31, 2025. We also ranked 8th in the entire QSR industry and 3rd in the Chinese-style QSR industry in China with market share of 0.5% and 0.7%, respectively, according to CIC in terms of GMV in 2025. Anchored by Yuen Kee Dumpling (袁記雲餃), our restaurant brand, we position freshly hand-wrapped, freshly cooked as a core operational framework, while serving dumplings, wontons and related products in both ready-to-eat (RTE) and ready-to-cook (RTC) formats. The ingredients for our dumplings and wontons sold at the stores are mainly prepared in advance at our production facilities to maintain consistency in ingredient quality and flavor profiles, while store personnel are only responsible for the wrapping and cooking processes. With a broad, growing store network and a stable, resilient supply chain, we meet our consumers' daily meal needs through three forms of consumption: dine-in, pick-up and delivery. Dine-in provides on-site dining, RTE and RTC products. Pick-up facilitates the provision of RTE and RTC products. Delivery allows RTE and RTC products to be delivered to consumers via third-party food delivery platforms.

In addition, we expand our business coverage through Yuen Kee Taste (袁記味享), our retail brand, offering pre-packaged dumplings and wontons through various sales channels. Together with our Yuen Kee Dumpling (袁記雲餃) brand, this structure broadens our growth opportunities and compounds brand impact across catering and retail consumers, which in turn reflects our integrated restaurant and retail business model.

Our Business Models

We primarily operate a franchising business model under our Yuen Kee Dumpling (袁記雲餃) brand with a standardized supply chain. We manufacture (i) meat fillings, (ii) flour wrappers and (iii) other miscellaneous food items at our factories and generate revenue by selling them to the franchised stores. The franchised stores, under various store formats, use these raw materials sold by us to make food items, where they are freshly hand-wrapped, and in turn sell them to consumers, in the form of dine-in, RTE and RTC in both pick-up and delivery formats. We provide brand, supply chain, digital, and operational support, while franchisees run front-end operations and sales. We also operate a small number of self-owned stores primarily to gain operational insights and enhance our Yuen Kee Dumpling (袁記雲餃) brand awareness.

We also operate a retail business under our Yuen Kee Taste (袁記味享) brand, where we produce standardized pre-packaged dumplings and wontons at our factories and sell them primarily through instant retail channels, supermarkets and distributors.

Our Expansive and Fast-growing Store Network

From January 1, 2023 to May 31, 2026, our total number of stores increased from 1,990 to 4,773. We have achieved nationwide coverage while maintaining localized operational strategies tailored to different regions. As of May 31, 2026, we covered 33 provinces, autonomous regions, special administration regions and municipalities in China, spanning more than 250 cities. In parallel, we opened our first overseas store in Singapore at the end of 2024 and have continued to expand overseas through 2026. As of May 31, 2026, we operated 41 overseas stores, including 36 in Singapore, three in Thailand, one in Malaysia and one in the United Kingdom, taking Chinese dumplings and wontons to new segments of consumers.

Our Market Opportunities

China's Chinese-style QSR market is experiencing robust growth, with branded chain operators gaining growing competitive advantages. According to CIC, China's Chinese-style QSR grew at a CAGR of 10.4% from RMB529.6 billion in 2020 to RMB867.9 billion in 2025 and is projected to grow at a CAGR of 8.9% to reach RMB1,329.6 billion by 2030. This momentum is structural as upgraded supply chains and digital operations are driving operation efficiency, and branded chains are gaining increasing market shares. On the demand side, consumers are choosing convenience, safety and consistency, signaling a shift toward organized systems. China's dumpling and wonton industry grew at a CAGR of 10.8% from RMB113.3 billion in 2020 to RMB189.3 billion in 2025 and is projected to grow at a CAGR of 9.4% to reach RMB296.3 billion by 2030, driven by continuous category innovation. The catering market for dumpling and wonton grew at a CAGR of 14.3% from RMB66.2 billion in 2020 to RMB129.2 billion in 2025 and is projected to grow at a CAGR of 11.6% to reach RMB223.6 billion by 2030. The retail market for dumpling and wonton category grew at a CAGR of 5.0% from RMB47.2 billion in 2020 to RMB60.1 billion in 2025 and is projected to grow at a CAGR of 3.9% to reach RMB72.7 billion by 2030.

OUR STRENGTHS

We believe that our success is underpinned by the following key strengths: (i) the largest Chinese-style QSR company in China, (ii) our "restaurant + retail" integration model, covering multiple dining occasions; (iii) an innovating product matrix, winning trust with quality; (iv) a robust and resilient supply chain, safeguarding quality and unlocking cost efficiency; (v) an end-to-end digital operating system, enhancing efficiency and driving growth; and (vi) an experienced leadership team and a mature talent engine, powering long-term growth.

OUR STRATEGIES

We plan to implement the following strategies: (i) maintain our leadership in the Chinese-style QSR industry; (ii) accelerate our overseas expansion; (iii) optimize and upgrade our supply chain management system; (iv) invest in R&D to refine and widen our product matrix; and (v) invest in and deepen our digital capabilities.

OUR BRANDS AND OFFERINGS

Our offerings are centered around our Yuen Kee Dumpling (袁記雲餃) brand for five core categories: dumplings, wontons, noodles, small bites and beverages, complemented by our Yuen Kee Taste (袁記味享) brand for pre-packaged foods. Below is a breakdown of our revenue by brands for the years/periods indicated.

	Year ended December 31						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
					(in RMB thousands)		*(Unaudited)*			
Yuen Kee Dumpling (袁記雲餃)	1,969,698	97.2	2,495,386	97.4	2,674,683	95.7	904,451	96.9	1,227,976	94.1
Franchised store	1,931,615	95.3	2,442,582	95.3	2,613,346	93.5	882,817	94.6	1,196,639	91.7
Self-operated store	38,083	1.9	52,804	2.1	61,337	2.2	21,634	2.3	31,337	2.4
Yuen Kee Taste (袁記味享)	54,435	2.7	63,163	2.5	96,132	3.4	25,422	2.7	69,281	5.3
Others[(1)]	1,987	0.1	2,568	0.1	24,289	0.9	4,134	0.4	8,265	0.6
Total	**2,026,120**	**100.0**	**2,561,117**	**100.0**	**2,795,104**	**100.0**	**934,007**	**100.0**	**1,305,522**	**100.0**

Note:

(1) We provide food products produced at our factories to third-party customers primarily comprising other food-service operators, who prefer to outsource production based on commercial consideration, including cost for self-production and our ability to meet their specifications, quality and food safety.

Our Yuen Kee Dumpling (袁記雲餃) Offerings

Yuen Kee Dumpling (袁記雲餃) offers a diversified product portfolio across five core categories: dumplings, wontons, noodles, small bites and beverages, comprising over 350 SKUs nationwide as of May 31, 2026. During the Track Record Period, we introduced over 200 new SKUs. Our signature dumpling and wonton lines form the foundation of our value proposition and contributed more than 80% of our store GMV during the Track Record Period. Noodles, beverages and small bites complement the product mix and cater to evolving consumer preferences. Below are our best-selling dumplings and wontons during the Track Record Period.

Corn and pork dumplings (“玉米鮮肉餃”)



Chive and pork dumplings (“韭菜鮮肉餃”)



Assorted dumplings (“全家福餃子”)



Shrimp and tobiko wontons (“鮮蝦蟹籽雲吞”)



Assorted wontons (“全家福雲吞”)



Signature black pork wontons (“招牌黑豬肉雲吞”)



Our Yuen Kee Taste (袁記味享) Offerings

Made with the same ingredients and standards as the freshly hand-wrapped dumplings and wontons in our Yuen Kee Dumpling (袁記雲餃) stores, we turn those flavors into pre-packaged form, especially the signature dumpling and wonton product lines, comprising 22 SKUs as of May 31, 2026. These products are sold across reputable supermarket and retail chains across China.

Set forth below is the revenue of the food items and store operations we provided to franchised stores and revenue from self-operated stores during the Track Record Period.

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%	Revenue	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Food Items										
Fillings	1,209,221	61.4	1,466,196	58.8	1,495,600	55.9	515,342	57.0	642,673	52.3
Wrappers[(1)]	254,433	12.9	300,789	12.0	324,269	12.1	109,413	12.1	148,178	12.1
Condiments	148,135	7.5	217,676	8.7	246,057	9.2	83,483	9.2	122,589	10.0
Packaging	141,857	7.2	212,345	8.5	264,711	9.9	80,433	8.9	124,451	10.1
Others[(2)]	90,122	4.6	128,975	5.2	150,254	5.6	48,934	5.4	95,317	7.8
Store Operations										
Revenue from franchise services	87,847	4.5	116,601	4.7	132,455	5.0	45,212	5.0	63,431	5.2
Revenue from self-operated stores	38,083	1.9	52,804	2.1	61,337	2.3	21,634	2.4	31,337	2.5
Total	**1,969,698**	**100.0**	**2,495,386**	**100.0**	**2,674,683**	**100.0**	**904,451**	**100.0**	**1,227,976**	**100.0**

Notes:

(1) Includes noodles due to being flour-based as well.

(2) Primarily includes various small bites such as beef brisket and pork knuckles, snacks and other miscellaneous items.

OUR STORE NETWORK

As of May 31, 2026, our store network encompassed over 4,700 stores, with the majority being franchised stores. During the Track Record Period, more than 90% of our revenue was generated through our store network.

The following table sets forth the respective number of our stores by city tier and their respective percentages of the total number of stores as of the dates indicated.

	As of December 31,						As of May 31,	
	2023	%	2024	%	2025	%	2026	%
Within Chinese Mainland								
First-tier cities	1,810	58.1	2,125	54.3	2,362	53.1	2,213	47.2
Second-tier cities	688	22.1	859	22.0	789	17.8	1,093	23.3
Third-tier cities and below	617	19.8	928	23.7	1,295	29.1	1,378	29.4
Sub total	**3,115**	**100.0**	**3,912**	**100.0**	**4,446**	**100.0**	**4,684**	**100.0**

	As of December 31,						As of May 31,	
	2023	%	2024	%	2025	%	2026	%
Outside Chinese Mainland								
Hong Kong SAR and Macau SAR	26	100.0	40	97.6	45	80.4	48	53.9
Southeast Asia	–	–	1	2.4	11	19.6	40	45.0
Europe	–	–	–	–	–	–	1	1.1
Sub total	**26**	**100.0**	**41**	**100.0**	**56**	**100.0**	**89**	**100.0**
Total	**3,141**	**100.0**	**3,953**	**100.0**	**4,502**	**100.0**	**4,773**	**100.0**

Note: For definitions of Southeast Asia, first-tier, second-tier and third-tier cities and below, see "Glossary of Technical Terms"

The following table sets forth our revenue during the Track Record Period by city tier from self-operated stores and sales to franchised stores.

	Year ended December 31			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Yuen Kee Dumpling (袁記雲餃)					
First-tier cities	1,318,818	1,572,411	1,509,460	512,571	627,810
Second-tier cities	393,640	507,331	567,747	192,792	264,875
Third-tier and below	249,798	393,539	538,622	182,902	290,958
Hong Kong, Macau	7,442	21,311	30,481	7,947	14,898
Southeast Asia	–	794	28,373	8,239	29,435
Yuen Kee Taste (袁記味享)	54,435	63,163	96,132	25,422	69,281
Others	1,987	2,568	24,289	4,134	8,265
Total	**2,026,120**	**2,561,117**	**2,795,104**	**934,007**	**1,305,522**

The following table sets out a breakdown of the number of our stores by store format as of the dates indicated.

	As of December 31,						As of May 31,	
	2023	%	2024	%	2025	%	2026	%
Dine-in stores[(1)]	2,154	68.6	3,005	76.0	3,573	79.4	3,898	81.7
Pick-up stores[(2)]	653	20.8	640	16.2	640	14.2	626	13.1
RTC pick-up stores[(3)]	334	10.6	308	7.8	289	6.4	249	5.2
Total	**3,141**	**100.0**	**3,953**	**100.0**	**4,502**	**100.0**	**4,773**	**100.0**

Notes:

(1) Dine-in stores provide RTE meals with seating areas for on-site dining, as well as RTE and RTC products for pick-up and delivery. (2) Pick-up stores provide RTE and RTC products for pick-up and delivery. (3) RTC pick-up stores provide RTC products for pick-up and delivery.

The following table sets forth our revenue during the Track Record Period by store format.

	Year ended December 31,						Five Months ended May 31,	
	2023		2024		2025		2026	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
	(RMB in thousands, except for percentage)							
Dine-in stores	1,319,949	67.0	1,925,276	77.1	2,192,973	82.0	1,036,562	84.4
Pick-up stores	471,075	23.9	415,683	16.7	356,657	13.3	141,673	11.5
RTC pick-up stores	178,673	9.1	154,427	6.2	125,053	4.7	49,741	4.1
Total	**1,969,698**	**100.0**	**2,495,386**	**100.0**	**2,674,683**	**100.0**	**1,227,976**	**100.0**

For further details, see "Business — Our Store Network".

OUR STORE OPERATIONS AND MANAGEMENT

We align with franchisees by providing brand, operating know-how, and shared resources while they run stores to our operating procedures. This enables us to focus on brand and product, supply chain, and network scale, creating a mutually beneficial model that attracts and retains high-quality partners. We generate strong inbound franchise interest through promotion, brand recognition, and referrals. We then rigorously screen for franchisee fit and site quality, protecting brand equity and ensuring a consistent consumer experience. For site selection, we prioritize high-frequency, accessible sites, balancing visibility and cost, and only approve proposals that pass our structured evaluation.

The following table sets forth our store performance by order volume and store GMV under our Yuen Kee Dumpling (袁記雲餃) brand for the years/periods indicated.

	For the year ended December 31,			For the Five Months ended May 31,	
	2023	2024	2025	2025	2026
Within Chinese Mainland					
Store order number (in million)	181.5	250.5	292.5	96.1	127.2
Store GMV (in RMB million)	4,700.3	6,074.0	6,436.4	2,228.9	2,776.3
Outside of Chinese Mainland					
Store order number (in million)	1.1	2.5	3.3	1.2	2.6
Store GMV (in RMB million)	71.3	173.5	225.6	87.6	172.5
Total store order number (in million)	**182.6**	**253.0**	**295.8**	**97.3**	**129.8**
Total store GMV (in RMB million)	**4,771.6**	**6,247.5**	**6,662.0**	**2,316.5**	**2,948.8**
Total average GMV per order (in RMB)	**26.1**	**24.7**	**22.5**	**23.8**	**22.7**
Average GMV per store (in RMB million)[(1)]	**1.5**	**1.6**	**1.5[(3)]**	**0.6**	**0.6**
Average GMV per store per day (in RMB)[(2)]	**5,394.4**	**5,010.8**	**4,687.6[(3)]**	**4,126.0**	**4,627.3**

Notes:

(1) Refers to total store GMV in that period divided by total number of stores at the end of the same period.

(2) Refers to total store GMV for that particular period divided by the aggregate number of days of operation of stores within our store network during the same period, where the number of operating days may vary from store to store in each year/period.

(3) The decline in our average GMV per store and average GMV per store per day in 2025 was primarily attributable to an increase in the proportion of delivery orders, which generally had lower value per order than dine-in and pick-up orders.

For further details, see "Business — Our Store Network".

OUR SUPPLY CHAIN NETWORK

Anchored by our own manufacturing facilities and self-operated warehousing and logistic solutions, our supply chain links large-scale regional factories, warehouses, and stores into a single, tightly coordinated flow.

On the procurement side, we source raw materials used to make our food products, such as flour, pork, condiments, packaging materials and agricultural products, directly from vetted vendors, ensuring stable quality and supply for our production lines. On the production side, as of May 31, 2026, we operated six self-owned factories across China with automated lines for both wrappers and fillings. On the logistics side, our comprehensive cold chain warehousing network included 24 warehouses, spanning across China, as of May 31, 2026. As of the same date, we self-operated all of our warehouses while collaborating with third parties for the pre-positioned hubs, and over 82% of our stores are located within 200 kilometers of one of our warehouses or pre-positioned hubs.

For further details, see "Business — Our Supply Chain Network".

OUR CUSTOMERS AND SUPPLIERS

Our customers primarily comprise the franchisees who operate franchised stores pursuant to the franchise agreements with us. We generated a substantial portion of our revenue from the sale of food items to franchised stores, and fees associated with the franchise management services we provided to our franchisees. All of our five largest customers during the Track Record Period were our franchisees and distributors. Revenue generated from our largest customer in 2023, 2024, 2025 and the five months ended May 31, 2026 accounted for 5.4%, 5.0%, 4.9% and 4.8%, respectively, of our revenue for the respective period. Revenue generated from our five largest customers in each period during the Track Record Period accounted for 10.2%, 9.3%, 9.2% and 8.7%, respectively, of our revenue for the respective period.

Our suppliers primarily comprise meat providers, flour producers and other raw materials to support our production. In 2023, 2024, 2025 and the five months ended May 31, 2026, purchases from our five largest suppliers accounted for 42.5%, 38.7%, 30.8% and 32.1% of total purchases for the respective period. During the same periods, purchases from our largest supplier accounted for 12.8%, 13.1%, 10.0% and 10.6% of total purchases, respectively.

For further details, see "Business — Customers" and "— Suppliers".

FOOD SAFETY AND QUALITY CONTROL

We emphasize safety across our network with clear rules, training, monitoring and rapid response. Our routine visits focus on food safety and hygiene; findings drive immediate corrective actions, including temporary closure when required. We have also formed standardized incident reporting and an emergency response mechanism, including annual drills, to ensure swift, orderly

handling of issues. We also operate a comprehensive food safety management system across sourcing, logistics and stores. Major equipment used in stores is required to be procured through us, with such equipment sourced from approved suppliers and delivered directly from suppliers' warehouses, to ensure standardization, quality and safety.

For more information, see "Business — Food Safety and Quality Control".

COMPETITION

Chinese-style QSR industry is highly competitive and is the largest segment within China's QSR industry, growing from RMB529.6 billion in 2020 to RMB867.9 billion in 2025, according to CIC. Looking ahead, the market is expected to grow at a CAGR of 8.9% from RMB867.9 billion in 2025 to RMB1,329.6 billion by 2030. Chinese-style QSR market is large but highly fragmented, with millions of outlets spread across brands that vary widely in store size, operating model and geographic reach. In this context, store count is a practical proxy for scalability as it reflects whether a company can run standardized operations, build dense supply-chain coverage, and replicate execution across regions. As a result, only a small number of players have reached several thousand stores, highlighting the high operational threshold required to scale beyond a fragmented long tail.

The value chain of Chinese-style QSR includes ingredient obtaining, processing, and food service. Market drivers include, among other things, (i) rising dining-out rate, (ii) increasing standardization of products and processes, (iii) rising chain penetration, (iv) enhancement of supply chain infrastructure, (v) strengthening digital channels and online delivery penetration.

For more information, see "Industry Overview".

RISK FACTORS

Our business and the [**REDACTED**] involve certain risks, including risks relating to (i) our business and industry; (ii) doing business in the jurisdictions where we operate, and (iii) the [**REDACTED**]. Some of the major risks we face include, but are not limited to, the following: (i) Our business depends significantly on market recognition of our brands, and any failure to maintain, protect and enhance our brands would limit our ability to expand or retain our consumer base, which would materially and adversely affect our business, financial condition and results of operations. (ii) Any failure by us, our franchisee, suppliers or other business partners to maintain the quality, safety and hygiene standards of our products could have a material and adverse effect on our reputation, financial condition and results of operations. Our future growth depends on our ability to successfully operate and expand our store network. (iii) Our new stores may not be able to successfully enter into new markets and achieve satisfying store performance. (iv) We may not be able to respond to market dynamics, evolving consumer preferences or changing consumer discretionary spending effectively. (v) We are faced with increasingly intense competition with other leading players within the industry. Any failure to compete effectively may negatively impact our market share and profitability. (vi) Our store network consists primarily of franchised stores that are operated by third parties. (vii) We face certain risks associated with the use of franchise business model. (viii) We rely on third-party suppliers and other business partners to provide raw materials and services to us. (ix) Our operating history may not be indicative of our future growth or financial results, and we may not be able to achieve and sustain the historical level of revenue and profitability. (x) If we are unable to constantly maintain our price positioning, our results of operations, financial performance and business prospects would be materially and adversely affected. (xi) Any significant changes in food safety regulations and related policies could affect our business.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following table sets forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRSs.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets a summary of our consolidated statements of profit or loss for the years/periods indicated:

	Year ended December 31,			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			*(Unaudited)*	
Revenue	2,026,120	2,561,117	2,795,104	934,007	1,305,522
Cost of sales	(1,500,958)	(1,973,318)	(2,098,263)	(717,028)	(934,619)
Gross profit	**525,162**	**587,799**	**696,841**	**216,979**	**370,903**
Other income and gains	6,916	8,942	21,653	6,956	32,795
Selling and marketing expenses	(76,960)	(125,888)	(136,917)	(42,143)	(65,977)
Administrative expenses	(199,222)	(239,444)	(279,295)	(91,092)	(120,350)
(Impairment loss)/reversal of impairment loss on financial assets, net	(15,116)	(832)	(1,857)	38	(2,308)
Other expenses	(7,086)	(8,787)	(10,749)	(4,732)	(3,329)
Finance costs	(4,182)	(6,778)	(7,939)	(3,651)	(2,435)
Share of profits and losses of associates	1,427	342	7,685	552	7,128
Share of loss of a joint venture	–	–	(209)	–	(125)
Profit before tax	**230,939**	**215,354**	**289,213**	**82,907**	**216,302**
Income tax expense	(63,833)	(73,397)	(90,473)	(25,831)	(58,997)
Profit for the year/period	167,106	141,957	198,740	57,076	157,305

For details on the accounting treatment of redemption rights of Pre-[**REDACTED**] investments, see Note 30 to the Accountants' Report set out in Appendix I to this document.

Non-IFRS Financial Measure

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. See "Financial Information — Non-IFRS Financial Measure." The use of this non-IFRS measure should not be considered as substitute for analysis of, our results of operations or financial condition as reported under IFRS. We define

adjusted net profit (non-IFRS measure) as profit for the year/period adding back (i) share-basedpayments and (ii) [**REDACTED**]. The following table reconciles our adjusted net profit (non-IFRS measure) with profit for the year/period which is presented in accordance with IFRS:

	Year ended December 31,			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			*(Unaudited)*	
Profit for the year/period	167,106	141,957	198,740	57,076	157,305
Add:					
– Share-based payments[(1)(2)]	11,446	38,088	56,520	12,894	17,357
– [**REDACTED**]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit (*non-IFRS measure*)	**178,552**	**180,045**	**262,353**	**69,970**	**184,552**

Notes:

(1) Includes (i) share-based payment expenses included in operating expenses and (ii) share-based payments recognized as a deduction from revenue. Both are non-cash in nature and are not expected to result in future cash payments. These arrangements were established to compensate certain eligible employees for their services through the grant of our equity instruments and to foster long-term, mutually beneficial collaboration with certain eligible business partners. See "History, Development and Corporate Structure — Corporate Structure Immediately Before Completion of the [**REDACTED**]."

(2) The business partners mentioned in note (1) above that relates specifically to grants made during the Track Record Period included one franchisee, certain suppliers and other industry participants who may provide insights and industry resources that could support our future business expansion. Share incentives were granted to this one franchisee that relates specifically to grants made during the Track Record Period, primarily in recognition of its market resources, ability to develop local markets and contributions to the expansion of our franchised store network. Share-based payments granted to this franchisee that relates specifically to grants made during the Track Record Period are recognized as a deduction from revenue and measured with reference to IFRS 2 and IFRS 15, as they constitute consideration payable to a customer without our Group receiving a distinct good or service in exchange. Accordingly, the economic benefits granted under these arrangements are accounted for as consideration payable to a customer and offset against revenue.

Revenue

The following table sets forth our revenue breakdown by business line, in absolute amount and as a percentage of our total revenue, for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Sales of goods	1,937,809	95.6	2,429,378	94.9	2,656,629	95.1	886,353	94.9	1,241,163	95.0
Provision of franchising services	87,847	4.3	116,601	4.6	132,455	4.7	45,212	4.8	63,431	4.9
Others[(1)]	464	0.0	15,138	0.6	6,020	0.2	2,442	0.3	928	0.1
Total	**2,026,120**	**100.0**	**2,561,117**	**100.0**	**2,795,104**	**100.0**	**934,007**	**100.0**	**1,305,522**	**100.0**

Note:

(1) Mainly include sales of scraps and rebate from e-commerce platforms for meeting certain thresholds of sales amount.

The following table sets forth our revenue from sales of goods and others by ingredients sold to franchisees, food sold at self-operated stores and pre-packaged foods sold to end-customers (namely our Yuen Kee Taste (袁記味享) business), in absolute amount and as a percentage of our total revenue, for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Ingredients sold to franchisees										
Fillings	1,209,221	59.7	1,466,196	57.2	1,495,600	53.5	515,342	55.2	642,673	49.2
Wrappers	254,433	12.6	300,789	11.7	324,269	11.6	109,413	11.7	148,178	11.4
Condiments	148,135	7.3	217,676	8.5	246,057	8.8	83,483	9.0	122,589	9.4
Packaging	141,857	7.0	212,345	8.3	264,711	9.5	80,433	8.6	124,451	9.5
Others	92,109	4.5	131,543	5.1	174,543	6.3	53,068	5.7	103,582	7.9
Food sold at self-operated stores	**38,083**	**1.9**	**52,804**	**2.1**	**61,337**	**2.2**	**21,634**	**2.3**	**31,337**	**2.4**
Pre-packaged foods sold to end-customers	**54,435**	**2.7**	**63,163**	**2.5**	**96,132**	**3.4**	**25,422**	**2.7**	**69,281**	**5.3**
Total[(1)]	**1,938,273**	**95.7**	**2,444,516**	**95.4**	**2,662,649**	**95.3**	**888,795**	**95.2**	**1,242,091**	**95.1**

Note:

(1) Represent the total of sales of goods and others from the table above.

Gross Profit and Gross Profit Margin

The following table sets forth the gross profit and gross profit margin by business line for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Sales of goods	454,866	23.5	477,159	19.6	580,558	21.9	178,381	20.1	317,084	25.5
Provision of franchising services	70,132	79.8	96,465	82.7	111,291	84.0	36,384	80.5	53,231	83.9
Others	164	35.3	14,175	93.6	4,992	82.9	2,214	90.7	588	63.4
Total	**525,162**	**25.9**	**587,799**	**23.0**	**696,841**	**24.9**	**216,979**	**23.2**	**370,903**	**28.4**

The following table sets forth our gross profit and gross profit margin from sales of goods and others by ingredients sold to franchisees, food sold at self-operated stores, and prepackaged foods sold to end-customers (namely our Yuen Kee Taste (袁記味享) business) for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Ingredients sold to franchisees										
Fillings	364,193	30.1	388,798	26.5	446,247	29.8	144,793	28.1	231,994	36.1
Wrappers	42,816	16.8	47,056	15.6	68,178	21.0	22,020	20.1	30,407	20.5
Condiments	20,921	14.1	25,524	11.7	15,006	6.1	4,116	4.9	10,423	8.5
Packaging	10,027	7.1	20,584	9.7	21,731	8.2	6,875	8.5	14,094	11.3
Others	8,155	8.9	11,346	8.6	14,331	8.2	3,049	5.7	8,198	7.9
Food sold at self-operated stores	**(2,842)**	**(7.5)**	**(10,365)**	**(19.6)**	**(2,547)**	**(4.2)**	**(2,915)**	**(13.5)**	**(3,158)**	**(10.1)**
Pre-packaged foods sold to end-customers	**11,760**	**21.6**	**8,391**	**13.3**	**22,604**	**23.5**	**2,657**	**10.5**	**25,714**	**37.1**
Total/Sum	**455,030**	**23.5**	**491,334**	**20.1**	**585,550**	**22.0**	**180,595**	**20.3**	**317,672**	**25.6**

Profit for the Period

As a result of the increase in our share-based payments as included in operating expenses, our profit for the year decreased by 15.0% from RMB167.1 million in 2023 to RMB142.0 million in 2024. Our profit for the year increased by 39.9% from RMB142.0 million in 2024 to RMB198.7 million in 2025. Our profit for the period significantly increased from RMB57.1 million in the five months ended May 31, 2025 to RMB157.3 million in the five months ended May 31, 2026.

Pre-[REDACTED] Investments and Share Capital

We have completed rounds of Pre-[**REDACTED**] Investments. For further details of the identity and background of the Pre-[**REDACTED**] Investors and the principal terms of the Pre-[**REDACTED**] Investments, please see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments" in this document.

Pursuant to the shareholders' agreement (the "**Supplemental Agreement**") entered into on June 6, 2023, if any redemption events occur in respect of the specified company, the investor shall have the right to require our Company, the controlling shareholders, or the de facto controller to repurchase their equity interests. As agreed by all parties through negotiation, pursuant to the Supplemental Agreement, the provisions in the Supplemental Agreement regarding our Company's obligation to redeem shares are deemed void ab initio (i.e, null and void on February 28, 2025, the base date of our Company's conversion into a joint stock company). At the same time, it is stipulated that the redemption obligation of the Company shall not be reinstated. In anticipation of the [**REDACTED**], the redemption rights have been irrecoverably terminated and shall be void ab initio.

Had the redemption rights granted by our Company to the Series A Pre-[**REDACTED**] Investor been accounted for as financial liabilities measured at present value of the redemption amount before our Company's application for share reform on February 28, 2025 (the date which our Company determined the audit base date), (i) the redemption financial liabilities, total current liabilities, net current assets and net assets would have been, and (ii) the finance costs associated

with the redemption financial liabilities, the net profit attributable to owners of the parent for the Track Record Period and the five months ended 31 May 2025, and basic and diluted earnings per share would have been:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption financial liabilities	31,220	33,811	–	–
Total current liabilities	380,287	491,471	–	–
Net current assets	65,975	50,038	–	–
Net assets	224,794	407,226	–	–

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Finance costs associated with the redemption financial liabilities	1,220	2,591	452	452	–
Total net profit attributable to owners of the parent	166,010	141,635	197,833	56,553	–
Basic and diluted earnings per share	1.73	1.40	1.90	0.56	–

For details on the accounting treatment of redemption rights of Pre-[**REDACTED**] investments, see Note 30 to the Accountants' Report set out in Appendix I to this document.

Key Items of Consolidated Statements of Financial Position

The following table sets forth selected information from our summary consolidated balance sheet as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Total non-current assets	272,089	469,011	531,487	584,785
Total current assets	446,262	541,509	1,339,054	1,458,689
Total assets	**718,351**	**1,010,520**	**1,870,541**	**2,043,474**
Total non-current liabilities	113,270	111,823	133,309	155,733
Total current liabilities	349,067	457,660	605,376	583,374
Total liabilities	**462,337**	**569,483**	**738,685**	**739,107**
Net current assets	**97,195**	**83,849**	**733,678**	**875,315**
Total equity	**256,014**	**441,037**	**1,131,856**	**1,304,367**

For details on the accounting treatment of redemption rights of Pre-[**REDACTED**] investments, see Note 30 to the Accountants' Report set out in Appendix I to this document.

Our net current assets decreased by 13.8% from RMB97.2 million as of December 31, 2023 to RMB83.8 million as of December 31, 2024, primarily due to (i) an increase in interest-bearing bank borrowings from RMB40.0 million as of December 31, 2023 to RMB95.3 million as of December 31, 2024; (ii) an increase in trade payables from RMB63.4 million as of December 31, 2023 to RMB90.8 million as of December 31, 2024, and (iii) an increase in lease liabilities (current) from RMB17.9 million as of December 31, 2023 to RMB31.3 million as of December 31, 2024. The decrease was partially offset by (i) an increase in prepayments, other receivables and other assets (current) from RMB32.9 million as of December 31, 2023 to RMB59.2 million as of December 31, 2024, (ii) an increase in trade receivables from RMB25.8 million as of December 31, 2023 to RMB50.1 million as of December 31, 2024, and (iii) an increase in cash and bank balances from RMB326.6 million as of December 31, 2023 to RMB359.8 million as of December 31, 2024.

Our net current assets increased from RMB83.8 million as of December 31, 2024 to RMB733.7 million as of December 31, 2025, primarily due to an increase in cash and bank balances from RMB359.8 million as of December 31, 2024 to RMB1,108.6 million as of December 31, 2025. The increase was partially offset by (i) an increase of other payables and accruals from RMB143.3 million as of December 31, 2024 to RMB223.3 million as of December 31, 2025; and (ii) an increase in trade payables from RMB90.8 million as of December 31, 2024 to RMB130.0 million as of December 31, 2025.

Our net current assets increased from RMB733.7 million as of December 31, 2025 to RMB875.3 million as of May 31, 2026, primarily due to an increase in financial assets at fair value through profit or loss (current) from nil as of December 31, 2025 to RMB400.3 million as of May 31, 2026, partially offset by a decrease in cash and bank balances from RMB1,108.6 million as of December 31, 2025 to RMB812.5 million as of May 31, 2026.

Our net assets increased by 72.3% from RMB256.0 million as of December 31, 2023 to RMB441.0 million as of December 31, 2024, primarily due to an increase in retained profits in 2024 as a result of our profit for the year of RMB142.0 million. Our net assets increased by 156.7% from RMB441.0 million as of December 31, 2024 to RMB1,131.9 million as of December 31, 2025, primarily due to issuance of shares of RMB430.0 million in 2025. Our net assets further increased by 15.2% from RMB1,131.9 million as of December 31, 2025 to RMB1,304.4 million as of May 31, 2026, primarily due to our profit for the period of RMB157.3 million.

Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the years/periods indicated.

	Year ended December 31,			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Net cash flows from operating activities	246,080	234,264	371,131	54,436	108,875
Net cash flows used in investing activities	(90,213)	(238,601)	(93,473)	(113,211)	(481,068)
Net cash flows from/(used in) financing activities	51,534	28,815	464,577	196,708	(19,504)
Net increase/(decrease) in cash and cash equivalents	**207,401**	**24,478**	**742,235**	**137,933**	**(391,697)**
Cash and cash equivalents at end of year/period	**326,551**	**351,033**	**1,093,258**	**489,101**	**701,298**

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates indicated, or for the years/periods indicated.

	As of/For the Year ended December 31,			As of/For the Five Months Ended May 31,
	2023	2024	2025	2026
Gross profit margin[(1)]	25.9%	23.0%	24.9%	28.4%
Current ratio[(2)]	1.3	1.2	2.2	2.5
Quick ratio[(3)]	1.1	1.0	2.1	2.3
Gearing ratio[(4)]	15.6%	21.6%	14.2%	12.2%
Adjusted net profit margin (non-IFRS measure)[(5)]	8.8%	7.0%	9.4%	14.1%

Notes: (1) Gross profit margin equals gross profit for the year/period divided by revenue for the same year/period, multiplied by 100%. (2) Current ratio equals total current assets as of the end of the year/period divided by total current liabilities as of the same date. (3) Quick ratio equals total current assets less inventories as of the end of the year/period divided by total current liabilities as of the same date. (4) Gearing ratio equals total debt, namely our bank loans and borrowings, as of the end of the year/period divided by total equity as of the same date, multiplied by 100%. (5) Adjusted net profit margin (non-IFRS measure) equals adjusted net profit (non-IFRS measure) for the year/period divided by revenue for the same year/period, multiplied by 100%.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), Mr. Yuan, by himself and through Foshan Tanweizhi, Foshan Yueshanhe, Foshan Yuanyunjiao, Foshan Xinxiangyuan and Yuen Kee Investment, will be entitled to control the exercise of [**REDACTED**]% of the voting rights at the general meetings of our Company. As such, Mr. Yuan, Mr. Yuan Jianjun, Yuen Kee Investment, Foshan Tanweizhi, Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan constitute our Group of Controlling Shareholders.

CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions after the completion of the [**REDACTED**] which will constitute our non-exempt continuing connected transactions under Chapter 14A of Listing Rules upon [**REDACTED**]. See "Connected Transactions" and "Waivers from Strict Compliance with the Listing Rules — Waiver in Relation to Non-Exempt Continuing Connected Transactions" for further details.

USE OF [REDACTED]

Assuming the [**REDACTED**] is not exercised and an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range between HK$[**REDACTED**] and HK$[**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**] after deducting the [**REDACTED**] commissions and other estimated expenses in connection with the [**REDACTED**].

We intend to use the net [**REDACTED**] we expect to receive from the [**REDACTED**] for the purposes and in the amounts as follows: (i) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for digital and intelligent construction; (ii) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used to accelerate overseas market expansion by expanding overseas

supply chain and to explore potential investment, mergers and acquisition opportunities in the overseas market; (iii) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for brand building and product development; (iv) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for supply chain upgrades; and (v) approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for working capital and general corporate purposes. See "Future Plans and Use of [**REDACTED**]."

[**REDACTED**] STATISTICS

All statistics in the following table are based on the assumptions that (i) the [**REDACTED**] has been completed and [**REDACTED**] are issued pursuant to the [**REDACTED**]; (ii) the [**REDACTED**] is not exercised; (iii) [**REDACTED**] Domestic [**REDACTED**] Shares shall be converted to H Shares upon completion of the [**REDACTED**]; and (iv) [**REDACTED**] Shares are in issue upon completion of the [**REDACTED**].

	Based on an [REDACTED] of HK$[REDACTED] per H Share	**Based on an [REDACTED] of HK$[REDACTED] per H Share**
[**REDACTED**] of our Shares[(1)]	HK$[REDACTED]	HK$[REDACTED]
[**REDACTED**] of H Shares[(2)]	HK$[REDACTED]	HK$[REDACTED]
Unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share[(3)]	HK$[REDACTED]	HK$[REDACTED]

Notes:

(1) The calculation of [**REDACTED**] is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

(2) The calculation of [**REDACTED**] is based on [**REDACTED**] Shares expected to be in issue immediately upon completion of the [**REDACTED**], including (i) [**REDACTED**] H Shares expected to be issued pursuant to the [**REDACTED**]; and (ii) [**REDACTED**] H Shares converted from Domestic [**REDACTED**] Shares upon completion of the [**REDACTED**].

(3) The unaudited [**REDACTED**] adjusted consolidated net tangible assets per Share is calculated on the basis that [**REDACTED**] Shares are in issue assuming that the [**REDACTED**] had been completed on May 31, 2026, without taking into account of any shares which may be allotted and issued upon the exercise of the [**REDACTED**].

DIVIDEND

No dividends have been paid or declared by us during the Track Record Period. We do not have any formal dividend policy nor pre-determined dividend payout ratio. Subject to legal, regulatory, corporate governance and other contractual restrictions, any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, and other factors which our Directors consider relevant. Pursuant to our Articles of Association, any future net profit that we make shall be used to pay or declare dividends after our Board has formulated a profit distribution plan and approved by our Shareholders in a general meeting. However, such net profit must be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such statutory common reserve fund has reached more than 50% of our registered capital.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] commissions and other fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] expenses will be approximately RMB[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and no exercise of the [**REDACTED**]), representing [**REDACTED**] of the gross [**REDACTED**] (based on the mid-point of our indicative price range for the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) of the [**REDACTED**]. During the Track Record Period, we incurred [**REDACTED**] expenses of RMB[**REDACTED**], which was fully charged to the consolidated statements of profit or loss as administrative expenses, and RMB[**REDACTED**] will be recognized as a deduction in equity directly upon the [**REDACTED**]. We expect to incur additional [**REDACTED**] expenses of RMB[**REDACTED**], of which RMB[**REDACTED**] is expected to be recognized in the consolidated statements of profit or loss as administrative expenses and RMB[**REDACTED**] is expected to be recognized as a deduction in equity directly upon the [**REDACTED**]. Our Directors do not expect such expenses to materially impact our results of operations in 2026. By nature, our [**REDACTED**] expenses are composed of (i) [**REDACTED**] related expenses of RMB[**REDACTED**], and (ii) non-[**REDACTED**] related expenses of RMB[**REDACTED**].

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

Following May 31, 2026, we have continued to scale our business steadily. Specifically, as of the Latest Practicable Date, we had 53 Yuen Kee Dumpling (袁記雲餃) stores in Singapore, 16 in Thailand, seven in Malaysia and one in the United Kingdom, as a further step of our overseas expansion. We will explore more local adaptations as we gain more consumer insight in these regions. Our Chengdu Yuantuo factory has also operated steadily since its production commencement in February 2026.

Our Directors have confirmed that, up to the date of the document, there had been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since May 31, 2026, being the end date of the periods reported on in the Accountants' Report set out in Appendix I to this document, and there had been no event since May 31, 2026, that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in the section headed "Glossary of Technical Terms" in this document.

"%"	per cent
"Accountants' Report"	the accountants' report prepared by Ernst & Young, details of which are set out in Appendix I to this document
"affiliate"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"AFRC"	the Accounting and Financial Reporting Council of Hong Kong

[**REDACTED**]

"Articles of Association" or "Articles"	the articles of association of our Company adopted on December 22, 2025, which will become effective on the [**REDACTED**] and as amended from time to time, a summary of which is set out in "Appendix V — Summary of the Articles of Association" to this document
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of our Board
"Bayan Wanrun"	Bayan Wanrun Meat Processing Co., Ltd. (巴彥萬潤肉類加工有限公司), a private company engaged in meat processing and specialized in agricultural product sales services, serving as our key supplier in the regional food industry
"Board" or "Board of Directors"	the board of Directors of our Company
"Business Day"	a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal business to the public
"CAGR"	compound annual growth rate

[**REDACTED**]

[**REDACTED**]

"China" or "PRC"	the People's Republic of China, and for the purpose of this document and for geographical reference only and except where the context requires, references in this document to "China" and the "PRC" do not apply to Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan
"CIC" or "Industry Consultant"	China Insights Industry Consultancy Limited, our industry consultant
"CIC Report"	the industry report commissioned by us and independently prepared by CIC, summary of which is set forth in the section headed "Industry Overview" in this document
"CIC Survey"	Consumer Survey conducted by CIC in October 2025, with 1,000 sample respondents in Chinese Mainland who have dined at Chinese-style QSRs during July 2025 to September 2025
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company" or "the Company"	YUEN KEE FOOD GROUP CO., LTD. (袁記食品集團股份有限公司), a limited liability company established under the laws of the PRC on April 11, 2017 and converted into a joint stock limited company on June 11, 2025
"Company Law" or "PRC Company Law"	the Company Law of the PRC (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time
"Compliance Advisor"	Maxa Capital Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules

"Controlling Shareholder(s)"	has the meaning ascribed to it in the Listing Rules and unless the context requires otherwise, refers to the group of controlling shareholders of our Company, namely Mr. Yuan, Mr. Yuan Jianjun, Yuen Kee Investment, Foshan Tanweizhi, Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan
"Conversion of Domestic [**REDACTED**] Shares into H Shares"	The conversion of [**REDACTED**] Domestic [**REDACTED**] Shares in aggregate held by [20] existing Shareholders into H Shares upon the completion of the [**REDACTED**]. Such conversion of Domestic [**REDACTED**] Shares into H Shares has been filed with the CSRC and CSRC has issued the filing notice in respect of the [**REDACTED**] dated June 27, 2026; and an application for H Shares to be [**REDACTED**] on the Hong Kong Stock Exchange [has been] made to the Hong Kong Stock Exchange
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of our Company
"Domestic [**REDACTED**] Share(s)"	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in Renminbi and not [**REDACTED**] on any stock exchange
"EIT Law"	Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), as amended, supplemented or otherwise modified from time to time
"ESG"	Environmental, Social and Corporate Governance

[**REDACTED**]

"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"Meat filling to dough ratio"	the percentage of net weight of meat filling in total net weight of a single dumpling

[**REDACTED**]

"Foshan Maideli"	Foshan Maideli Food Co., Ltd. (佛山市麥德利食品有限公司), a limited liability company established under the laws of the PRC on February 2, 2021, and a wholly-owned subsidiary of our Company
"Foshan Tanweizhi"	Foshan Tanweizhi Enterprise Management Partnership L.P. (佛山市探未知企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 8, 2022, one of our Group of Controlling Shareholders and an Incentive Shareholding Platform of our Company
"Foshan Xinxiangyuan"	Foshan Xinxiangyuan Enterprise Management Partnership L.P. (佛山市心向遠企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on October 17, 2022, one of our Group of Controlling Shareholders and Employee Incentive Platforms
"Foshan Yuanyunjiao"	Foshan Yuanyunjiao Enterprise Management Partnership L.P. (佛山市袁雲餃企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on October 17, 2022, one of our Group of Controlling Shareholders and Employee Incentive Platforms
"Foshan Yueshanhe"	Foshan Yueshanhe Enterprise Management Partnership L.P. (佛山市越山河企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on October 17, 2022, one of our Group of Controlling Shareholders and Employee Incentive Platforms
"Foshan Yuziji"	Foshan Yuziji Enterprise Management Partnership L.P. (佛山市馭自己企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC on December 8, 2022 and an Employee Shareholding Platform of our Company

[**REDACTED**]

"Group", "our Group", "we", "our" or "us"	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, the business operated by such subsidiaries or their predecessors (as the case may be)
"Guangdong Yuanhong"	Guangdong Yuanhong Food Co., Ltd. (廣東省元宏食品有限公司), a limited liability company established under the laws of the PRC on August 7, 2020, and a wholly-owned subsidiary of our Company
"Guangdong Yuanshun"	Guangdong Yuanshun Food Co., Ltd. (廣東省元順食品有限公司), a limited liability company established under the laws of the PRC on March 15, 2024, and a wholly-owned subsidiary of our Company
"Guangdong Yuansu"	Guangdong Yuansu Logistics Supply Chain Co., Ltd. (廣東省袁速物流供應鏈有限公司), a limited liability company established under the laws of the PRC on November 12, 2021, and a wholly-owned subsidiary of our Company
"Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Hong Kong Stock Exchange effective from January 1, 2024 (as amended, supplemented or otherwise modified from time to time)
"H Share(s)"	share(s) in the share capital of our Company with a nominal value of RMB1.00 each, which is/are to be [**REDACTED**] for and [**REDACTED**] in HK dollars and to be [**REDACTED**] on the Hong Kong Stock Exchange

[**REDACTED**]

"HK" or "Hong Kong" or "Hong Kong SAR"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$" or "Hong Kong dollars" or "HK dollars" or "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

[**REDACTED**]

[**REDACTED**]

"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC

[**REDACTED**]

[**REDACTED**]

"IFRS Accounting Standards"	the IFRS Accounting Standards, which include standards, amendments and interpretations promulgated by the International Accounting Standards Board (IASB) and the IAS and interpretations issued by the International Accounting Standards Committee (IASC)
"Independent Third Party(ies)"	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, is/are third party(ies) independent of our Company and our connected persons as defined under the Listing Rules

[**REDACTED**]

[**REDACTED**]

"Joint Sponsors"	the joint sponsors as named in "Directors and Parties Involved in the [**REDACTED**]"
"Latest Practicable Date"	November 17, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[**REDACTED**]

"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"Macau" or "Macau SAR"	the Macau Special Administrative Region of the People's Republic of China
"Main Board"	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"MOFCOM"	Ministry of Commerce of the PRC (中華人民共和國商務部)
"Mr. Yuan"	Mr. Yuan Lianghong (袁亮宏), our founder, executive Director, chairman of the Board, general manager and one of our Group of Controlling Shareholders
"NDRC"	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
"Nomination Committee"	the nomination committee of our Board

[**REDACTED**]

[**REDACTED**]

"PBOC"	the People's Bank of China (中國人民銀行), the central bank of the PRC
"PRC Legal Advisor"	CM Law Firm, the legal advisor to our Company as the laws of the PRC

[**REDACTED**]

"document" or "document"	this document being issued in connection with the [**REDACTED**]
"province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC

[**REDACTED**]

"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of our Board
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

"SAFE"	State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局), the PRC governmental agency responsible for matters relating to foreign exchange administration, including local branches, when applicable
"SAMR"	State Administration for Market Regulation of the PRC (中國國家市場監督管理總局) (formerly known as State Administration for Industry and Commerce of the PRC (中國國家工商行政管理總局)
"SASAC"	State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會)
"SAT"	State Administration of Taxation of the PRC (中國國家税務總局)
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share(s)"	ordinary shares in the capital of our Company with a nominal value of RMB1.00 each
"Shareholder(s)"	holder(s) of Shares
"Shenzhen Yunjiao"	Shenzhen Yunjiao Catering Management Co., Ltd. (深圳雲餃餐飲管理有限公司), a limited liability company established under the laws of the PRC on March 15, 2021, and a wholly-owned subsidiary of our Company
	[**REDACTED**]
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder(s)"	has the meaning ascribed to it in the Listing Rules
"Suzhou Yuen Kee"	Suzhou Yuen Kee Food Co., Ltd. (蘇州袁記食品有限公司), a limited liability company established under the laws of the PRC on April 3, 2018, and a wholly-owned subsidiary of our Company

"Track Record Period"	the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026

[**REDACTED**]

"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

[**REDACTED**]

"US$", "USD" or "U.S. dollars"	United States dollars, the lawful currency for the time being of the United States
"VAT"	value-added tax
"Yuanyu Investment"	Shenzhen Yuanyu Investment Co., Ltd. (深圳元域投資有限責任公司), a limited liability company established under the laws of the PRC on April 13, 2023, and a wholly-owned subsidiary of our Company

"Yuen Kee Investment"	Guangdong Yuen Kee Investment Co., Ltd. (廣東省袁記投資有限公司), a limited liability company established under the laws of the PRC on September 22, 2022 and one of our Group of Controlling Shareholders

Unless otherwise expressly stated or the context otherwise requires, all data in this document is as of the date of this document.

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this document are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

GLOSSARY OF TECHNICAL TERMS

This glossary of technical terms contains explanations of certain technical terms used in this document in connection with our Company and our business. Such terminology and meanings may not correspond to standard industry meanings or usages of those terms.

"BMS"	Billing Management System
"CPI"	Consumer Price Index
"Dine-in stores"	refers to our store format where the store provides RTE meals with seating areas for on-site dining, as well as RTE and RTC products for pick-up and delivery
"ERP"	enterprise resource planning, representing an integrated software system that manages and automates core business processes across functions such as finance, supply chain, manufacturing, procurement and human resources
"first-tier cities"	For the purposes of this document only, Shanghai, Beijing, Shenzhen, Guangzhou, Suzhou, Hangzhou, Nanjing, Ningbo, Dongguan, Changsha, Wuhan, Qingdao, Tianjin, Hefei, Chengdu, Zhengzhou, Xi'an, Chongqing and Wuxi
"franchised stores"	stores operated by third parties under our brand names through contractual arrangements between third parties (referred to in this document as "franchisees") and us in compliance with applicable laws and regulations in a relevant market, and the associated model is referred to as "franchise model" in this document
"GMP"	good manufacturing practice, representing a system of processes, procedures and documentation that ensures products are consistently produced and controlled according to quality standards and regulatory requirements
"GMV"	gross merchandise value, representing the sales value of product(s) in consumer orders before discounts are applied
"HACCP"	Hazard Analysis and Critical Control Points, a systematic approach to food safety that identifies, evaluates, and controls potential hazards throughout the food production process
"IP"	characters, songs, drama series or other artistic works and their underlying intellectual property rights (including elements for re-creation)
"ISO14001"	an international standard that specifies requirements for an effective environment management system
"ISO45001"	an international standard that specifies requirements for an effective occupational health and safety management system

GLOSSARY OF TECHNICAL TERMS

"ISO50001"	an international standard that specifies requirements for an effective energy management system
"ISO9001", "ISO22000" and "FSSC22000"	international standards that specify requirements for quality management and food safety management
"MES"	Manufacturing Execution System
"OMS"	Order Management System
"Pick-up stores"	refers to our store format where the store provides RTE and RTC products for pick-up and delivery
"QSR"	quick service restaurant
"R&D"	research and development
"Repurchase rate"	refers to the percentage of number of members who made two or more repurchases during the current period divided by number of members who made at least one purchase during that same current period, multiply by 100%
"RTC"	ready-to-cook, refers to our product offerings under the brand Yuen Kee Dumpling (袁記雲餃) that are freshly hand-wrapped, but require cooking before ready for consumption
"RTC pick-up stores"	refers to our store format where the store provides RTC products for pick-up and delivery
"RTE"	ready-to-eat, refers to our product offerings under the brand Yuen Kee Dumpling (袁記雲餃) that are freshly hand-wrapped and freshly cooked, ready to be consumed without any additional cooking or processing
"second-tier cities"	for the purposes of this document only, Kunming, Xiamen, Shaoxing, Foshan, Wenzhou, Zhuhai, Jiaxing, Zhongshan, Changzhou, Jinhua, Taizhou, Nantong, Jinan, Quanzhou, Fuzhou, Dalian, Shenyang, Yantai, Huizhou, Nanchang, Taiyuan, Weifang, Guiyang, Harbin, Xuzhou, Shijiazhuang, Nanning, Changchun, Baoding and Lanzhou
"SKU"	acronym for minimum stock keeping unit, a unique identifier for each distinct product and service that can be purchased. For the purpose of this document only, we count the same dish, regardless of its size offered, as one SKU
"SRM"	Supplier Relationship Management System

"SSOP"	sanitation standard operating procedure, representing documented step-by-step instructions that outline the cleaning and sanitizing processes required to maintain hygienic conditions in food production or processing environments
"Southeast Asia"	for the purposes of this document only, Singapore, Thailand, Philippines, Malaysia, Indonesia and Vietnam
"third-tier and below cities"	for the purposes of this document only, all the cities in Chinese Mainland excluding first-tier cities and second-tier cities
"TMS"	Transportation Management System
"WMS"	Warehouse Management System

FORWARD-LOOKING STATEMENTS

We have included in this document forward-looking statements. Statements that are not historical facts, including statements about our intentions, beliefs, expectations or predictions for the future, are forward-looking statements.

This document includes forward-looking statements. All statements other than statements of historical facts contained in this document, including, without limitation, those regarding our future financial position, our strategy, plans, objectives, goals, targets and future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "estimate," "predict," "aim," "intend," "will," "may," "plan," "consider," "anticipate," "seek," "should," "could," "would," "continue," or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among other things, the following:

- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- general political and economic conditions of jurisdictions in which we operate;
- our business operations and prospects;
- our capital expenditure plans;
- weather, natural disasters and climate change;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and business plans; and
- various business opportunities that we may pursue.

An investment in our H Shares involves a high degree of risk. You should carefully consider the following information about risks, together with the other information contained in this document, including our consolidated financial statements and related notes, before you decide to buy our H Shares. If any of the circumstances or events described below actually arises or occurs, our results of operations, financial performance and business prospects may suffer. In any such case, the [**REDACTED**] *price of our H Shares could decline and you may lose all or part of your investment. This document also contains forward-looking information that involves risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below.*

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our business depends significantly on market recognition of our brands, and any failure to maintain, protect and enhance our brands would limit our ability to expand or retain our consumer base, which would materially and adversely affect our business, financial condition and results of operations.

We primarily operate under our Yuen Kee Dumpling (袁記雲餃) and Yuen Kee Taste (袁記味享) brands. The recognition of our brands among consumers contributes to the growth and success of our business. Accordingly, maintaining, protecting and enhancing the recognition of our brands is critical to our business and market position. Failing that, our brand value and image will be undermined, and our business and results of operations may be materially and adversely affected. While we are expanding our scale and enlarging our geographical coverage, it will become more difficult for us to maintain quality and consistency of products and services, and we cannot assure you that consumers' trust in our brands will not decline.

Many factors are important to maintaining, protecting and enhancing the recognition of our brands, such as the following:

- maintaining the quality and attractiveness of our products;
- developing, launching or improving products that satisfy our consumers' needs;
- providing an enjoyable consumer experience;
- increasing brand awareness through marketing and brand promotion activities;
- maintaining good relationships and retaining favorable terms with our franchisees, suppliers, service providers and other business partners;
- managing our franchisees and tracking our franchisees' performance;
- ensuring compliance with relevant laws and regulations;
- competing effectively against existing and future competitors; and
- preserving our reputation and goodwill generally and in the event of any negative publicity regarding our products, services, or other issues affecting us or the Chinese-style QSR industry in general.

Any events that harm our reputation, such as liability claims, litigation, consumers' complaints, illegal activities conducted in our stores or other negative publicity regarding our stores, or any unlawful acts by other market participants as a result of using our brand illegally, may

have a negative effect on our brands. In particular, our brand value may be affected by risks inherently associated with our franchise business model. For example, the wrongdoings of our individual franchisees may have a negative impact on consumers' perception of our brands and our overall brand value. Meanwhile, the poor performance of any franchised store or any negative publicity in relation to franchised stores relating to our products, IPs, operations and other business partners, even without merits, could materially and adversely affect consumer perceptions of our brands and result in decreased demand for our products. In addition, any public perception that we, or other industry participants, do not provide satisfactory products or services to consumers, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brands, undermine the trust and credibility we have established and have a negative impact on our ability to attract and retain consumers, and our business, financial condition and results of operations may be materially and adversely affected. We cannot assure that we will not receive any material consumer complaints or that no one will utilize our brands illegally, which could cause a material adverse effect on our future operations. Any damage to our reputation or brands may result in adverse impact on our business, financial condition and results of operations.

Our store network consists primarily of franchised stores that are operated by third parties. We face certain risks associated with the use of franchise business model.

We primarily operate our business under the franchise model. As of December 31, 2023, 2024, 2025 and May 31, 2026, we had 3,123, 3,926, 4,481 and 4,750 franchised stores, respectively, each representing over 90% of total stores under operation as of the respective dates. Therefore, our business operations depend heavily on the success of our cooperation with our franchisees. The results of our operations are also significantly influenced by the performance of our franchised stores. We face a number of risks associated with the use of franchise business model, each of which may impact our revenue generation, harm our brand image and adversely affect our business and results of operations. These risks include, among others:

Revenue contribution of our franchised stores. During the Track Record Period, our revenue was significantly contributed by our franchised stores, primarily the revenue generated from the sale of goods to our franchisees. Our financial condition is highly dependent on our franchisees' sales growth. If they do not achieve the expected sales, our revenue and profit margins could be materially and adversely affected. Moreover, if sales decline for our franchisees, it might result in store closures, delayed payments to or reduced purchases from us.

Ability and willingness of franchisees to operate stores. The success of our store network expansion largely depends on the willingness and ability of our franchisees to implement our major initiatives. These initiatives, such as marketing and promotional activities, may involve additional costs and be more beneficial to the franchisees in the long term than in the short term. There is no assurance that our franchisees will always implement these initiatives, align with our vision or prioritize long-term benefits.

Management of franchisees. Our franchisees generally operate their businesses independently and are responsible for the day-to-day operation of their stores. Thus, the success and quality of a franchised store are largely dependent on the franchisee. We cannot guarantee that our management of franchisees will always be effective. If our franchisees do not fulfill their obligations in accordance with their franchise agreements with us or our internal policies or guidelines, or if they fail to successfully operate stores consistent with our standards, our brand image and reputation could suffer, which in turn could adversely impact our business and results of operations. Additionally, if we fail to monitor our franchisees' performance and uphold quality control over them, we may fail to manage our store network effectively or sustain our business performance. As stipulated in our franchise agreements, franchisees are responsible for obtaining all the licenses and permits required for operating franchised stores. However, there can be no assurance that our franchisees will be able to obtain or renew all of the approvals, licenses and permits required for existing business operations promptly or at all pursuant to agreement terms.

Litigation regarding franchisees. Our franchisees face various litigation risks, including consumer claims, personal-injury claims, environmental claims and employee allegations of improper termination. Even though we are not directly responsible for these litigation costs, they may increase the costs for our franchisees and affect their profitability. This could limit the funds available for their payments to us or store development or could prevent them from renewing their agreements with us, which in turn could adversely affect our business and results of operations and may have a negative impact on our brand image. During the Track Record Period, our franchisees have entered into litigations in the ordinary course of their businesses. These litigations, individually or in aggregate, have not had a material impact on our results of operations.

If any of our franchisees defaults under our agreements or commits misconduct, they may not be in a position to compensate us sufficiently for losses suffered as a result of such defaults or misconducts. Further, the bankruptcy of a franchisee could also substantially impact our ability to collect payments from such franchisee. While we may take action to terminate our relationship with our franchisees, it is not always possible to promptly identify and address problems. Consequently, our brand image and reputation could be compromised, leading to a material adverse impact on our results of operations.

Furthermore, we may not be able to successfully maintain the relationships with our franchisees. In addition, we may not be able to attract a sufficient number of new franchisees to join our network and open stores, which could cause us to lose market shares and negatively affect our future business growth.

Our future growth depends on our ability to successfully operate and expand our store network. Our new stores may not be able to successfully enter into new markets and achieve satisfying store performance.

During the Track Record Period, we generated a substantial amount of our revenue from the sale of goods to our franchisees. Accordingly, our future growth depends significantly on our ability to operate and expand our store network. We may not be successful in expanding our store network.

For existing geographical markets, as we increase our store count in some regions, we will also need to enhance our supply chain infrastructure in these regions to meet the market demand, while maintaining the quality and customer satisfaction of our stores. As a result, we might incur additional operating expenses as we continue our expansion in these markets. Further, we may also encounter difficulties during our expansion. For example, we may face intense competition from other brands. In the event that we fail to maintain our relationship with existing franchisees or our competitors offer more favorable terms, our existing franchisees may choose instead to collaborate with other brands, which may, in turn, negatively affect our market share in the existing markets. If our expansion in the existing markets is not cost-effective or fails to achieve positive results, it could negatively impact our business, financial position and results of operations.

In addition, any additional new geographic markets we might enter in the future could present different competitive conditions, consumer preferences, spending patterns and regulatory and compliance requirements. We cannot guarantee that the actual market demands of new regions will align with our expectations or that we will open new stores in these markets in a timely manner or at all.

We plan to expand into overseas markets with a priority on the Southeast Asia market. The overseas markets in which we plan to enter in the future may have different competitive conditions, regulatory and compliance requirements, consumer tastes and discretionary spending patterns than the markets in China. As a result, new stores to be opened in overseas markets may not be as successful as our stores opened in China. See "— We are subject to risks related to our overseas expansion, which may result in fluctuations of our business and results of operations."

All the factors mentioned above, whether individually or in combination, might delay or hinder our store network expansion. Moreover, our store network expansion could place considerable demands on our management and our operational, technological and financial resources. If we cannot manage these demands, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to respond to market dynamics, evolving consumer preferences or changing consumer discretionary spending effectively.

Our business relies on consumer demand for our products, which depends substantially on factors that are ever-evolving in nature, such as consumer preferences, consumer perceptions of and confidence in our products, and consumers' discretionary spending power.

While we are dedicated to developing new products and improving existing ones, there is no assurance that we can consistently and promptly respond to changes in consumer preference and market development, or that our products can gain or retain consumer preference. Consumer demand for our products may fluctuate due to many reasons, such as increase in product price due to raw materials costs, changes in our membership program, varying dietary preferences, release of new competing products, or dietary concerns about calories and additives. In particular, considering the growing trends of healthy diet, the negative publicity on the overuse of additives, flavor enhancer and other chemicals in the production of food products, although sometimes unsubstantiated, may have adverse impact on our business and results of operations. Besides changes in consumer preferences, our business also depends on consumers' discretionary spending power, which is influenced by many factors beyond our control, including but not limited to macroeconomic conditions. Any material or adverse changes in consumer demand for our products, whether driven by changes in consumer preference, consumer perceptions of and confidence in our products, or in their discretionary spending power or other factors may have a material and adverse effect on our results of operations, financial performance and business prospects.

In addition, we seek and will continue to explore new store formats to grow our business. We are in the process of implementing our store design upgrade strategy, which is a comprehensive approach aimed at increasing brand visibility, enhancing the overall customer experience and maintaining our competitive edge in the market. See "Business — Our Store Network — Store Features." However, our exploration of new store formats may not be successful due to various reasons such as lack of customer acceptance, inefficiency in operations and unsuccessful branding strategies. As a result, we cannot assure you that our initiatives in exploring new store formats will benefit our business operations, generate sufficient revenue to offset the associated costs, or otherwise result in the intended benefits.

We are faced with increasingly intense competition with other leading players within the industry. Any failure to compete effectively may negatively impact our market share and profitability.

The QSR industry in China is intensely competitive and comprises Chinese-style QSR, Western-style QSR and other QSR formats by cuisine type. Operators across these segments compete with us for consumer traffic, delivery orders, suitable store locations, employees, marketing resources and consumer loyalty. According to CIC, the chain penetration rate for Chinese style QSR was only 33.7% in 2025 compared with 68.6% for Western- style QSR in China. Western-style QSR operators have generally developed earlier in China, with more mature operating systems and stronger brand recognition, which may increase competitive pressure on us.

Within the Chinese-style QSR market, competition is also intense, with a wide range of brands that differ significantly in store scale, operational models and geographic coverage. We face intense competition from other brands in various areas, including product development and innovation, product quality and consistency, value-for-money, store location, consumer experience, and consumer acquisition and retention. We ranked among the top three participants in the Chinese-style

QSR market by GMV in 2025, with a GMV of RMB6.4 billion and a market share of 0.7%. Entry barriers to this market segment include, among other things, strong brand influence, supply chain and production capabilities and scalable operating model. Key challenges and threats include, among other things, price fluctuation and consumer preferences. We may fail to compete effectively against, or be outperformed by, other brands. For example, our competitors might have more financial, technological, marketing and other resources than we have. They might be more experienced or able to devote greater resources to develop and promote their products and expand to new areas. Any competitive measures they take in response to our expansion could hinder our growth and adversely affect our sales and results of operations. Additionally, if we are unable to attract and retain our consumers with quality products, develop and launch new products that cater to our consumers' preferences, continually enhance our consumer experience, or continue to build brand awareness, consumers might choose products and services offered by our competitors, which could adversely affect our business, financial condition, and results of operations.

Furthermore, intense competition might reduce our market share and profitability and require us to increase our sales and marketing efforts and capital commitment in the future. This could negatively affect our results of operations. There is no assurance that we will continue to expand or retain our consumer base in the future against current or future competitors. If we fail to compete effectively, our business might suffer from reduced market share and consumer traffic, and our financial condition and results of operations could be materially and adversely affected.

We rely on third-party suppliers and other business partners to provide raw materials and services to us.

We rely on our third-party suppliers and other business partners to operate our business. Hence, our results of operations would be materially and adversely affected if our cooperation with them has been interrupted, discontinued or otherwise deteriorated due to many factors, including, but not limited to, any interruptions to their operations, any failure of our suppliers to accommodate our fast growing business scale, any termination or suspension of our supply arrangements, any change in cooperation terms, or any disputes with our third-party suppliers or other business partners. If we could not solve the impact of the interruptions of operations of our third-party suppliers or other business partners, our business operations and financial results may be materially and adversely affected.

For example, our stores purchase food items from us. To provide these, we self-produce the majority of our key products, including meat fillings and flour wrappers. A significant disruption in the operations of our raw material suppliers may result in delay of store opening and interruption of store operations. Our ability to provide sufficient, stable and timely supply to our stores depends on our procurement capabilities, production capacity, logistics system, among other factors that may affect our supply chain. Our current agreements with our suppliers generally do not prohibit them from working with our competitors. Our competitors may be more effective in providing incentives to our suppliers to prioritize their orders in case of short supply. In addition, we rely on certain third-party systems and programs, such as our membership program, to conduct our business and any interruptions or delays in such platforms and services may impair our normal operations. If this happens, we cannot assure you that we would be able to find alternative suppliers on commercially reasonable terms, or a timely basis, or at all. If we are unable to provide our stores with sufficient, stable and timely supply of store supplies to meet consumers' demands and to support the stores' operation, our stores' business performance may be materially and adversely affected. For example, shortages of one or more of the necessary food items could force our stores to suspend sales of related products, which could impact the stores' business performance and consumer satisfaction.

In particular, our success depends largely on a stable and adequate supply of quality raw materials, which may be subject to risk of shortage, unsatisfactory quality and fluctuations in the cost. The principal raw materials for our products include meat and flour. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, our material cost under costs of sales amounted to RMB1,296.8 million, RMB1,695.7 million, RMB1,810.6 million, RMB598.8 million and

RMB775.3 million, respectively, accounting for 86.4%, 85.9%, 86.3%, 83.6% and 83.0%, respectively, of total cost of sales over the same respective periods. If we are unable to obtain raw materials in the quantities, of a quality or at a price that we require, our quality of products and profit margins may be adversely affected. Raw materials used in our products are subject to price volatility caused by external conditions, such as market supply and demand, changes in governmental policies and natural disasters. We and our stores typically are not able to immediately pass raw material price increases on to our consumers from unforeseen changes in price of raw materials that may have an adverse effect on our profitability and results of operations. We may also be unable to receive compensation from suppliers for defective raw materials or ingredients used in our stores and indemnity provisions in our supply agreements may be insufficient. In addition, if a large number of our current suppliers decide to terminate business relationships with us, or if the raw materials supplied by our current suppliers fail to meet our standards, or if our current supplies of raw materials are interrupted for any reason, qualified suppliers may not be readily available and we may not be able to easily switch to other suppliers in a timely fashion, which may materially and adversely affect our business and financial results. We also rely on outsourcing suppliers to provide certain other ingredients, pre-packaged dumplings and wontons, in-store equipment and manufacturing equipment. Such outsourcing suppliers operate independently and are not under our control. Any failure by these suppliers to deliver ingredients, products or equipment in a timely manner, maintain consistent quality standards, comply with applicable food safety, manufacturing or regulatory requirements, or maintain stable production capacity may disrupt our supply chain or store operations. In particular, delays, quality issues or supply interruptions involving pre-packaged food products or essential equipment could adversely affect product consistency, store-level operations and rollout of new products. In addition, if we are unable to replace such outsourcing suppliers on commercially reasonable terms or within a reasonable timeframe, our business operations, franchisee satisfaction and brand reputation may be adversely affected.

For online channels, we cooperate with third-party food delivery platforms to offer consumers convenient methods for order placement. System failures or delivery delays on these platforms may degrade consumer experience and confidence. Timely delivery of products in proper condition is critical, as consumer rejection could damage our reputation. Furthermore, we cannot assure the continuity of cost-effective, long-term relationships with these platforms. The termination or deterioration of any third-party partnerships, whether logistics, warehouses or food delivery platforms, may materially and adversely affect our business, financial condition and results of operations.

Our operating history may not be indicative of our future growth or financial results, and we may not be able to achieve and sustain the historical level of revenue and profitability.

As of May 31, 2026, our store network comprised 4,773 stores in total. However, our operating history may not serve as an adequate basis for evaluating our prospects and results of operations, and our historical business performance may not be indicative of our future growth or financial condition. There is no assurance that we will be able to maintain our historical growth rates in future periods. The speed of our new store openings may fluctuate from time to time, due to factors such as changing market conditions and adjustments to our strategic focus from increasing scale to improving operating efficiency. Our growth rates may decline for a variety of reasons, and some of these reasons are beyond our control, including, among others, prevailing dietary preferences and perceptions of consumers, increasingly intense competition, the emergence of alternative business models and changes in government policies or general economic conditions. Our store network expansion is subject to uncertainties, and our business may not grow at the rate we expect for the reasons stated above. If our growth rates decline, investors' perceptions of our business and prospects may be materially and adversely affected, and the market price of our H Shares could decline.

The expansion of our store network may place substantial pressure on our management and our operational, technological, labor and other resources. Our expansion will also require us to maintain consistent food and service quality and preserve our reputation to ensure that our brands will not suffer as a result of any deterioration, whether actual or perceived, in the quality of our food or services. Our continued success also depends on our ability to recruit, train and retain additional qualified management, administrative, sales and marketing personnel, particularly as we expand into new markets. In addition, we need to continue to manage our relationships with our franchisees, consumers, suppliers, service providers and other business partners. These endeavors will require substantial management attention and efforts and will require significant additional expenditures. We cannot assure you that we will be able to manage any future growth effectively and efficiently, and any failure to do so may materially and adversely affect our ability to capitalize on new business opportunities. This, in turn, may have a material adverse effect on our business, financial condition and results of operations.

If we are unable to constantly maintain our price positioning, our results of operations, financial performance and business prospects would be materially and adversely affected.

We may face various challenges in consistently maintaining our price positioning. Factors such as increases in market prices of raw materials that meet our quality standards, increases in labor costs, or increases in logistics costs may pressure us to set higher prices for our products than initially contemplated. Additionally, factors such as intensified competition or changes in market conditions may pressure us to lower our price. Furthermore, inflation could materially impact our business operations and financial performance by significantly increasing the cost of raw materials, labor, and other operating expenses, which may, in turn, put pressure on our profitability. These factors and consequences may compromise our profitability and/or that of our franchisees, undermine our positioning as a provider of value-for-money products, making us less appealing to consumers and less competitive in the marketplace. If any of the foregoing occurs, our results of operations, financial conditions and business prospects may be materially and adversely affected.

Any failure by us, our franchisee, suppliers or other business partners to maintain the quality, safety and hygiene standards of our products could have a material and adverse effect on our reputation, financial condition and results of operations.

Quality, safety and hygiene standards of our products are vital to our reputation and success. Maintaining consistent quality in food safety standards, to a large extent, depends on the effectiveness of our quality assurance system, which, in turn, depends on multiple factors, such as the design of our quality control system and the ability to ensure our employees, franchisees and other third parties who are involved in the operation comply with those quality assurance policies and guidelines. Instances or reports, whether true or not, of food-safety issues, such as food-borne illnesses, adulteration, contamination or mislabeling, either during packaging, transportation, storing or preparation, employee hygiene and cleanliness failures, or improper employee conduct, have in the past severely injured the reputations of companies in the Chinese-style QSR sector. Any report linking us to such instances could severely hurt our sales and could possibly lead to product liability claims, litigation and/or temporary store closures. In addition, instances of food safety issues, even those involving solely the stores of competitors or of suppliers, could cause negative publicity about us or the Chinese-style QSR industry in general and adversely affect our sales on a regional or national basis. A decrease in consumer traffic as a result of food safety concerns or negative publicity, or as a result of a temporary closure of our stores, product recalls or food safety claims or litigation, could materially harm our business and results of operations.

Our food safety system covers all major aspects of our business and the operation of our stores. See "Business — Food Safety and Quality Control." We cannot assure that our quality control and food safety control will remain effective at all times, and we cannot assure that we can discover any flaw in our quality control and food safety control. We may fail to ensure that our franchisees, employees and other third parties involved in our operations, such as suppliers and third-party logistic service providers, adhere to our internal policy and guidelines. During the Track

Record Period, there have been negative incidents and publicity regarding food safety issues in our franchised stores. Although we have rectified the issues, heightened our relevant food safety measures and strengthened our management of our franchised stores, there may continue to be negative incidents and publicity regarding food safety issues in our stores in the future. Any of these actual or perceived incidents may result in customer complaints, adverse media coverage and social media dissemination, and may also trigger regulatory enquiries, inspections, warnings, fines, rectification orders, temporary suspension of operations, or, in serious cases, revocation of permits or other administrative measures against the relevant stores. Due to these incidents, we may become subject to public scrutiny, mainly relating to the safety and quality of our food products and our brand reputation and consumer confidence may be adversely affected even if the incidents are isolated or are not ultimately found to be systemic. food safety incidents may expose us and/or the relevant franchisees to civil claims, compensation payments and disputes (including with customers and delivery platforms), and may increase our compliance and monitoring costs. These consequences could reduce customer traffic and sales at affected stores and, depending on the circumstances, may also negatively impact our franchising business, including franchisee recruitment and retention, and our financial performance.

From time to time, criticisms, complaints and negative media coverage, regardless of their veracity, may result in negative publicity, which could result in government inquiry or harm to our reputation and brands, and may adversely affect our business and prospects. Failure to discover or prevent any food contamination may adversely affect the quality of the products that we sell, might lead to liability claims and penalties and fines from relevant authorities, as well as less consumer traffic in our stores. There are no assurances that we will not receive any food contamination claims and relevant administrative punishments in the future. Any of these events may cause material damages to our reputation, financial condition and results of operations.

Any significant changes in food safety regulations and related policies could affect our business.

The Chinese-style QSR industry where we operate shall comply with the laws and regulations of food safety. Such regulations set out the safety standards for food and food additives, packaging and containers, the information required to be disclosed on packaging, and the regulations on food operation and sites and sale of food. For example, in recent years, the regulators have been stepping up their supervision on food safety and have implemented several laws, regulations and standards concerning food safety. Failure to comply with the laws and regulations of food safety may result in corrective actions ordered by regulatory authorities, fines, confiscation of the proceeds, suspension of business operation as ordered, revocation of operation permits, and in extreme cases, criminal liability. Despite our current compliance with existing laws and regulations concerning food safety, if any government makes further changes to its regulations on food safety, our cost of sales and operational expenses may increase, and we may not be able to successfully pass the additional costs externally, which will have adverse impacts on our business, financial condition and development prospects.

We face risks in relation to production capacity. Our future success and growth potential are dependent on our ability to effectively manage our production capacity and successfully implement our production capacity expansion plans.

We strategically operate our production facilities to secure the stable, quality and value-for-money supplies to stores. We self-manufacture the vast majority of our key products. As of May 31, 2026 we had six production plants in China. During the Track Record Period, our production plants mainly produced meat fillings and flour wrappers. Our ability to maintain the daily operation of our stores and to meet the growing demands for our products may be constrained by limitations in our production facilities. Unexpected and prolonged disruptions, such as water, electricity shortages, or fires, can seriously impact our business. If we are unable to swiftly restore or relocate the affected facilities, our business operations will be materially and adversely interrupted. While we have put prevention measures in place, there is no guarantee of their effectiveness. If our production facilities

or any of our warehouses were to experience a significant incident, we might suffer product losses, incur substantial costs for restoration or relocation, and potentially face legal repercussions for not adhering to applicable laws and regulations. Furthermore, if such incident leads to damages incurred by third parties, and we are deemed partially or wholly responsible, we might also face compensation liabilities. As a result, our business operation, results of operations and financial condition may be adversely affected.

We may make production capacity expansion plans that require significant investments in the future. See "Business — Strategies." However, there is no assurance that such expansion plans will be successfully implemented as scheduled or will be commercially successful. Our production capacity expansion plan may be also subject to interruptions caused by risks commonly associated with large construction and expansion projects, such as sufficiency of capital, failure to obtain requisite approvals from regulatory authorities, adverse weather conditions, natural disasters, accidents and unforeseen circumstances and problems, and other factors beyond our control. As such, we may not be able to achieve our future production capacity expansion on time.

Furthermore, our investment in such expansion plans may not necessarily lead to the desired results. For example, if the expansion leads to excessive production capacity that does not match our business growth, we could experience low utilization rates of production capacity or overproduction, high fixed costs and low margins. If any of the foregoing events occur, our results of operations, financial performance and business prospects could be materially and adversely affected.

If we are unable to manage and expand our logistics system efficiently and effectively, our results of operations and business prospects may be materially and adversely affected.

The increase in demand for our products may result in challenges in operating our logistics system. For example, our delivery services may be delayed due to limited shipping capacity when facing increasing orders from franchisees, and we may be required to incur significant costs to further expand our existing logistics facilities to handle the increasing orders. Moreover, as we continue to expand business, our logistics system may become increasingly complex and challenging to operate. Furthermore, our delivery services are vulnerable to extreme weather conditions, natural disasters and other unexpected event.

Given the fragile and perishable nature of our raw materials and food products, it is vital that we implement strict temperature guidelines for transportation. If any significant breakdowns, especially concerning temperature or humidity controls, were to occur over an extended period, it could compromise the freshness and quality of the stored raw materials and food products. Delays caused by traffic congestion, accidents, or other unforeseen incidents could also disrupt our logistics operations and impact timely deliveries. In the event of equipment malfunctions, not only might we need to discard compromised products, but equipment repairs or upgrades can be costly and time-consuming. These challenges in logistics could adversely affect our business operations and financial results.

Our self-operated warehouse system includes our own facilities and facilities leased from third parties. We may not be able to identify and cooperate with reliable third parties to lease the facilities and/or procure delivery services on commercially reasonable terms, or at all. Additionally, we may not have full control over these third parties. Such third parties may not fully adhere to our quality standard, fail to meet our demand for warehousing and delivery, or otherwise are not able to support our business growth. If any of the foregoing occurs, the fulfillment capacities and operations of our logistics system may be negatively affected, which will in turn materially and adversely affect our results of operations and financial performance.

As of May 31, 2026, our comprehensive cold chain warehousing and distribution network spanned across China. We also plan to continue the expansion of logistics facilities at additional locations in China and overseas. However, we cannot assure you that we will be able to acquire land

use rights or leases and set up warehouses on commercially reasonable terms or at all. Moreover, we may not be able to recruit a sufficient number of qualified employees in connection with this expansion. In addition, the development of our logistics system is costly and may strain our managerial, financial, operational and other resources. If we fail to manage such expansion successfully, our results of operations, financial performance and business prospects may be materially and adversely affected.

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

We had inventories of RMB61.0 million, RMB71.9 million, RMB88.4 million and RMB94.6 million as of December 31, 2023, 2024, 2025 and May 31, 2026, respectively, and our inventories turnover days were 15.5 days, 12.1 days, 13.7 days and 14.7 days in 2023, 2024, 2025 and May 31, 2026, respectively. Our inventories include finished goods and goods shipped in transit, which require us to manage our inventories effectively. We depend on our demand forecasts for various kinds of goods to make purchase decisions and to manage our inventories. Such demand, however, can change significantly between the time inventories are ordered and the date by which we hope to sell it. Demand may be affected by seasonality, new product launches, pricing and discounts, product defects, changes in consumer spending patterns, changes in consumer tastes and other factors, and our consumers may not purchase products in the quantities that we expect. In addition, as we develop and market a new product, we may not be successful in establishing stable and favorable supplier relationships or accurately forecasting demand. The acquisition of certain types of inventories may require significant lead time and prepayment and they may not be refundable.

Furthermore, as we plan to continue expanding our product offerings, we expect to include a wider variety of raw materials and food products in our inventory, which will make it more challenging for us to manage our inventory and logistics effectively. We cannot guarantee that our inventory levels will be able to meet the demands of consumers, which may adversely affect our sales. We also cannot guarantee that all of our inventory can be consumed within its shelf life. If we fail to manage our inventory effectively, we may be subject to a heightened risk of inventory obsolescence, a decline in inventory value, and significant inventory write-offs. Any of the above may materially and adversely affect our results of operations and financial condition. On the other hand, if we underestimate demand for our products, or if our suppliers fail to supply quality raw materials in a timely manner, we may experience inventory shortages, which might result in diminished brand loyalty and lost revenue, any of which could harm our results of operations, financial condition and liquidity.

We are subject to risks related to our overseas expansion, which may result in fluctuations of our business and results of operations.

We have expanded our presence beyond Chinese Mainland and plan to further expand into other overseas markets with a priority on the Southeast Asia market. The overseas markets in which we plan to enter in the future may have different competitive conditions, regulatory and compliance requirements, consumer tastes and discretionary spending patterns than the markets in Chinese Mainland. As a result, new stores to be opened in overseas markets may not be as successful as our stores opened in Chinese Mainland. Specifically, due to lower consumer familiarity with our brands in overseas markets, differences in consumer tastes or spending patterns or other reasons, store sales outside Chinese Mainland may take longer to, or may never, ramp up and reach expected sales and profit levels, thereby affecting our overall growth and profitability. To build brand awareness in overseas markets, we may need to make greater investments in advertising and promotional activity than we originally planned or than we need to for opening new stores in Chinese Mainland, which could negatively impact the profitability of our operations in those overseas markets.

In addition to the above, our overseas operations are also subject to additional inherent risks of conducting business abroad, such as:

- difficulty in finding qualified franchisees, suppliers and other business partners and maintaining relationships with these business partners for overseas operations;
- challenges, changes or uncertainties in navigating economic, legal, regulatory, social, political, religious and geopolitical complexities in these international markets, or international relations;
- interpretation and application of laws and regulations, including licensing, approvals, permits, tax, tariffs, labor, merchandise and privacy laws and regulations, as well costs and other burdens of complying with a wide variety of local laws and regulations;
- restrictive actions of governmental authorities affecting trade and foreign investment, including relevant measures such as export and customs duties and tariffs, government policies that affect dynamics of market competition and restrictions on the level of foreign ownership;
- the enforceability of intellectual property and contract rights under different legal systems;
- limitations on the repatriation of funds and foreign currency exchange restrictions due to current or new local regulations;
- challenges in recruiting and retaining high-quality employees in overseas markets;
- challenges in securing desirable locations for opening stores;
- difficulties in setting up and developing warehouse system and delivery network overseas;
- difficulties to effectively manage the supply chain, including but not limited to procurement, production, logistics, R&D and quality control, to meet the needs of new and existing stores on a timely basis;
- difficulties in developing and managing foreign operations, including ensuring the consistency of product quality and services, due to governmental regulations and actions, distance, language and cultural differences.

Any of the above factors could materially and adversely affect our ability to enter these new geographical markets. If we cannot successfully enter these new geographical markets or if there is a delay in our expansion in these markets, our business, financial condition and results of operations may be materially and adversely affected.

We may incur significant costs in connection with our marketing and promotional efforts, and if some marketing campaigns are not as effective as expected, our results of operations may be negatively impacted.

Our operating results are affected by our brand marketing efforts and advertising activities. To promote our brand recognition and increase our brand value, we had invested in our brands with comprehensive branding and marketing initiatives during the Track Record Period. See "Business — Branding and Marketing." In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, the selling and marketing expenses amounted to RMB77.0 million, RMB125.9 million, RMB136.9 million, RMB42.1 million and RMB66.0 million, respectively. Going forward, we will continue to adopt such strategies to enhance our reputation.

As marketing trends are evolving, we may continue to explore new sales channels to keep pace with industry developments and consumer preferences. With our continued efforts in this regard, our selling and marketing expenses may increase. However, our investment in selling and marketing may not yield the ideal results we expected. If any of the foregoing risks becomes materialized, our businesses and results of operations may be materially and adversely affected.

We may not be successful in promoting our membership program and our ability to track and analyze consumer and transaction data from such program may be limited.

We have launched our membership program through our mini programs. See "Business — Digitalization." There is no assurance that our membership program will be implemented successfully or remain sustainable, nor can we assure you that the program will be effective in retaining existing members or increase their repurchases. If any of the foregoing risks materializes, our business, financial condition and results of operations may be materially and adversely affected.

Any adverse publicity or heightened regulatory scrutiny, or any significant liability claims or consumer complaints involving our products, services or store operations may have a negative impact on our business, financial condition and results of operations.

Due to our large store network and ongoing business expansion, we may face intensified regulatory and public scrutiny, particularly regarding consumer protection and food safety issues, leading to additional legal and societal obligations. Any adverse report about our business, financial condition or results of operations — whether true or not — can tarnish our brand image, affect sales, and potentially lead to liability claims, litigation, or damages. Any negative publicity about the Chinese-style QSR industry in general, including negative publicity on food safety and quality, could also adversely affect our sales on a regional or national level. See "— Any failure by us, our franchisee, suppliers or other business partners to maintain the quality, safety and hygiene standards of our products could have a material and adverse effect on our reputation, financial condition and results of operations."

In addition, any significant liability claims or consumer complaints involving our products, services or stores operations, may have a negative impact on our business and results of operation. Any complaints or claims against us, even if meritless or unsuccessful, may divert management attention and other resources from our business and adversely affect our business and operations. Consumers may lose confidence in us and our brands, which may adversely affect our business and results of operations. Furthermore, adverse publicity including but not limited to negative online reviews on social media platforms, industry findings or negative public opinions about Chinese-style QSR, media reports related to food quality, safety, public health concerns, illness, injury or government, whether or not accurate, and whether or not concerning our products, can adversely affect our business, results of operations and reputation.

If we are not able to adequately protect our intellectual properties, or if we are not able to maintain the popularity of our IPs, our business will be materially and adversely affected.

The success of our business depends in part upon our continued ability to use our brands, trade names and trademarks to increase brand awareness and to further develop our products. The unauthorized reproduction of our trademarks could diminish the value of our brands and their market acceptance, competitive advantages or goodwill. There is no guarantee that these measures will be sufficient to prevent third-party infringements. Inadequate protection on our intellectual property rights could result in infringement or the loss of these rights and material and adverse impact on our business.

For example, our IP, Yuen Kee Dumpling (袁記雲餃), is critical to our business operations. The popularity and success of this IP depend on the consumers' interests, which evolve extremely quickly and can change dramatically from time to time. However, we cannot assure you that consumers will always be interested in and embrace our IP and the events we organize. In addition,

our success is also dependent on our ability to adequately protect our IP, which may be harmed by many factors, such as (i) unfavorable publicity or negative news regarding us or the creative content around our brand and IP, including the fan-made videos and other content; (ii) unauthorized use of the intellectual properties around our IP and brand by third parties; and (iii) falsified or unauthorized replica items that closely resemble our IP and brand. Furthermore, we may fail to register our key trademarks in overseas markets where we plan to expand, which could adversely affect our ability to protect our brand and operate our business in those markets.

We may be unable to detect, deter and prevent all instances of fraud or other misconduct committed by our employees or our franchisees, suppliers or other third parties.

Our business involves our employees, as well as franchisees, suppliers or other third parties. If any of them commit illegal actions or misconduct, our reputation and operation may be materially and adversely affected.

In the event that we become subject to claims caused by actions taken by our employees or our franchisees, third-party suppliers, service providers or other business partners, we may seek compensation from the relevant parties. However, such compensation may be inadequate to cover our actual losses. If no claim can be asserted against the relevant parties, or amounts that we claim cannot be fully recovered from such parties, we may be required to bear such losses and compensation at our own costs. This could have a material and adverse effect on our business, financial condition and results of operations.

Our commercial success depends on our ability to operate without infringing upon, misappropriating or otherwise violating the intellectual property rights of third parties.

We may be subject to legal proceedings and claims relating to the intellectual property rights of others in the future. There could also be existing intellectual property of which we are not aware that our products may inadvertently infringe. If we are found to have violated the intellectual property rights of others, we may be subject to liability for our infringement activities or may be prohibited from using such intellectual property, and we may incur licensing fees or be forced to develop alternatives of our own. In addition, we may incur significant expenses, and may be forced to divert management's time and other resources from our business and operations to defend against these infringement claims, regardless of their merits.

Counterfeit stores may significantly harm our reputation and brand image and divert potential consumers.

Our established brand recognition may attract imitators who operate counterfeit stores that utilize our trademarks and imitate our trademarks without our authorization. Counterfeit stores may divert potential consumers from our stores. More importantly, substandard products sold in counterfeit stores may significantly harm our reputation and brand image, including the perceived quality and reliability of our products. Any unauthorized use of our trademarks and imitation of our products could adversely affect our brand name and reputation, thereby causing a decline in our financial performance, reduction in our market share as well as an increase in the amount of resources we need to devote to detection and prosecution of unauthorized use of our trademarks or imitation of our products. We cannot assure you that our measures to crack down on counterfeit stores will provide effective prevention for unauthorized third-party use of our trademarks or imitation of our products which could adversely affect our reputation, results of operations and financial condition.

Any failure to comply with data security, cybersecurity and personal information protection laws could damage our reputation and we could suffer a loss of revenue, incur substantial additional costs and become subject to litigation and regulatory scrutiny.

During the ordinary course of our business, we receive certain necessary personal information, such as the personal information of our consumers as they become our members or place orders via our mini programs, which may include for example, membership card number and phone number. Therefore, we are subject to laws and regulations relating to the protection of personal information, cybersecurity and data security.

The interpretation and application of laws, regulations and standards on cybersecurity, data protection and privacy shall follow the then effective laws and regulations and are still evolving and subject to change that may affect us. We cannot assure you that our data security, cybersecurity and personal information protection measures are, and will be, always considered sufficient under applicable laws and regulations. See also "Regulatory Overview — Laws and Regulations on Cybersecurity, Data Security and Personal Information Protection" for details. In addition, laws, regulations and standards on data security, cybersecurity and personal information protection continue to develop and may vary from jurisdiction to jurisdiction. Complying with new and changing requirements may cause us to incur substantial costs or require us to change our business practices. Additionally, the integrity of our data security, cybersecurity and personal information protection measures is also subject to risks of systemic failure, interruption, inadequacy, security breaches or cyber-attacks. If we are unable to comply with the then applicable laws and regulations, or to address any data security, cybersecurity and privacy protection concerns, such actual or alleged failures could damage our reputation, impact our ability to manage digital operations and could subject us to significant legal, financial and operational consequences.

Our success depends on the continuing efforts of our key management and experienced and capable personnel as well as our ability to recruit new talents. If we fail to hire, train, retain or motivate our staff, our business and results of operations may suffer.

Our success is dependent upon the continuing services and performance of our key employees and senior management, as well as experienced and capable personnel generally. If one or more members of our key employees and senior management are not able or willing to continue to perform their current responsibilities, we may not be able to locate suitable replacements, and may incur additional expenses to recruit and train new staff, which could disrupt our business and growth. In addition, if any of our key employees and senior management joins a competitor or forms a competing business, we may lose trade secrets, technical know-how, key professionals and staff members.

Our growth also requires us to hire, train and retain a wide range of talents who can adapt to a dynamic, competitive and challenging business environment and are capable of helping us conduct effective marketing, develop new products and enhance technological capabilities. We may need to offer attractive compensation and other benefit packages, including share-based compensation, to attract and retain them. We also need to provide our employees with sufficient training to help them realize their career development goals and grow with us. Any failure to attract, train, retain or motivate key employees and senior management, as well as experienced and capable personnel, could adversely affect our business, financial condition and results of operations.

We and our franchisees are subject to risks in relation to leased properties.

We and our franchisees may be subject to a number of risks in relation to the leased properties in the ordinary course of the businesses, including but not limited to the following:

We and our franchisees may not be able to renew existing lease agreements at reasonable commercial terms, especially for stores in locations with a high volume of consumer traffic. We and our franchisees may also be exposed to risks of unexpected early lease termination at the request

of the lessors or other reasons out of our control, which may result in store closures if we and our franchisees are not able to identify suitable alternative premises on acceptable terms to relocate in a timely manner. Our or our franchisees' profitability may be materially and adversely affected by any substantial increase or fluctuation in the local rental prices of regions or countries where we have established business presence. As of May 31, 2026, we leased 48 properties in China with an aggregate floor area of 78,978.34 square meters from third parties, among which (i) the lessors for 13 properties had not provided to us the title certificates or authorizations from the property owners for the lessors to sublease the properties, and these 13 lease agreements have not been registered and filed with the relevant government authorities in the PRC; (ii) the lease agreements for 29 leased properties have not been registered and filed with the relevant land and real estate administration bureaus in the PRC; and (iii) the lease agreements for five leased properties had usage inconsistencies against the titles' indicated usage. See "Business — Properties — Leased Properties."

Due to the above reasons, we and our franchisees may need to find alternative locations for our stores with equal or similar commercial attractiveness as the original locations, and at commercially reasonable terms in a timely manner. Failure to do so would have a material and adverse impact on the operation of such stores and our results of operations.

We may be subject to liability for placing advertisements with content that is deemed inappropriate or misleading under the relevant laws and regulations.

We pursue an integrated marketing communications strategy anchored in digital channels and supported by targeted offline campaigns. Laws and regulations in the Chinese Mainland or other markets where we operate may prohibit companies from producing, distributing or publishing any advertisement that contravenes applicable legal requirements. We cannot assure you that the promotional content created by us or our advertising service providers will not be perceived as false or misleading. Furthermore, we may be subject to claims by consumers misled by information in our advertisements. We may not be able to recover our losses from advertisers by enforcing the indemnification provisions in the contracts, which may result us in diverting management's time and other resources from our business and operations to defend against these infringement claims. As a result, our business, financial condition and results of operations could be materially and adversely affected.

We, our Directors, management, franchisees and employees may not always succeed in defending against litigation, regulatory investigations and proceedings, including claims related to food safety, commercial issues, labor, employment, antitrust or securities matters.

We face potential liabilities, legal claim expenses and regulatory risks due to the nature of our business. For example, consumers might file legal claims against us related to personal injuries from food poisoning or tampering incidents. The focus on consumer protection has intensified in recent years, with the relevant governments, media entities and public advocacy groups playing a pivotal role. The offering of defective products by our stores may expose us to liabilities associated with consumer protection laws. We may be generally responsible for compensation for consumers' loss even if the contamination of food products is not caused by us. Therefore, we may also be held liable if our employees, franchisees, suppliers or other business partners fail to comply with applicable food-safety related rules and regulations. While we can seek indemnification from the responsible parties afterwards, the indemnification may not be sufficient and our reputation could still be adversely affected. In addition, there is no guarantee that we, our Directors, management, franchisees and employees will not face litigation, regulatory investigations and other proceedings in the future. These matters, which can relate to food safety, commercial issues, labor, employment, antitrust or securities, could adversely affect our reputation and results of operations.

After we become a publicly [**REDACTED**] company, we may face additional exposure to claims and lawsuits. These claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be forced to pay substantial damages if we are unsuccessful in defending against these claims, which could harm our business, financial condition and results of operations.

We and our stores require various approvals, licenses and permits to operate our business and the failure to obtain or renew any or all of these approvals, licenses and permits could materially and adversely affect our business and results of operations.

We primarily operate our business in China. In accordance with PRC laws and regulations, we and our franchisees are required to maintain various approvals, licenses and permits to operate business and stores in the PRC, respectively. These approvals, licenses and permits are granted upon satisfactory compliance with the applicable laws and regulations. They are also subject to examinations or verifications by relevant authorities and some of them are valid only for a fixed period subject to renewal and accreditation.

We and our franchisees may experience difficulties, delays or failures in obtaining the necessary approvals, licenses and permits for new stores. In addition, there can be no assurance that we or our franchisees will be able to obtain or renew all of the approvals, licenses and permits required for existing business operations promptly or at all. If any of these occurs, our ongoing business could be interrupted, and our expansion plan may be delayed.

Complying with government regulations may require substantial expenses, and any non-compliance may expose us to liability. In case of any non-compliance, we may have to incur significant expenses and divert substantial management time and resources to resolve any deficiencies. We may also experience negative publicity arising from such deficiencies, which may materially and adversely affect our financial condition and business prospects. Meanwhile, pursuant to the franchise agreements between our franchisees and us, our franchisees are responsible for the validity and effectiveness of the required licenses and permits for operating their franchised stores, and the franchisees shall bear any liabilities arising from non-compliance in this regard as well as compensate us for any consequential damages. However, if a material number of franchised stores are subject to such non-compliance, our business operations may be disrupted, and our financial condition and results of operations may be adversely impacted as a result.

We face risks in connection with third-party payment arrangements.

During the Track Record Period, some of our franchisees (individually or collectively, the "Relevant Franchisee(s)") settled their payments with our Group through accounts of third-party payors designated by these Relevant Franchisees, such as their employees, friends, business partners and other family members, at their requests (the "Third-Party Payment Arrangement(s)"). As confirmed by CIC, it is not uncommon for franchisees to use third-party payors to settle corporate transactions with their suppliers due to convenience and flexibility. In 2023, 2024 and 2025, a total number of 767, 379 and 284 Relevant Franchisees utilized the Third-Party Payment Arrangements to settle payments with us, respectively. During the same periods, the aggregate amount of payments from their designated third-party payors was RMB437.8 million, RMB245.5 million and RMB153.2 million, respectively, representing approximately 21.6%, 9.6% and 5.5% of our total revenue. Throughout the Track Record Period, no individual Relevant Franchisee made material contribution to our Group's revenue. See "Business — Customers — Third-party payment arrangements" for more details. As of December 1, 2025, our Group had ceased all the Third-Party Payment arrangements.

We face various risks associated with the Third-Party Payment Arrangements during the Track Record Period, including (i) possible claims from third-party payors seeking the return of funds as they were not contractually indebted to us, (ii) potential claims from liquidators of such thirdparty

payors, and (iii) potential money laundering risks due to our limited knowledge about the source and purpose of funds used by third-party payors. In case of claims or legal proceedings, whether civil or criminal, demanding payment return or alleging violation of laws, we would need to allocate significant financial and managerial resources for defense. Compliance with court rulings may result in returning payment for products and services sold to franchisees, which may materially and adversely affect our business, results of operations and financial conditions.

The insurance policies we have might not offer sufficient coverage for all risks related to our business operations.

We purchase and maintain insurance policies that we believe are customary for businesses of our size and type and as required under the relevant laws and regulations. See "Business — Insurance." However, we cannot guarantee that our insurance policies will provide adequate coverage for all the risks in connection with our business operations, nor can we assure you that our franchisees will adhere to our requirements regarding insurance coverage. Consistent with customary practice in our industry, we do not carry specific business interruption or litigation insurance. If we incur substantial losses and liabilities that are outside the scope of our insurance coverage, we could suffer significant costs and diversion of our resources and could be required to bear the losses to the extent that our insurance coverage is insufficient, which could have a material and adverse effect on our financial conditions and results of operations.

We may be subject to additional contributions of social insurance and housing provident funds and late payments and fines imposed by relevant governmental authorities.

Pursuant to relevant PRC laws and regulations, employers are obligated to directly and duly contribute to the social insurance and housing provident funds for their employees. During the Track Record Period, we had not made adequate social insurance and housing provident funds for our employees in accordance with the relevant PRC laws and regulations. According to the applicable laws and regulations, the competent government authorities may demand us to take rectification measures. If we fail to take the measures as demanded, we may be subject to fines.

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), for the shortfall of social insurance, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period and to pay a daily overdue charge of 0.05% of the delayed payment amount, and (ii) to pay a fine of one to three times of the overdue amount if such payment is not made within the stipulated period. Under the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》), for the shortfall of housing provident funds, we may be subject to the following legal consequences: (i) to compensate for the shortfall within a prescribed period, and (ii) an application may be made to the courts for compulsory enforcement if the payment is not made within such time limit.

During the Track Record Period and up to the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for the shortfalls in a centralized way with respect to social insurance and housing provident funds or imposing any administrative penalties on us with respect to our social insurance and housing provident fund contributions, nor were we aware of any material employee complaints or involved in any material labor disputes with our employees with respect to social insurance and housing provident funds. See "Business — Legal Proceedings and Non-compliance — Social Insurance and Housing Provident Funds". However, we cannot assure you that the relevant governmental authorities will not require us to pay the shortfall amount and impose late fees or fines, pecuniary penalties or other administrative actions on us. If we are otherwise subject to investigations related to such incidents related to labor laws and are imposed severe penalties or incur significant legal fees in connection with labor law disputes or investigations, our results of operations, financial performance and business prospects may be adversely affected.

Our business operations are subject to a variety of environmental protection, health, fire safety and other safety laws and regulations.

We and our franchisees are subject to a variety of laws and regulations relating to environmental protection, health, fire safety and other safety. Compliance with existing and future environmental protection, health, fire safety and other safety laws could subject us to costs or liabilities, which may result in significant capital expenditure including monetary damages and fines, impact our production capabilities, result in suspension of our business operations and impact our financial performance. We currently do not carry any insurance relating to environmental protection. If we are held liable for damages in the event of any pollution, injury or other violation of applicable environmental protection, health, fire safety or other safety laws, we may also be subject to adverse publicity and our financial condition and results of operations could be materially and adversely affected.

Further, there is no assurance that the regulators will not impose additional or more stringent laws or regulations on environmental protection or otherwise related to our business in the future, the compliance of which may require us to incur significant capital expenditure. For example, with the increase in environmental awareness, we may need to comply with more stringent environmental protection regulations on various aspects of our operations such as the use of packages, which may increase our environmental protection compliance cost.

We require a significant amount of capital to fund our operations and respond to business opportunities. If we cannot obtain sufficient capital on acceptable terms, our business, financial condition and prospects may be materially and adversely affected.

We may require cash resources in addition to cash generated from operating activities to finance our continued growth or other future developments. We may need to seek additional financing which we may not be able to obtain on terms acceptable to us, or at all. In addition, our ability to raise additional funds in the future is subject to a variety of uncertainties, including, but not limited to:

- our future financial conditions, results of operations and cash flows;
- general market conditions for capital raising and debt or equity financing activities; and
- general economic, political and other conditions.

Furthermore, if we raise additional funds through equity or equity-linked financings, your equity interest in us may be diluted. Alternatively, if we raise additional funds by incurring debt obligations, we may be subject to various covenants under the relevant debt instruments that may, among other things, restrict our ability to pay dividends or obtain additional financing. If we cannot obtain sufficient capital on acceptable terms, our financial performance and business prospects may be materially and adversely affected.

We may make acquisitions, establish joint ventures and conduct other strategic investments, which may not be successful.

To expand our business and strengthen our market position, we may seek to invest in other business upstream in our value chain by forming strategic alliances or making strategic investments and acquisitions. We have not identified any material acquisition or investment target as of the Latest Practicable Date. Acquisitions involve numerous risks, including (i) difficulties in integrating the brands, businesses, goodwill, assets and personnel of the acquired companies, distraction of management from overseeing our existing operations, (ii) difficulties in executing new business initiatives, entering markets or lines of business in which we do not have or have limited direct prior experience, (iii) the possible loss of key employees and consumers, (iv) difficulties in arriving at an accurate and fair valuations, (v) the possibility that we may be unable

to realize the anticipated benefits, synergies, cost savings and efficiencies and (vi) difficulties in achieving the synergies we anticipated or levels of revenue, profitability, productivity or other benefits we expected. These transactions may also result in a significant increase in our interest expense, leverage and debt service requirements if we incur additional debt to finance an acquisition or investment, issue common stock that would dilute our current shareholders' percentage ownership, or incur asset write-offs and restructuring costs and other related expenses. Acquisitions, joint ventures and strategic investments involve numerous other risks, including potential exposure to unknown liabilities of acquired or invested companies. No assurance can be given that our acquisitions, joint ventures and other strategic investments will be successful and will not materially adversely affect our business, financial condition or results of operations.

The determination of the fair value of our financial investments measured at fair value through profit or loss could adversely affect our financial performance.

We measure certain of our financial investments at fair value through profit or loss. For the years ended December 31, 2023, 2024 and 2025 and the five months ended May 31, 2025 and 2026, we recorded fair value gains on such financial investments of RMB0.6 million, RMB0.9 million, RMB9.8 million, RMB2.8 million and RMB26.2 million, respectively. Any future changes in the fair value of these financial investments may continue to affect our results of operations and financial condition. The determination of the fair value of our financial investments involves the application of valuation methodologies and significant management judgment. Certain fair value measurements are determined using significant unobservable inputs, particularly in respect of our unlisted equity investments. The use of such unobservable inputs requires us to make assumptions and estimates that are inherently uncertain and may be subject to material changes. Various factors beyond our control, including changes in general economic conditions, market conditions, interest rates and the stability of capital markets, may affect the assumptions and estimates used in our valuation models. Accordingly, the fair value of our financial investments may differ materially from the amounts recorded in our financial statements, and any changes in such fair values could materially and adversely affect our results of operations and financial condition.

We are exposed to credit risks associated with our trade receivables, and any deterioration in the collectability of our trade receivables could adversely affect our financial condition and results of operations.

We extend credit terms to certain customers and therefore are exposed to the risk that such customers may delay payment or fail to settle their outstanding balances. Our trade receivables amounted to RMB25.8 million, RMB50.1 million, RMB67.0 million and RMB65.1 million as of December 31, 2023, 2024 and 2025 and May 31, 2026, respectively. Our trade receivables turnover days increased from 2.8 days in 2023 to 5.3 days in 2024 and further to 7.5 days in 2025 and 7.6 days in the five months ended May 31, 2026. Although our trade receivables turnover days remained at a relatively low level during the Track Record Period and we believe the credit risk associated with our trade receivables is generally manageable, we cannot assure you that our customers will continue to settle their outstanding balances in a timely manner, or at all. We seek to maintain strict control over our outstanding trade receivables and regularly monitor their recoverability. However, if any of our customers delay payment or fail to fulfil their payment obligations due to financial difficulties, liquidity constraints or other factors, we may incur impairment losses and experience longer trade receivables turnover days, which could materially and adversely affect our liquidity, financial condition and results of operations.

Extreme weather conditions, natural disasters, pandemics, other natural conditions and other unexpected events may create substantial volatility in our business and results of operations.

Our business operations are vulnerable to extreme weather conditions such as windstorms, hailstorms, drought, temperature extremes and typhoons, natural disasters such as earthquakes, forest fires and floods, and other events that may affect our supplies. Our business is also dependent on proper warehousing and prompt delivery and transportation of products to our stores. Raw

materials and food products may deteriorate due to malfunctioning of refrigeration facilities caused by power failures and other events. Certain events, such as adverse weather conditions, natural disasters, severe traffic accidents and delays and labor strikes, could also lead to delayed or lost deliveries of products to our stores.

In addition, fires, floods, earthquakes and terrorist attacks may lead to evacuations and other disruptions in our operations, which may also prevent our stores from providing products and services to consumers, thereby affecting our business and damaging our reputation. Any such event could materially and adversely affect our business operations and results of operations. In addition, pandemics may also cause a volatility for our business and results of operations. These events are beyond our control, and we cannot assure you that similar events will not happen in the future. Our future responses to these events and other preventative measures may not always be effective.

RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Failure to respond to development in the economic conditions or government policies in the jurisdictions where we operate could have a material impact on our business, financial condition and results of operations.

Our results of operations, financial condition and prospects are subject to economic, political, social and legal developments in the jurisdictions that we operate in. Uncertainties in the global economy and the political environment around the world would continuously affect the local economic growth.

We primarily operate our business in Chinese Mainland. During the past few decades, the PRC government has taken various actions to promote market economy and the establishment of sound corporate governance in business entities. The PRC government regulates the economy and the industries through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing favorable treatments to particular industries or companies. The aforementioned adjustments are beneficial to China's economy in general, but may have impact on our business, financial condition, results of operations and prospects. It may be difficult for us to predict all the risks that we could face as a result of the current economic, political, social and regulatory development and many of these risks are beyond our control. Failure to respond to such development and risks could materially affect our business operations and financial performance.

Our overseas operations are subject to various risks, including differences in local laws and regulations, labour and employment requirements, food safety standards, tax regimes and licensing procedures, as well as potentially higher operating and compliance costs. We may also face challenges in adapting our products and operating practices to local supply chain conditions and competitive landscapes. In addition, our overseas operations expose us to geopolitical or macroeconomic uncertainties, which could adversely affect our operating results in these markets.

Uncertainties embedded in the legal systems of certain geographic markets where we operate could affect our business, financial condition and results of operations.

Legal systems of the geographic markets where we operate vary significantly from jurisdiction to jurisdiction. Some jurisdictions have a civil law system based on written statutes and others are based on common law. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value.

The legal systems of some geographic markets where we operate are evolving. Laws and regulations that are recently enacted may not sufficiently cover all aspects of economic activities in such markets. In particular, the interpretation and enforcement of these laws and regulations may be subject to future implementations, and the application of some of these laws and regulations to

our businesses may need further clarification. Since local administrative and court authorities are authorized to interpret and implement statutory provisions and contractual terms. Local courts may have discretion to reject enforcement of foreign awards or arbitration awards which may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or claims.

Furthermore, there are other circumstances where key regulatory definitions may not be entirely precise or clear, or where interpretations that are adopted by regulators are inconsistent with interpretations adopted by a court in analogous cases. As a result, we may not be aware of our violation of certain policies or rules until sometime after the violation. In addition, administrative and court proceedings in certain of our geographic markets may be protracted, resulting in substantial costs and diversion of resources and management attention.

It is possible that a number of laws and regulations may be adopted or construed to be applicable to us in our geographic markets and elsewhere that could affect our businesses and operations. Scrutiny and regulations of the industries in which we operate may further increase, and we may be required to devote additional legal and other resources to addressing these regulations. Changes in current laws or regulations or the imposition of new laws and regulations in our geographic markets may slow the growth of our industries and affect our business, financial condition and results of operations.

We may be subject to additional regulatory requirements under new laws and regulations on overseas offerings and listings issued by PRC government authorities.

On July 6, 2021, the relevant PRC government authorities issued the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊 證券違法活動的意見》). These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On February 24, 2023, the CSRC, the MOF, the National Administration of State Secrets Protection of China, and the National Archives Administration of China published the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (《關於加強境內企業境外發行證券和 上市相關保密和檔案管理工作的規定》) (the "Archives Rules"), which came into effect on March 31, 2023. The Archives Rules require that, in relation to the overseas securities offering and listing activities of domestic enterprises, either in direct or indirect form, such domestic enterprises, as well as securities companies and securities service institutions providing relevant securities services, are required to strictly comply with relevant requirements on confidentiality and archives management, establish a sound confidentiality and archives system, and take necessary measures to implement their confidentiality and archives management responsibilities. The interpretation and implementation of the Archives Rules may keep evolving, failure to comply with which may materially affect our business, results of operations or financial conditions.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against us and our Directors and management.

We are a company incorporated under the laws of the PRC and the majority of our assets and subsidiaries are located in the PRC. Most of our Directors and senior management reside within the PRC. The assets of these Directors and senior management are also mostly located within the PRC. As a result, it may be difficult and time-consuming to effect service of process upon most of our Directors and senior management outside the PRC. In addition, investors may also experience difficulties in enforcing judgements due to lack of reciprocal recognition and enforcement of judicial rulings and awards of other jurisdictions.

The holders of H Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Hong Kong Takeovers Code do not have the force of law in Hong Kong SAR.

We are subject to the currency exchange regulatory system.

The conversion of Renminbi is subject to applicable laws and regulations in the PRC. It cannot be guaranteed that under a certain exchange rate, we will have sufficient foreign exchange to meet our foreign exchange requirements. Under the current PRC foreign exchange regulatory system, foreign exchange transactions under the current account conducted by us, including the payment of dividends, do not require advance approval from the SAFE, but we are required to present documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business.

Under existing foreign exchange regulations, following the completion of the [**REDACTED**], we will be able to pay dividends in foreign currencies without prior approval from the SAFE by complying with certain procedural requirements. However, there is no assurance that these foreign exchange policies regarding payment of dividends in foreign currencies will continue in the future. In addition, any insufficiency of foreign exchange may restrict our ability to pay dividend to shareholders or to satisfy any other foreign exchange requirements, capitalize our capital expenditure plans, and even our results of operations, financial performance and business prospects may be affected.

Our operations are subject to PRC tax laws and regulations.

We are subject to periodic examinations on fulfillment of our tax obligation under the PRC tax laws and regulations by PRC tax authorities. The PRC tax laws and regulations might be subject to interpretations and adjustments by relevant authorities from time to time. We cannot assure you that future examinations by PRC tax authorities would not result in fines, other penalties or actions that could materially and adversely affect our results of operations, financial performance and business prospects.

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

Under the current PRC tax laws and regulations, non-PRC resident individuals and non-PRC resident enterprises are subject to different tax obligations with respect to the dividends paid to them by us and the gains realized upon the sale or other disposition of H Shares.

Non-PRC resident individuals are required to pay PRC individual income tax at a 20% rate for the income derived in China under the IIT Law and its implementation guidelines. Accordingly, we are required to withhold such tax from dividend payments, unless applicable tax treaties between China and the jurisdiction in which the foreign individual resides reduce or provide an exemption for the relevant tax obligations. However, pursuant to the Circular on Certain Policy Questions Concerning Individual Income Tax (《財政部、國家稅務總局關於個 人所得稅若干政策問題的通知》) (Cai Shui Zi [1994] No. 020) issued by the MOF and SAT on May 13, 1994, the income gained by individual foreigners from dividends and bonuses of enterprises with foreign investment are exempted from individual income tax for the time being. In addition, under the IIT Law and its implementation regulations, non-PRC resident individual holders of H Shares are subject to individual income tax at a rate of 20% on gains realized upon the sale or other disposition of H Shares. However, pursuant to the Circular of Declaring that Individual Income Tax Continues to be Exempted over Income of Individuals from the Transfer of Shares (《關於個人轉讓股票所得繼續暫免徵收個人所得稅的通知》) (Cai Shui Zi [1998] No. 61) issued by the MOF and the SAT on March 30, 1998, from January 1, 1997, the income of individuals from the transfer of the shares of listed enterprises continues to be exempted from individual income tax.

As of the Latest Practicable Date, no aforesaid provisions has expressly provided that individual income tax shall be levied on non-PRC resident individual holders on the transfer of shares in PRC resident enterprises listed on overseas stock exchanges, and to our knowledge, no such individual income tax was levied by PRC tax authorities in practice. However, there is no assurance that the PRC tax authorities will not change these practices which could result in levying income tax on non-PRC resident individual holders on gains from the sale of H Shares.

For non-PRC resident enterprises that do not have establishments or premises in China, and for those that have establishments or premises in China but whose income is not related to such establishments or premises, under the EIT Law and its implementation regulations, dividends paid by us and gains realized by such foreign enterprises upon the sale or other disposition of H Shares are subject to PRC EIT at a 10% rate. In accordance with the Circular on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) (Guo Shui Han [2008] No. 897) issued by SAT on November 6, 2008, the withholding tax rate for dividends payable to non-PRC resident enterprise holders of H Shares will be 10% and we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including [**REDACTED**] Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty or arrangement will be required to apply to the PRC tax authorities for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the PRC tax authorities' approval.

Despite the arrangements mentioned above, the applicable PRC tax laws and regulations, as well as the interpretation and application of existing applicable PRC tax laws and regulations may be evolving and subject to change. New taxes may be imposed which may materially and adversely affect the value of your investment in our H Shares.

RISKS RELATING TO THE [REDACTED]

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

Prior to the completion of the [**REDACTED**], there has been no public market for our H Shares. There can be no guarantee that an active [**REDACTED**] market for our H Shares will develop or be sustained after the completion of the [**REDACTED**]. The [**REDACTED**] is the result of negotiations between our Company and the [**REDACTED**] (for themselves and on behalf of the [**REDACTED**]), which may not be indicative of the price at which our H Shares will be [**REDACTED**] following the completion of the [**REDACTED**]. The market price of our H Shares may drop below the [**REDACTED**] at any time after completion of the [**REDACTED**].

The [REDACTED] price of our H Shares may be volatile, which could result in substantial losses to you.

The [**REDACTED**] price of our H Shares may be volatile and could fluctuate widely in response to factors beyond our control. In particular, the performance and fluctuation of the market prices of other companies with business operations located mainly in Chinese Mainland that have [**REDACTED**] their securities in Hong Kong may affect the volatility in the price of and [**REDACTED**] volumes for our H Shares. A number of Chinese Mainland-based companies have listed their securities, and some are in the process of preparing for [**REDACTED**] their securities, in Hong Kong. The share price of some of these companies have experienced significant volatility, including significant price declines after their [**REDACTED**]. The [**REDACTED**] performances of the securities of these companies at the time of or after their [**REDACTED**] may affect the overall investor sentiment towards Chinese Mainland-based companies [**REDACTED**] in Hong Kong and consequently may impact the [**REDACTED**] performance of our H Shares. Pursuant to the applicable PRC law, within one year following the [**REDACTED**], all existing Shareholders (including the

Pre-[**REDACTED**] Investors) could not dispose of any of the Shares held by them. Due to such lock-up requirement, the liquidity and [**REDACTED**] volume of the H Shares in the short term following the [**REDACTED**] may be significantly affected. These factors may significantly affect the market price and volatility of our H Shares, regardless of our actual operating performance.

Future sales or perceived sales of substantial amounts of our Shares in the public market could negatively affect the price of our Shares and our ability to raise additional capital in the future.

The [**REDACTED**] price of our H Shares could decline as a result of future sales of a substantial number of our H Shares or other securities relating to our H Shares in the [**REDACTED**] market, the issuance of new shares or other securities, or the perception that such sales or issuances may occur. Future sales, or perceived sales, of substantial amounts of our securities, including any future [**REDACTED**], could also materially and adversely affect our ability to raise capital at a specific time and on terms favorable to us. In addition, our Shareholders may experience dilution in their holdings if we issue more securities in the future. New shares or shares-linked securities issued by us may also confer rights and privileges that take priority over those conferred by the H Shares.

You will incur immediate and substantial dilution and may experience further dilution if we issue additional Shares in the future.

The [**REDACTED**] of the [**REDACTED**] is higher than the net tangible asset value per Share immediately prior to the [**REDACTED**]. Therefore, purchasers of the [**REDACTED**] in the [**REDACTED**] will experience an immediate dilution in [**REDACTED**] consolidated net tangible asset value. To expand our business, we may consider [**REDACTED**] and issuing additional shares in the future. Purchasers of the [**REDACTED**] may experience dilution in the net tangible asset value per Share of their Shares if we issue additional shares in the future at a price that is lower than the net tangible asset value per Share at that time.

Our Controlling Shareholders have significant influence over us and their interests may not always be aligned with the interest of our other Shareholders.

Immediately upon the completion of the [**REDACTED**], without taking into account any Shares which may be issued pursuant to the exercise of the [**REDACTED**], our Controlling Shareholders will control [**REDACTED**]% of our total issued share capital. Our Controlling Shareholders will, through their voting power at the Shareholders' meetings and their delegates or positions on the Board, have significant influence over our business and affairs, including decisions in respect of mergers or other business combinations, acquisition or disposition of assets, issuance of additional Shares or other equity securities, timing and amount of dividend payments, and our management. Our Controlling Shareholders may not act in the best interests of our minority Shareholders. In addition, without the approval of our Controlling Shareholders, we could be prevented from entering into transactions that could be beneficial to us. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could deprive our Shareholders of an opportunity to receive a premium for the Shares as a part of a sale of our Company and may significantly reduce the price of our H Shares.

Our payment of dividends is subject to restrictions under applicable laws and regulations.

Our payment of dividends is subject to restrictions under applicable laws and regulations. For example, under the current PRC law, dividends may be paid only out of accumulated after-tax profits, if any, determined in accordance with PRC accounting standards and regulations. Moreover, we and each of our PRC subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserves, except where such reserve has reached 50% of its registered capital. These reserves are not distributable as cash dividends. In addition, in the future, if any of our subsidiaries incurs debt on its own behalf, the instruments governing the debt may

impose restrictions on its ability to pay dividends or other payments to our Company. The inability of our subsidiaries to distribute dividends or other payments to our Company could significantly affect the amount of liquidity available to supply the development and growth of our business.

Forward-looking statements contained in this document are subject to risks and uncertainties.

This document contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate", "believe", "could", "going forward", "intend", "plan", "project", "seek", "expect", "may", "ought to", "should", "would" or "will" and similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this document should not be regarded as representations or warranties by us that our plans and objectives will be achieved, and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to update or otherwise revise the forward-looking statements in this document to the public, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

Certain statistics contained in this document are derived from a third-party report and publicly available official sources.

This document, particularly the section headed "Industry Overview", contains information and statistics relating to the Chinese-style QSR industry in China and internationally. Such information and statistics have been derived from various official governments and other publications and from a third-party report commissioned by us. However, we cannot guarantee the quality or reliability of information and statistics from official government sources. The information from official government sources has not been independently verified by us, the Joint Sponsors, the [**REDACTED**], any of our or their respective directors, officers or representatives or any other parties involved in the [**REDACTED**] and no representation is given as to their accuracy. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the [REDACTED].

We strongly caution you not to rely on any information contained in press articles or other media regarding us and the [**REDACTED**]. Prior to the publication of this document, there has been press and media coverage regarding us, our business, our industry and the [**REDACTED**]. There may be additional press and media coverage regarding us, our business, our industry and the [**REDACTED**] subsequent to the date of this document but prior to the completion of the [**REDACTED**] ("**Such information**"). Press and media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. None of us or any other person involved in the [**REDACTED**] has authorized the disclosure of any such information in the press or media coverage and none of us accepts any responsibility for any such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it, and you should not rely on such information.

In preparation of the [**REDACTED**], we have sought the following waivers from strict compliance with certain provisions of the Listing Rules.

WAIVER IN RELATION TO MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Listing Rules further provides that the requirement in Rule 8.12 may be waived by having regard to, among other considerations, the applicant's arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

Given that (i) our core business operations are principally located, managed and conducted in the PRC under the supervision of executive Directors and senior management; and (ii) our executive Directors and senior management principally reside in the PRC, our Company considers that it would be more practical for the executive Directors and senior management of our Company to remain ordinarily resident in the PRC where our Group has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, pursuant to Rule 19A.15 of the Listing Rules, we have applied to the Stock Exchange for, [and the Stock Exchange has granted us], a waiver from strict compliance with Rules 8.12 and 19A.15 of the Listing Rules subject to the following conditions:

(a) We have appointed Mr. Yuan and Ms. Cao Shan (曹鈁) ("**Ms. Cao**") as the authorized representatives (the "**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Each of Mr. Yuan and Ms. Cao ordinarily resides in Chinese Mainland, and possesses valid travel documents and is able to renew such travel documents when they expire in order to visit Hong Kong. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. See the section headed "Directors and Senior Management" in this document for more information about our Authorized Representatives;

(b) To facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details of our Directors (i.e. mobile phone number, office phone number, email address and fax number (as applicable)). In the event that any of our Director expects to travel or otherwise be out of office, he or she will provide the phone number of the place of his/her accommodation to the Authorized Representatives, so that the Authorized Representatives would be able to contact all our Directors (including the proposed independent non-executive Directors) promptly at all times if and when the Hong Kong Stock Exchange wishes to contact our Directors. To the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after requested by the Stock Exchange; and

(c) we have appointed Maxa Capital Limited as our compliance advisor (the "**Compliance Advisor**") in compliance with Rules 3A.19 and 19A.05 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as additional channel of communication of our Company with the Stock Exchange during the period from the [**REDACTED**] to the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year immediately after the [**REDACTED**]. The Compliance Advisor will be available to answer enquiries from the Stock Exchange and will act as an additional channel of communication with the Stock Exchange when the Authorized Representatives are not available.

WAIVER IN RELATION TO JOINT COMPANY SECRETARIES

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

(a) a member of The Hong Kong Chartered Governance Institute;

(b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong)); and

(c) a certified public accountant (as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)).

In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing "relevant experience", the Stock Exchange will consider the individual's:

(a) length of employment with the issuer and other issuers and the roles they played;

(b) familiarity with the Listing Rules and other relevant laws and regulations including the Securities and Futures Ordinance, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;

(c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and

(d) professional qualifications in other jurisdictions.

We have appointed Ms. Cao Shan (曹鈁) ("**Ms. Cao**") as one of the joint company secretaries of our Company. Ms. Cao currently serves as the secretary of the Board and has substantial experience in handling corporate governance, information disclosure and investor relationship management of our Group but personally does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules and may not be able to solely fulfill the requirements of the Listing Rules. Therefore, our Company has appointed Mr. Yau Tsz Lun (游子麟) ("**Mr. Yau**"), a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries and to provide assistance to Ms. Cao for an initial period of three years from the [**REDACTED**] to enable Ms. Cao to acquire the "relevant experience" under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set forth under

Rules 3.28 and 8.17 of the Listing Rules. See "Directors and Senior Management" in this document for further biographical details of Ms. Cao and Mr. Yau. The following arrangements have been, or will be, put in place to assist Ms. Cao in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Listing Rules:

(a) Ms. Cao will attend relevant training courses, including briefings on the latest changes to the relevant applicable Hong Kong laws and regulations and the Listing Rules which will be organized by our Company's Hong Kong legal advisors on an invitation basis and seminars organized by the Stock Exchange for [**REDACTED**] issuers from time to time;

(b) Both Ms. Cao and Mr. Yau have confirmed that each of them will be attending a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations as well as the functions and duties of the company secretary of a Hong Kong [**REDACTED**] issuer during each financial year as required under Rule 3.29 of the Listing Rules;

(c) Mr. Yau will assist Ms. Cao to enable her to acquire the relevant experience (as required under Rule 3.28 of the Listing Rules) to discharge the duties and responsibilities as the company secretary of our Company;

(d) Mr. Yau will communicate regularly with Ms. Cao on matters relating to corporate governance, the Listing Rules and any other laws and regulations which are relevant to our Company and its affairs. Mr. Yau will work closely with, and provide assistance to, Ms. Cao in the discharge of her duties as a company secretary, including organizing our Company's Board meetings and Shareholders' general meetings;

(e) Prior to the expiry of Ms. Cao's initial term of appointment as the company secretary of our Company, we will evaluate her experience in order to determine if she has acquired the qualifications required under Rules 3.28 of the Listing Rules, and whether on-going assistance should be arranged so that Ms. Cao's appointment as the company secretary of our Company continues to satisfy the requirements under Rules 3.28 and 8.17 of the Listing Rules; and

(f) The Company has appointed Maxa Capital Limited as its Compliance Advisor pursuant to Rules 3A.19 and 19A.05 of the Listing Rules which will act as the additional communication channel with the Stock Exchange (for a period commencing on the [**REDACTED**] and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year after the [**REDACTED**], or until the engagement is terminated, whichever is earlier) and provide professional guidance and advice to the Company (including Ms. Cao) as to the compliance with the Listing Rules and all other applicable laws and regulations.

Accordingly, we have applied to the Stock Exchange for, [and the Stock Exchange has granted us], a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules. Such waiver will be revoked immediately if and when (i) Ms. Cao ceases to be assisted by a person with qualifications under Rules 3.28 and 8.17 of the Listing Rules, or (ii) if there are material breaches of the Listing Rules by us. We will liaise with the Stock Exchange before the end of the three-year period to enable it to assess whether Ms. Cao, having had the benefit of Mr. Yau's assistance for three years, will have acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RELATION TO NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions after the [**REDACTED**] which will constitute non-exempt continuing connected transactions (subject to reporting, annual review, announcement, circular and independent Shareholders' approval requirements) under Chapter 14A of Listing Rules. Accordingly, we have applied for, and the Hong Kong Stock Exchange has granted us, waivers in relation to certain continuing connected transactions between us and our connected persons under Chapter 14A of the Listing Rules. See "Connected Transactions."

[**REDACTED**]

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

[**REDACTED**]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[**REDACTED**]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Mr. Yuan Lianghong (袁亮宏)	The Fifth Villagers Group Minsheng Village, Oujiangcha Town Heshan District, Yiyang Hunan, PRC	Chinese
Mr. Tian Wei (田偉)	Unit 2201, Building 3 Poly Zichen Garden No. 53 Lishui Avenue South Nanhai District, Foshan Guangdong, PRC	Chinese
Mr. Xu Le (徐樂)	Room 1206, Building 8 Zhongjian Yinghuyuefu Shunde District, Foshan Guangdong, PRC	Chinese
Mr. Zhang Liangliang (張亮亮)	3A14D Renheng Luanshanmeidi Longgang District, Shenzhen Guangdong, PRC	Chinese
Mr. Yuan Yongbo (袁永波)	Room 4-15-1 No. 587, Nanping East Road Nan'an District, Chongqing, PRC	Chinese
Independent non-executive Directors		
Mr. Yin Qiang (尹強)	FLAT H, 48/F, BLK T1 THE BELCHER'S 89 POK FU LAM RD Hong Kong	Chinese
Ms. Yu Fang Jing (郁昉瑾)	12A Water Street Wahroonga New South Wales Australia	Australian
Mr. Huang Ching-Shuan (黃進栓)	Floor 2, No. 9, Lane 57, Section 3, Bade Road, Taipei City Taiwan	Chinese (Taiwan)

For further information on our Directors, please refer to the section headed "Directors and Senior Management" of this document.

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Huatai Financial Holdings (Hong Kong) Limited
62/F, The Center
99 Queen's Road Central
Hong Kong

GF Capital (Hong Kong) Limited
27/F, GF Tower
81 Lockhart Road
Wanchai
Hong Kong

[**REDACTED**]

Legal Advisors to the Company	*As to Hong Kong laws:* **Clifford Chance** 27/F, Jardine House One Connaught Place Central Hong Kong *As to PRC laws:* **CM Law Firm** Room 2805, Plaza 66 Tower 2 1366 West Nanjing Rd Shanghai, PRC
Legal Advisors to the Joint Sponsors and the [REDACTED]	*As to Hong Kong laws:* **Jingtian & Gongcheng LLP** Suites 3203-3209, 32/F, Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong *As to PRC laws:* **Jingtian & Gongcheng** 34th Floor, Building 3, China World Mall 77 Jianguo Road Chaoyang District, Beijing PRC
Reporting Accountants	**Ernst & Young** *Certified Public Accountants* *Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance* 27/F, One Taikoo Place 979 King's Road, Quarry Bay Hong Kong
Industry Consultant	**China Insights Industry Consultancy Limited** 10F, Block B, Jing'an International Center 88 Puji Road, Jing'an District Shanghai PRC

[**REDACTED**]

CORPORATE INFORMATION

Registered Office	Room 2001-2021, Baoneng Financial Building No. 8 Junlan Road Lecong Town Shunde District, Foshan Guangdong, PRC
Head Office and Principal Place of Business in the PRC	Room 2001-2021, Baoneng Financial Building No. 8, Junlan Road Lecong Town Shunde District, Foshan Guangdong, PRC
Principal Place of Business in Hong Kong	Room 1917, 19th Floor, Lee Garden One 33 Hysan Avenue, Causeway Bay Hong Kong
Company's Website	**www.yuanjiyunjiao.com.cn** *(The information on the website does not form part of this document)*
Joint Company Secretaries	**Ms. Cao Shan (曹彭)** Room 2001-2021, Baoneng Financial Building No. 8 Junlan Road Lecong Town Shunde District, Foshan Guangdong, PRC **Mr. Yau Tsz Lun (游子麟)** *(a Chartered Secretary, a Chartered Governance Professional and an Associate of The Hong Kong Chartered Governance Institute)* Room 1917, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorized Representatives	**Mr. Yuan Lianghong (袁亮宏)** The Fifth Villagers Group Minsheng Village, Oujiangcha Town Heshan District, Yiyang Hunan, PRC **Ms. Cao Shan (曹彭)** Room 2001-2021, Baoneng Financial Building No. 8 Junlan Road Lecong Town Shunde District, Foshan Guangdong, PRC

CORPORATE INFORMATION

Audit Committee	Mr. Yin Qiang (尹強) *(chairperson)* Ms. Yu Fang Jing (郁昉瑾) Mr. Huang Ching-Shuan (黃進栓)
Nomination Committee	Mr. Yuan Lianghong (袁亮宏) *(chairperson)* Ms. Yu Fang Jing (郁昉瑾) Mr. Yin Qiang (尹強)
Remuneration Committee	Mr. Huang Ching-Shuan (黃進栓) *(chairperson)* Mr. Yin Qiang (尹強) Mr. Tian Wei (田偉)
Compliance Advisor	**Maxa Capital Limited** Unit 2602, 26/F, Golden Centre 188 Des Voeux Road Central Sheung Wan Hong Kong

[**REDACTED**]

Principal Bankers	**Foshan Branch of China Merchants Bank Co., Ltd.** 1-4/F and 7-9/F No. 12, Denghu East Road, Guicheng Street Nanhai District, Foshan Guangdong, PRC **Shunde Lecong Branch of Bank of China Limited** No. A39 Xinma Road Lecong Town Shunde District, Foshan Guangdong, PRC **Guangzhou Liwan Branch of China CITIC Bank Corporation Limited** Room 105 No. 488, 490, 492, 494, 496, 498 Kangwang Middle Road Liwan District, Guangzhou Guangdong, PRC

This section and elsewhere in this document contain certain information, statistics and data which are derived from various official government publications and other publicly available publications, and a report commissioned by us and prepared by our industry consultant, CIC. The information, statistics and data from official government sources have not been independently verified by us, the Joint Sponsors, [**REDACTED**]*, any of our or their respective directors, officers, employees, advisers or agents or any other party involved in the* [**REDACTED**]*, and no representation is given as to their accuracy.*

OVERVIEW OF GLOBAL CATERING MARKET AND CHINESE-STYLE QSR MARKET

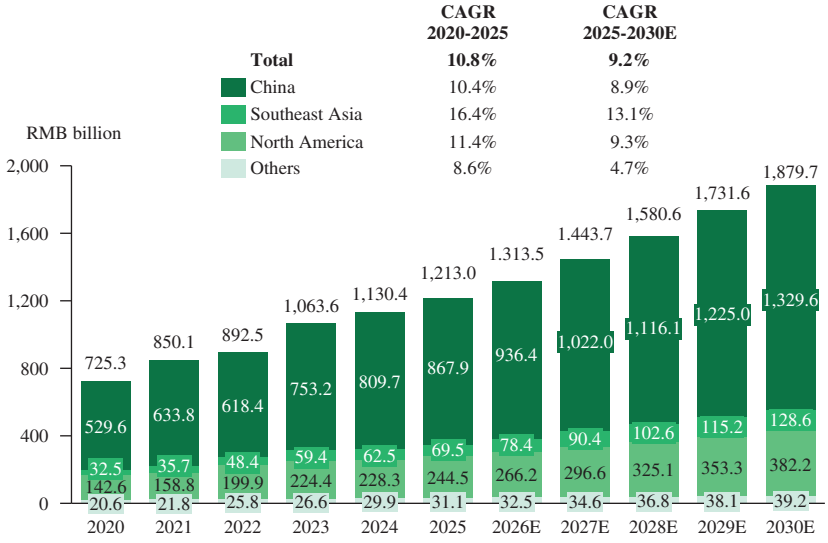
The catering market refers to consumer foodservice that encompasses the provision of food and hospitality to consumers through on-the-spot preparation, commercial sales, and services. The market comprises three segments based on service offerings and product characteristics, namely, full service restaurant ("FSR"), quick service restaurant ("QSR"), and others. FSR primarily consists of meals served mainly for lunch and dinner with full table service provided by staff. QSR refers to quick and convenient dining activities typically with minimal or no table service. Full table service generally involves staff providing table-side services throughout the dining process, including order taking, food serving, and bill settlement at the table. In contrast, QSR operates through minimal or no table-side interaction, focusing on speed and efficiency.

In terms of GMV in 2025, China ranked as the world's second-largest catering market, trailing only the United States. In 2025, the penetration rate of QSR in China's catering market was 24.2%, materially lower than the 52.3% penetration rate in the United States. This gap suggests meaningful growth potential for the QSR sector in China.

Market Size

Chinese-style QSRs refer to QSRs that provide Chinese cuisine and food, such as dumplings, wontons, rice, noodles, rice noodles and buns. The global Chinese-style QSR market grew from RMB725.3 billion in 2020 to RMB1,213.0 billion in 2025, with China remaining the dominant market accounting for over 71.5% of global demand. Among overseas regions, North America represents the largest market, reaching RMB244.5 billion in 2025, supported by a broad consumer base and rising influence and popularity of Chinese cuisine. Southeast Asia market shows the fastest growth momentum, recording a CAGR of 16.4% from 2020 to 2025 and projected to grow at 13.1% from 2025 to 2030. In 2025, the Chinese-style QSR market in Southeast Asia reached approximately RMB69.5 billion and is expected to further expand to RMB128.6 billion by 2030. Major markets within the region include Singapore and Thailand, which benefit from high urbanisation levels, strong dining-out culture and growing consumer acceptance of Chinese cuisine.

Market size of Chinese-style QSR industry, by region, in terms of GMV, global, 2020-2030E



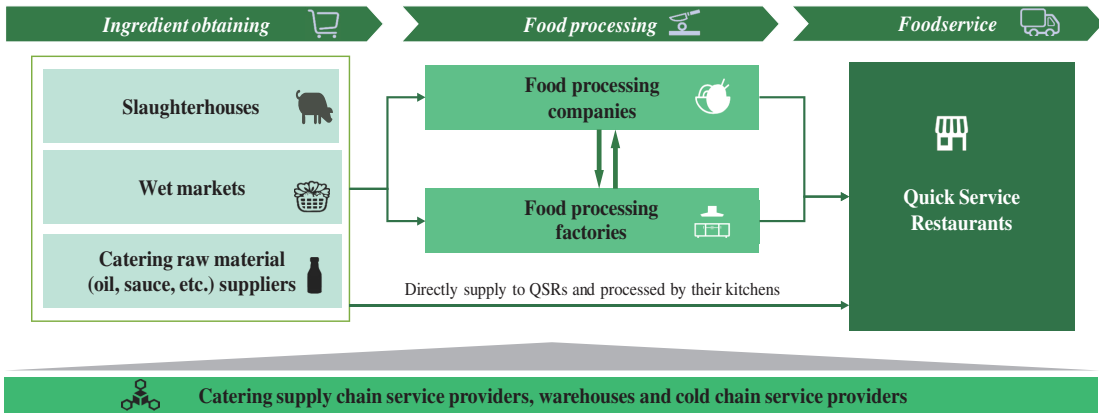
Source: CIC

OVERVIEW OF CHINA'S CATERING MARKET AND CHINESE-STYLE QSR MARKET

China's catering market grew from RMB3,952.7 billion in 2020 to RMB5,798.2 billion in 2025, and is expected to reach RMB8,116.9 billion in 2030, with a CAGR of 7.0% from 2025 to 2030. The size of China's QSR market grew from RMB920.1 billion in 2020 to RMB1,402.6 billion in 2025 and is expect to reach RMB2,069.0 billion in 2030, representing a CAGR of 8.1% from 2025 to 2030.

Value Chain Analysis

The value chain of Chinese-style QSRs includes ingredient obtaining, food processing, and foodservice. Ingredients and other raw materials used in QSRs are sourced through various upstream suppliers including slaughterhouses, wet markets and catering raw material suppliers. In the food processing stage, QSRs typically utilize food processing companies and factories to standardize preparation and improve efficiency, while certain ingredients may also directly be purchased and processed by their kitchens. In the foodservice stage, meals will be sold to consumers in QSR outlets. In addition, catering supply chain service providers, warehouses and cold chain service providers together ensure food freshness and timely delivery throughout the entire industry value chain.

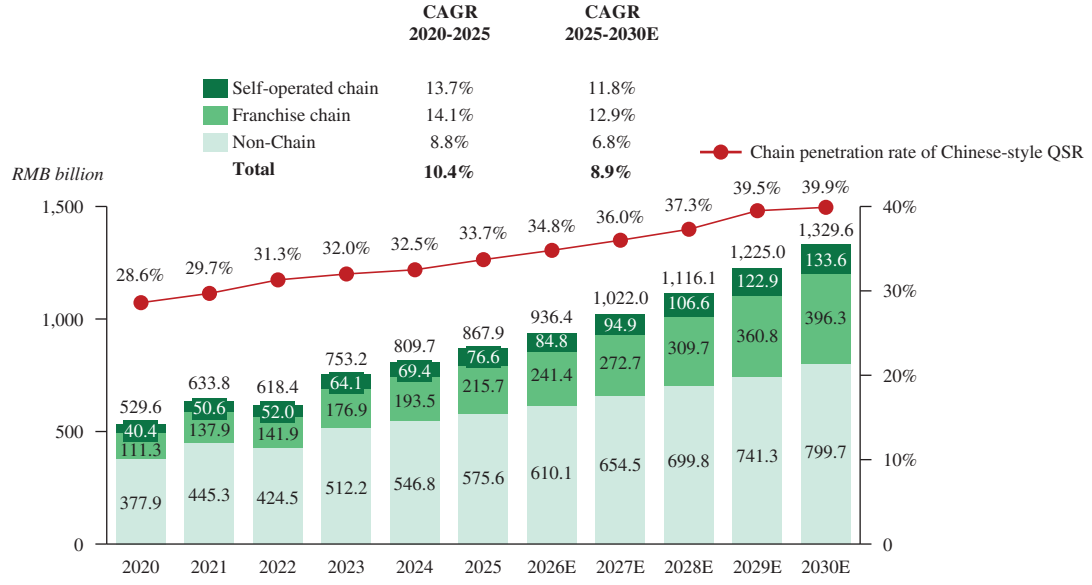


Source: CIC

Chinese-style QSR accounted for 61.9% of China's QSR market and 15.0% of China's catering market in 2025, respectively, growing from RMB529.6 billion in 2020 to RMB867.9 billion in 2025. Looking ahead, the market is expected to reach RMB1,329.6 billion by 2030, indicating a CAGR of 8.9% from 2025 to 2030.

China's Chinese-style QSR sector has evolved from fragmented, non-standardized mom-and-pop stores into a rapidly scaling, chain-driven industry supported by supply-chain modernization and consumers' growing preference for standardization and quality. Chain penetration in Chinese-style QSR increased from 28.6% in 2020 to 33.7% in 2025, yet still remained far below the 68.6% penetration of Western-style QSR in the same year, highlighting significant room for further chain penetration and standardization. Both self-operated and franchised stores recorded stronger growth than the overall market, with the franchise model demonstrating the fastest scale-up and expanding its GMV from RMB111.3 billion in 2020 to an estimated RMB396.3 billion by 2030. Leading Chinese-style QSR companies have achieved rapid expansion through the franchise model.

Market size of Chinese-style QSR industry, by business model, in terms of GMV, China, 2020-2030E



Note: Chain penetration rate is defined as the proportion of total industry GMV from companies with over 10 outlets.

Source: National Bureau of Statistics of China, China Chain Store & Franchise Association, CIC

OVERVIEW OF CHINA'S DUMPLING AND WONTON MARKET

Dumpling and wonton products comprise of dough-based products filled with meat or vegetables and supplied through both freshly prepared and industrially processed formats. The industry encompasses two primary segments including:

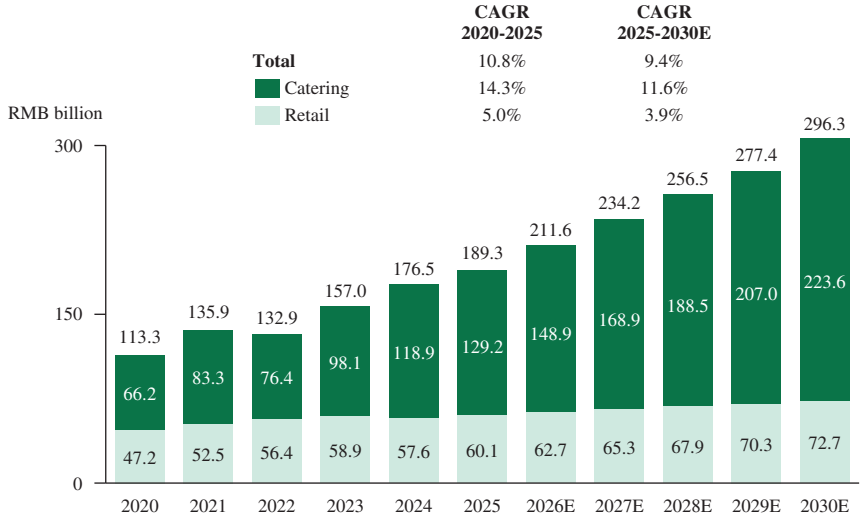
- ***Catering:*** Refers to the offering of freshly prepared products, which are handmade or made through semi-mechanized on-site production, featuring same-day preparation and immediate consumption. Outlets are commonly located in residential communities, business districts and transport hubs, emphasizing freshness, handmade quality and accessibility. Such products are sold through food-service outlets and may be offered in RTE format through dine-in, pick-up or delivery, or in RTC format through pick-up or delivery.

- ***Retail:*** Pre-packaged products manufactured through large-scale standardized processes, incorporating quick freezing, automated packaging and cold-chain logistics. This format focuses on convenience, consistency and affordability, catering mainly to mass-market household consumers through supermarkets and e-commerce channels.

Market Size

China's dumpling and wonton industry reached RMB189.3 billion in 2025 and is projected to expand to RMB296.3 billion by 2030, driven by continuous category innovation. As consumer preference shifts toward on-site preparation and dining experience, chain-operated freshly prepared formats continue to outpace standardized pre-packaged products, supported by brand expansion, menu innovation, and improved store operations. This transition underscores the sector's move from convenience-driven mass products to a quality- and experience-oriented dining category. The catering segment of dumpling and wonton industry is forecast to rise from RMB129.2 billion in 2025 to RMB223.6 billion in 2030 at a CAGR of 11.6%, while the retail segment will grow from RMB60.1 billion to RMB72.7 billion at a CAGR of 3.9%.

Market size of dumpling and wonton industry, by product category, China, in terms of GMV, 2020-2030E



Source: CIC

Drivers of China's Chinese-style QSR and dumpling and wonton market

- ***Rising dining-out rate and demand for convenient meal solutions:*** Smaller household sizes, rapid urbanisation, faster work-life rhythms and the convenience of delivery services are reducing time for home cooking and driving consumers to dine out, order delivery meals or purchase easy-to-prepare fresh take-away products more often. For the purpose of this section, dining-out rate refers to the proportion of food consumption fulfilled through food-service operators, including dine-in, takeaway and delivery occasions, as opposed to meals cooked from scratch at home, with delivery being the fastest-growing channel in recent years. As affordable staple foods with short preparation time, broad consumer familiarity and suitability for dine-in, delivery and fresh take-away, dumplings and wontons are well positioned to benefit from such increase in dining-out and convenient meal occasions. China's dining-out rate reached 29.7% in 2025, lower than the levels in the United States at 46.2% and Japan at 42.2%. The rate is expected to rise steadily to 34.1% by 2030, accompanied by continued growth in per capita restaurant expenditure from RMB4,117 in 2025 to RMB5,791 in 2030.

- ***Increasing standardization of products and processes:*** The Chinese-style QSR industry is undergoing a rapid transition towards standardized operations and cooking procedures, unified ingredients recipes and service processes, which significantly reduce product variability and strengthen consistency across outlets. Dumplings and wontons, given their simple and highly replicable preparation processes, are particularly well suited for standardized production and consistent output across regions, supporting efficient chain expansion.

- ***Rising chain penetration:*** Despite rapid growth, the chain penetration rate for Chinese-style QSR was only 33.7% in 2025 compared with 68.6% for Western-style QSR in China. According to CIC survey, 57.2% of respondents cited "food safety and hygiene assurance" as the primary reason for choosing a brand. Rising food safety and hygiene awareness encourages consumers to choose standardized chain brands, which are generally better positioned to provide more consistent controls over ingredient sourcing, food preparation, store operations and product quality. Increasing chain penetration drives growth through substitution and operational upgrading. Chain brands replace fragmented operators while leveraging standardised operations and centralised supply chains to improve efficiency, consistency and consumer trust, thereby enhancing repeat consumption and accelerating expansion, particularly in lower-tier cities.

- ***Enhancement of supply chain infrastructure:*** Continuous development of food processing factories, cold-chain storage and regional logistics networks is significantly improving efficiency and ensuring product freshness. Industrialised ingredient processing and efficient distribution systems enhance quality stability, support expansion and reduce operating costs. With the enhancement of supply chain infrastructure, operators will gain advantages in consistency, speed-to-market and cost competitiveness.

- ***Increasing online orders supported by strengthening digital channels and delivery penetration:*** The rapid development of food delivery platforms and digital ordering channels is reshaping consumer access to Chinese-style QSR and expanding consumption occasions beyond physical dine-in. Online delivery orders also form part of out-of-home foodservice consumption, as consumers purchase ready-to-eat meals from restaurant operators instead of cooking from scratch at home. Compared with full-service restaurants, Chinese-style QSR products are typically more suitable for online ordering and delivery due to their affordable pricing, shorter preparation time, higher order frequency and stronger standardisation. In particular, staple food products such as dumplings and wontons are well suited for delivery as they are easy to prepare, convenient to consume and familiar to a broad consumer base. As delivery penetration continues to increase, restaurant operators with dense store networks, efficient production processes and reliable fulfilment capabilities are expected to benefit from higher order frequency, broader customer reach and improved scalability.

Future Trends of China's Chinese-style QSR and dumpling and wonton market

- ***Rising global penetration potential:*** Chinese-style cuisine is gaining broader international Influence and popularity, supported by its strong cultural symbolism and wide consumer appeal. Dumplings and wontons, as iconic Chinese foods associated with reunion and warmth, are increasingly accepted by global consumers. Their standardized and easily replicable preparation also enables consistent quality across markets, supporting international expansion.

- ***Stronger consumer preference for freshly-made offerings, high value for money and delicious taste:*** According to CIC survey, freshly-made offerings, high value for money and delicious taste are among the most frequently cited reasons for choosing Chinese-style QSR. The trend toward freshly-made food is increasingly shaping consumer expectations in both mainstream Chinese-style quick-service formats and categories featuring dumplings and wontons, where visible in-store preparation is becoming increasingly important in reinforcing trust. Brands capable of delivering freshness, stable quality and affordability are expected to capture more frequent consumption occasions.

- ***Greater integration of multi-scenario and omni-channel formats:*** Dine-in, pick-up, delivery and retail channels are expected to integrate more closely as consumer dining behaviours become more flexible. The broader trend toward foodservice-retail convergence is also accelerating, supported by the expansion of in-store dining, delivery services, RTC products and pre-packaged products offerings. This integrated channel structure will broaden customer reach and increase purchase frequency.

- ***Continuous product innovation:*** As supply-chain capabilities and technologies advance, a wider range of Chinese cuisine categories is becoming adaptable to QSR formats, supporting ongoing category innovation across the sector. Both Chinese-style QSRs and dumpling and wonton companies are expected to broaden their menu offerings through new flavour profiles, and occasion-based extensions. Leading companies will continue to invest in flavour development, brand building and store presentation.

COMPETITIVE LANDSCAPE OF CHINA'S CHINESE-STYLE QSR MARKET

Overview

The Chinese-style QSR industry comprises a wide range of brands that differ significantly in store scale, operational models and geographic coverage. As of 2025, China's quick-service restaurant market remains highly fragmented, with approximately 4.0 million QSR outlets nationwide, including around 3.5 million Chinese-style QSR outlets. Number of stores is a key indicator of a company's ability to execute standardized operations, build supply chain density and expand across regions. Among Chinese-style QSR companies, only a limited number have established store networks of several thousand outlets, reflecting the significant operational capabilities required to achieve such scale.

Against this backdrop, the Company ranked first in China's Chinese-style QSR market by number of stores as of December 31, 2025, operating 4,446 stores as of the same date. The Company also ranked among the top three participants by GMV in 2025, with a GMV of RMB6.4 billion and a market share of 0.7%. Together, these rankings demonstrate the Company's strong overall operating scale, broad consumer reach and solid market position in China's highly fragmented Chinese-style QSR market.

Ranking of Chinese-style QSR companies, in terms of number of stores and GMV, Chinese Mainland, 2025

Ranking	Company	Number of stores as of Dec 31, 2025	Ranking	Company	GMV, 2025 (RMB billion)	Market Share 2025 (%)
1	The Company	4,446	1	Company E[5]	9.0	1.0%
2	Company A[1]	3,387	2	Company F[6]	8.6	1.0%
3	Company B[2]	3,069	3	The Company	6.4	0.7%
4	Company C[3]	3,009	4	Company G[7]	6.0	0.7%
5	Company D[4]	2,611	5	Company H[8]	3.4	0.4%

Notes:

1. Established in 2016, Company A is a privately-owned Chinese catering company headquartered in Beijing, China. It mainly serves Xinjiang-style stir-fried rice noodles and other Chinese-style quick-service dishes, with restaurants primarily operated under a franchise model. Its core brand was founded in 2019.

2. Established in 1999, Company B is a privately-owned Chinese catering company headquartered in Shanghai, China. It mainly serves wontons and other Chinese-style quick-service dishes, with restaurants primarily operated under a franchise model.

3. Established in 2012, Company C is a privately-owned Chinese catering company with group headquarters in Changsha, Hunan Province, China. It mainly serves multigrain rice noodles with fish and other toppings in a quick-service format, with restaurants primarily operated under a franchise model.

4. Established in 2017, Company D is a privately-owned Chinese catering company headquartered in Beijing, It mainly serves Chinese-style quick-service dishes featuring sauerkraut fish, with restaurants primarily operated under a franchise model.

5. Established in 2003, Company E is a privately-owned Chinese catering company headquartered in Hefei, Anhui Province. It primarily offers Chinese-style rice-based set meals, with a combination of directly operated and franchised restaurants across China. Its core brand was founded in 1996.

6. Established in 2016, Company F is a privately-owned Chinese catering company headquartered in Qingdao, Shandong Province. It mainly serves Northeastern Chinese cuisine, with restaurants primarily operated under franchise model. Its core brand was founded in 2014.

7. Established in 1996, Company G is a privately-owned Chinese catering company headquartered in Chongqing. It mainly serves Sichuan and other regional Chinese cuisine, with restaurants primarily operated under self-operation model.

8. Established in 2016, Company H is a privately-owned Chinese catering company headquartered in Dalian, Liaoning Province, China. It mainly serves dumplings with restaurants primarily operated under a self-operation model. Its core brand was founded in 2002.

Source: CIC

COMPETITIVE LANDSCAPE OF CHINA'S DUMPLING AND WONTON MARKET

Overview

The competitive landscape of China's dumpling and wonton industry spans a long-tail distribution of regional chains and local operators. By GMV, in 2025, the Company is the largest dumpling and wonton company in Chinese Mainland.

Ranking of dumpling and wonton companies, in terms of GMV, Chinese Mainland, 2025

Ranking	Company	GMV of dumpling and wonton, 2025(RMB billion)
1	The Company	5.6
2	Company I[1]	5.4
3	Company J[2]	4.1
4	Company H	2.6
5	Company K[3]	2.3

Notes:

1. Established in 1997, Company I is a privately-owned Chinese food manufacturing company headquartered in Zhengzhou, Henan Province, China. It mainly serves a wide range of frozen products including dumplings and wontons, with production and sales operations primarily under a manufacturing model.

2. Established in 1993, Company J is a public Chinese frozen food company headquartered in Zhengzhou, Henan Province, China. It mainly serves frozen dumplings, wontons and other quick-service style food products, with operations primarily under a manufacturing and distribution model.

3. Established in 1977, Company K is a pre-packaged dumpling and wonton company owned by a public company headquartered in Minnesota, the U.S. It mainly serves frozen dumplings, wontons and other Chinese-style quick-service dishes, with distribution primarily through retail channels. Its core brand was founded in 1978.

Source: CIC

COMPETITIVE LANDSCAPE OF CHINA'S QSR MARKET

In the overall QSR market in China, the Company ranked eighth in terms of GMV in 2025, with a GMV of RMB6.4 billion and a market share of 0.5%. This ranking reflects the Company's established operating scale and consumer reach in China's QSR market. In 2025, there were approximately 300 QSR chain brands with 200 or more operating stores in China, including over 200 Chinese-style QSR chain brands. Given that the overall QSR market comprises various types of players, including Western-style QSR brands, Chinese-style QSR brands and multi-brand catering groups, the Company's position among the top ten also indicates the market position of its Chinese-style QSR business within the overall QSR market.

Ranking of QSR companies, in terms of GMV, Chinese Mainland, 2025

Ranking	Company	GMV, 2025 (RMB billion)	Market Share 2025(%)	Ranking	Company	GMV, 2025 (RMB billion)	Market Share 2025(%)
1	Company L[1]	80.5	5.7%	6	Company E	9.0	0.6%
2	Company M[2]	44.0	3.1%	7	Company F	8.6	0.6%
3	Company N[3]	26.5	1.9%	**8**	**The Company**	**6.4**	**0.5%**
4	Company O[4]	24.5	1.7%	9	Company Q[6]	6.3	0.5%
5	Company P[5]	9.1	0.6%	10	Company G	6.0	0.4%

Notes:

1. Established in 2016, Company L is a publicly listed restaurant company headquartered in Shanghai, China. It operates multiple restaurant brands in China, mainly covering Western-style quick-service restaurants and casual dining. Its earliest brand presence in China dates back to 1987.

2. Established in 1993, Company M is the Chinese Mainland business of a leading global quick-service restaurant brand, with its China headquarters in Shanghai, China. It mainly offers Western-style quick-service food such as hamburgers, fried chicken, snacks and beverages. Its first restaurant in mainland China opened in 1990.

3. Established in 2009, Company N is a privately-owned Chinese catering company headquartered in Fuzhou, Fujian Province, China. It mainly offers Western-style quick-service food such as fried chicken and hamburgers. Its core brand was founded in 2000.

4. Established in 2017, Company O is a privately-owned Chinese catering company headquartered in Fuzhou, Fujian Province, China. It mainly offers Chinese-style hamburgers and other quick-service food products. Its core brand was founded in 2012.

5. Established in 2006, Company P is a privately-owned Chinese catering group headquartered in Shanghai, China. It operates multiple quick-service and snack food brands, mainly covering fried chicken cutlets, rice noodles and other quick-service food products. Its core brand traces its business origin to 2000.

6. Established in 2015, Company Q is a privately-owned Chinese catering company headquartered in Shanghai, China. It mainly offers malatang and related Chinese-style quick-service dishes. Its core brand was founded in 2003.

Source: CIC

Entry Barriers and Key Success Factors

- ***Strong brand influence, quality perception and consumer trust:*** Brand influence, built on consistent product quality, food safety and value-for-money positioning, remains the most decisive success factor in the Chinese-style QSR industry. Leading companies establish strong brand identities through standardized quality, reliable dining experiences and multi-channel marketing, strengthening consumer trust and long-term loyalty. This accumulated brand equity creates a high entry barrier, as new entrants typically require years of stable output and investment to reach comparable recognition and trust levels.

- ***Integrated supply chain and production capabilities:*** Leading Chinese-style QSR companies have built end-to-end supply chain systems enabling them to secure stable high-quality ingredients, achieve scale cost advantages and reduce store-level operational variability. Supply chain integration requires substantial capital, operational expertise and long-term supplier partnerships, forming one of the industry's highest barriers for new entrants without similar infrastructure or experience.

- ***Scalable, standardized and efficient operating model:*** A highly standardized operational system — covering menu development, food preparation, kitchen workflows, food safety controls and multi-channel fulfillment — is critical for nationwide scalability. Companies able to replicate consistent quality across thousands of stores while maintaining competitive unit economics achieve faster expansion and stronger profitability. For new market entrants, establishing such standardized and scalable systems requires long-term operational experience and significant investment.

- ***Multi-channel coverage and multi-scenario consumer reach:*** Leading companies to create comprehensive channel ecosystems that integrate offline stores with delivery platforms, e-commerce channels. This multi-scenario reach enables companies to tap into incremental demand, improve customer accessibility and enhance brand stickiness. Building such multi-layered coverage requires strong supply chain responsiveness, effective store density planning and digital coordination, which pose notable challenges to less mature companies.

- ***Brand globalization and overseas expansion capability:*** The ability to replicate brand standards, product quality and supply chain systems across international markets is becoming an increasingly important differentiating factor among leading Chinese-style QSR companies. Successful overseas expansion typically requires strong brand recognition, standardized operations and supply chain capabilities that can be adapted to local markets, creating relatively high barriers to entry.

Market Challenges and Threats

- ***Price fluctuation of raw materials:*** As raw material accounts for the majority of cost for Chinese-style QSRs' operation, the price fluctuation is considered to be a critical challenge in the market and will affect the profitability of market participants. In order to counter the impact from unexpected price fluctuation, Chinese-style QSR companies may enter into a long-term supply agreement with upstream suppliers to obtain a stable price offering of major raw materials.

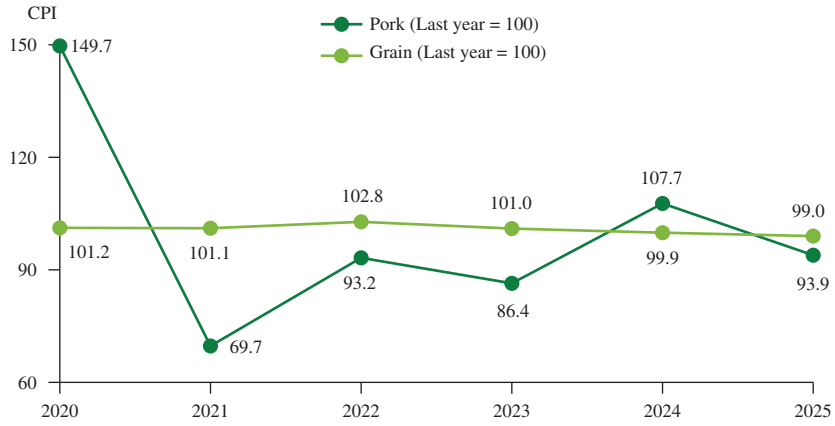
- ***Shifting consumer preferences:*** Changing consumer behaviors, such as a shift towards healthier options, online ordering, and convenience, along with economic uncertainties, are emerging threats. Traditional operating models may struggle to keep pace. Restaurants need to continuously innovate their menus and improve food quality to meet these changing demands.

- ***Intensified competition through online delivery platforms:*** The rapid development of online delivery platforms has significantly broadened the range of dining options available to consumers. As consumers can easily compare brands, prices and promotions in real time, competition among QSR operators has become more intense. The wider exposure of both chain and independent restaurants on delivery platforms may intensify competition within the industry.

Cost Analysis

Raw material cost represents a major component of the cost structure in the Chinese-style QSR industry and the dumpling and wonton industry in China, with pork and grain being the key inputs. Pork prices have experienced notable fluctuations in 2020 and 2021, with the CPI at 149.7 in 2020 and moderating to 93.9 in 2025. In contrast, the CPI for grain has remained relatively stable over the same period, declining slightly from 101.2 in 2020 to 99.0 in 2025. The significant fluctuations in pork prices in 2020 and 2021 can largely be attributed to the impact of African swine fever (ASF), which first emerged in 2018 and led to a sharp decline in China's hog inventory. This resulted in an extreme spike in pork prices in 2020, with the CPI reaching 149.7. As the industry recovered and the hog population rebuilt in 2021, pork prices began to moderate, entering a more normalized cyclical pattern. Overall, raw material costs are expected to remain within a manageable range.

Consumer price index for pork and grain, China, 2020-2025



Source: National Bureau of Statistics of China, CIC

SOURCES AND RELIABILITY OF INFORMATION

CIC was commissioned to conduct an analysis of, and to report on China's Chinese-Style QSR Industry at a fee of approximately RMB760,000. The commissioned report was prepared by CIC independent from the influence of the Company and other interested parties. CIC's services include, among others, industry consulting, commercial due diligence, and strategic consulting. Its consulting team has been tracking the latest market trends in multiple business sectors, including the consumer goods, enterprise services, transportation, internet, entertainment, environment, industry, energy, chemicals, healthcare, agriculture, and finance, and has the relevant and insightful market intelligence in the above industries. Our Directors confirm, to the best of their knowledge, and after making reasonable enquiries, that there have been no adverse changes in the industry since the date of the CIC Report which may qualify, contradict or have an impact on the information set out in this section.

During the preparation of the commissioned report, CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analysing data from various publicly available data sources, such as National Bureau of Statistics of China and China Chain Store & Franchise Association. The information and data collected by CIC have been analysed, assessed and validated using CIC's in-house analysis models and techniques.

The market projections in the commissioned report are based on the following key assumptions: (i) the overall social, economic and political environment in China is expected to remain stable during the forecast period; (ii) there is no extreme *force majeure* or unforeseen set of industry regulations in which the market may be affected in either a dramatic or fundamental way; and (iii) relevant key industry drivers including rising chain penetration and rising penetration of online delivery channels: are likely to drive the market during the forecast period.

We are subject to a variety of People's Republic of China (the "**PRC**") laws, rules and regulations across a number of aspects of our business. This section sets forth a summary of the most significant laws and regulations that are applicable to our current business activities within the territory of the PRC.

REGULATIONS RELATING TO CORPORATION

The establishment, operation and management of corporate entities in the PRC are governed by the PRC Company Law (《中華人民共和國公司法》) (the "**PRC Company Law**"), which was promulgated by the Standing Committee of the National People's Congress (the "**SCNPC**") in December 1993 and the latest amendment is effective since July 2024. According to the PRC Company Law, companies are generally classified into two categories: limited liability companies and companies limited by shares. The PRC Company Law also applies to foreign-invested companies limited by shares. For details, see "Appendix IV — Summary of Principal Legal and Regulatory Provisions — The PRC Company Law, Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the Guidelines for the Articles of Association of Listed Companies".

REGULATIONS RELATING TO FOREIGN INVESTMENT

Investment activities in the PRC by foreign investors are principally governed by the Catalogue of Industries for Encouraging Foreign Investment (2022 Edition) (《鼓勵外商投資產業目錄(2022年版)》) (the "**Encouraged Catalog**"), which was promulgated by the MOFCOM, and the NDRC, on October 26, 2022 and took effect on January 1, 2023, and the Special Administrative Measures (Negative List) for Access of Foreign Investment (2024 Edition) (《外商投資准入特別管理措施(負面清單)》) ("**The Negative List**"), which was promulgated by the MOFCOM and the NDRC on September 6, 2024 and took effect on November 1, 2024, and together with the Foreign Investment Law (《中華人民共和國外商投資法》) (the "**FIL**") and their respective implementation rules and ancillary regulations.

On March 15, 2019, the National People's Congress (the "**NPC**") promulgated the FIL, which has come into effect on January 1, 2020. The FIL, by means of legislation, establishes the basic framework for the access, promotion, protection and administration of foreign investment in view of investment protection and fair competition. According to the FIL, foreign investment shall enjoy pre-entry national treatment, except for those foreign invested entities that operate in industries deemed to be either "restricted" or "prohibited" in the "Negative List".

Any industries not falling in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

On December 30, 2019, the MOFCOM and SAMR, jointly promulgated the Measures for Information Reporting on Foreign Investment (《外商投資信息報告辦法》), which became effective on January 1, 2020. Pursuant to the Laws, where a foreign investor carries out investment activities in China directly or indirectly, the market regulatory authorities shall forward the investment information submitted by foreign investor or the foreign-invested enterprise to the competent commerce administrative authorities.

REGULATION ON COMMERCIAL FRANCHISE OPERATIONS

State Council promulgated Administrative Regulations on Commercial Franchise Operations (《商業特許經營管理條例》) on 6 February 2007, which became effective on May 1, 2007. Commercial franchise operations referred to in this Regulation shall mean a grant by an enterprise owner of registered trademarks, enterprise logos, patents, proprietary technologies or other business resources to another business operator to use such business resources owned by the franchisor through a contractual arrangement, where the franchisee operates the business according to a uniform business model stipulated under the contract and pays the franchisor franchising fees. A

franchisor shall file records with the commerce administrative authorities within 15 days upon conclusion of the first franchise contract pursuant to the provisions of these Regulations. Franchisors engaging in franchise operations across provinces, autonomous regions and centrally-administered municipalities shall file records with the commerce administrative authorities of the State Council. Where a franchisor fails to file records with the commerce administrative authorities within a stipulated period, the commerce administrative authorities shall order the franchisor to file records within a stipulated period, impose a fine ranging from RMB10,000 to RMB50,000.

REGULATIONS RELATING TO SINGLE-PURPOSE COMMERCIAL PREPAID CARDS

On August 18, 2016, the Ministry of Commerce of the PRC (the "**MOFCOM**") promulgated the Administrative Measures on Single-purpose Commercial Prepaid Cards (Trial Implementation) (《單用途商業預付卡管理辦法(試行)》). Single-purpose commercial prepaid cards refers to prepaid certificates issued by businesses carried out within the territory of PRC by enterprise legal persons engaging in retail industry, accommodation and catering industry and residential services industry which are limited to be used as payment for goods or services by the enterprise or within the group to which the enterprise belongs or within the franchise system of the same brand. Card-issuers shall complete filing formalities within 30 days from the date of carrying out single-purpose card businesses, otherwise they shall be ordered to make correction within a stipulated period. Where correction is not made within the stipulated period, a fine ranging from RMB10,000 to RMB30,000 shall be imposed.

REGULATIONS RELATING TO FOOD PRODUCTION, OPERATION AND FOOD SAFETY

Food Production and Operation Licensing

The General Administration of Quality Supervision, Inspection and Quarantine of the PRC (now merged into SAMR) promulgated the Measures for the Administration of Food Production Licensing (the "**Food Production Measures**") (《食品生產許可管理辦法》) on April 19, 2010 and last amended on January 2, 2020 with effect from March 1, 2020. According to the Food Production Measures, a food production license shall be obtained in accordance with the law to engage in food production activities within the PRC. The validity term for a food production license is 5 years. If the enterprise that has the food production license needs to extend the validity term of its legally obtained food production license, it shall file an application for replacement of the license with the original licensing authority within 30 business days prior to the expiry of the validity term of the food production license. Where no application is filed for extension of the license upon expiry of the validity term, the original licensing authority shall conduct the cancelation procedures of the food production license.

According to the Administrative Measures for Food Operation Licensing and Record-filing (the "**Food Operation Measures**") (《食品經營許可和備案管理辦法》), which was promulgated by the SAMR, on June 15, 2023 and became effective on December 1, 2023, entities and/or individuals engaging in the operation of food shall obtain a food operation license. Applicants for a food operation license shall meet various conditions set out in the Food Operation Measures. The food operation license is issued by administration for market regulation at or above the county level and is valid for five years. Those who engage in food operation activities but fail to obtain a required food operation license shall be punished by the local market regulatory authorities at or above the county level according to Article 122 of the Food Safety Law of the PRC (《中華人民共和國食品安全法》) (the "**Food Safety Law**").

On November 29, 2021, the SAMR promulgated the Announcement on Matters relating to the Record- filing for the Sale of Only Pre-packaged Food (《關於僅銷售預包裝食品備案有關事項的公告》), which stipulates that an entity trading in food but only for sale of pre-packaged food shall

apply for the record-filing when registering for market entity registration. The record-filing formalities shall be completed before carrying out such businesses. Those who have obtained food operation licenses are not required to go through the record- filing before the expiration of their food operation licenses.

Food Safety

According to the Food Safety Law, which was promulgated by the SCNPC on February 28, 2009, and latest amended on September 12, 2025, and the Implementation Regulations for the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》) (the "**Revised Implementation Rules**") promulgated by the State Council on July 20, 2009 and most recently amended on October 11, 2019, anyone who engages in food production, food selling, or catering services shall obtain the license according to the Food Safety Law. Food producers and business operators shall take and conform to the measures specified in the Food Safety Law and its Implementation The Food Safety Law sets out, as penalties for violation, various legal liabilities in the form of warnings, orders to rectify, confiscations of illegal gains, confiscations of utensils, equipment, raw materials and other articles used for illegal production and operation, fines, recalls and destructions of food in violation of laws and regulations, orders to suspend production and/or operation, revocations of production and/or operation license, and even criminal punishment.

Online Catering Services

In accordance with Measures for the Supervision and Administration of the Safety of Food Offered through Online Catering Services (《網絡餐飲服務食品安全監督管理辦法》), as effective on January 1, 2018, and amended on October 23, 2020, online catering service providers shall have their own physical stores and have obtained the food operation licenses according to the law, and shall carry out business activities pursuant to the business forms and business items specified on their own food operation licenses, and they shall not operate beyond the business scope. Online catering service providers which do not have any physical stores, or fail to obtain the food operation licenses in accordance with the law shall be punished by the local market regulatory authorities at or above the county level according to Article 122 of the Food Safety Law.

Food Recall System

A food recall system is established under the Food Safety Law and the Revised Implementation Rules. Where a food producer or trader finds that food it has produced or sold does not comply with relevant food safety standards, it shall immediately cease the production or trade thereof and notify the relevant producers, traders and consumers. The food producer or trader shall maintain records of the recall and notification procedures and report the recall and treatment to the relevant authorities.

The Administrative Measures for Food Recalls (《食品召回管理辦法》), which was promulgated by the CFDA (Now known as SAMR) on March 11, 2015, effective on September 1, 2015, and later amended on October 23, 2020, stipulates the details of administration on unsafe food in the PRC. Pursuant to the Administrative Measures for Food Recalls, a food producer or business operator shall assume primary responsibilities for food safety, by establishing a sound management system, collecting and analysing food safety information and performing legal duties of the cease of production and operation of as well as recall and disposal of unsafe food. Further, where the food producer or business operator fails to forthwith cease production or business operation, to make a voluntary recall, to start a recall within the prescribed time limit, to recall according to its recall plan or to dispose of unsafe food as required, the local administration for market regulation shall give a warning and concurrently impose a fine of not less than RMB10,000 but not more than RMB30,000.

REGULATIONS RELATING TO FOOD ADVERTISEMENT

According to the Advertising Law of the PRC (the "Advertising Law", 《中華人民共和國廣告法》) promulgated by the SCNPC on October 27, 1994 and most recently revised on April 29, 2021, no advertisement shall contain any false or misleading information, and shall not deceive or mislead consumers. In any advertisement, where there are statements regarding the performance, function, place of origin, purpose, quality, ingredients, price, producer, valid period and guarantees of the product, or the content, provider, form, quality, price and guarantees of the service, such statements shall be accurate, clear and explicit.

REGULATIONS RELATING TO CONSUMER PROTECTION

Consumer Protection Law

Pursuant to The Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法》) (the "**Consumer Protection Law**") which was promulgated by the SCNPC on October 31, 1993, amended on August 27, 2009 and October 25, 2013, the rights and interests of the consumers who buy or use commodities or receive services for the purposes of daily consumption are protected and all manufacturers and distributors involved must ensure that the products and services they provide will not cause damage to the safety of consumers and their properties. Violations of the Consumer Protection Law may result in the imposition of fines. In addition, the operator will be ordered to suspend operations and its business license will be revoked. Criminal liability may be incurred in serious cases.

LAWS AND REGULATIONS ON CYBERSECURITY, DATA SECURITY AND PERSONAL INFORMATION PROTECTION

Cyber security and Data Security

The PRC regulatory authorities have enacted laws and regulations concerning internet information security and the protection of personal data against misuse or unauthorized disclosure, which include, for example, the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》) promulgated by the Ministry of Industry and Information Technology of PRC (the "**MIIT**") on December 29, 2011.

On November 7, 2016, the SCNPC promulgated the Cybersecurity Law of the People's Republic of China (《中華人民共和國網絡安全法》) (the "**Cybersecurity Law**"), which became effective on June 1, 2017. The Cybersecurity Law applies to the construction, operation, maintenance and use of networks as well as the supervision and administration of cybersecurity in the PRC. According to the Cybersecurity Law, network operators shall fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who construct or operate networks or provide services through networks shall take technical measures and other necessary measures pursuant to the mandatory requirements of laws, regulations and national standards to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. On October 28,2025, the SCNPC further revised the Cybersecurity Law, which came into effect on January 1, 2026. The revised Cybersecurity Law increases penalties under certain circumstances and expands extraterritorial application to activities outside the PRC that endanger the cybersecurity of the PRC.

On June 10, 2021, the SCNPC promulgated the Data Security Law of the People's Republic of China (《中華人民共和國數據安全法》) (the "**Data Security Law"**), which became effective on September 1, 2021. The Data Security Law is broadly applicable to processing activities of data which are carried out in the PRC or, where carried out outside the PRC, damage the national security, public interests or the legitimate rights and interests of citizens and organizations of the PRC. The Data Security Law mainly sets forth specific provisions regarding establishing basic

systems for data security management, including a data classification and hierarchical protection system, risk assessment system, monitoring and early alert system, and emergency disposal system. In addition, it clarifies that any organization or individual collecting data shall adopt lawful and proper methods and shall not acquire data by theft or in other illegal manners, and risk monitoring shall be strengthened when data processing activities are carried out, and where risks such as data security flaws and vulnerabilities are discovered, remedial measures shall be immediately taken.

On December 28, 2021, the Cyberspace Administration of China (the "**CAC**") and other 12 PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the "**Revised Measures for Cybersecurity Review**"), which became effective on February 15, 2022. The Revised Measures for Cybersecurity Review provides that, among others, (i) a critical information infrastructure operator ("**CIIO**") purchasing network products and services or a network platform operator that engages in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office under the CAC; (ii) a network platform operator with personal information of more than one million users which seeks listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer's network products or services, or data processing activities affect or may affect national security.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) (the "**Security Assessment Measures**"), which became effective on September 1, 2022. The Security Assessment Measures applies to the security assessment conducted by data processors where they provide overseas parties with important data or personal information collected and generated during operations within the PRC. Based on the Security Assessment Measures, data processors shall apply to the CAC for a security assessment of cross-border data transfer if such transfer is conducted by a CIIO, or involves important data, or their cross-border data transfer activities fulfill certain thresholds.

On December 8, 2022, the MIIT issued the Administrative Measures for Data Security in the Industrial and Information Technology Field (Trial Implementation) (《工業和信息化領域數據安全管理辦法(試行)》) (the "**MIIT Data Security Measures**"), which came into effect on January 1, 2023. The MIIT Data Security Measures is applicable to the processing activities carried out in the territory of the PRC of data in the field of industry and information technology. The MIIT Data Security Measures provides that industrial and telecommunication data processors shall implement data classification and grading, and further imposes data security obligations and responsibilities on data processors in the field of industry and information technology.

On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flow (《促進和規範數據跨境流動規定》), effective on the date of promulgation. The provisions provide certain exemptions from data security assessment, personal information protection certification, or standard contracts for outbound transfer of personal information. The provisions also explicitly state that data processors are not required to apply for security assessment on cross-border transfer of important data, provided that the relevant data has not been notified or published as important data by relevant departments or regions.

On September 24, 2024, the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the "**Regulations on Cyber Data Security**") was issued by the State Council, which became effective on January 1, 2025. The Regulations on Cyber Data Security provides that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations. In addition, the Regulations on Cyber Data Security also regulate other specific requirements on personal information protection, important data safety, cyber data cross-border safety management and obligations of network platform service provider.

Personal Information Protection

On July 16, 2013, the MIIT promulgated the Regulations on Protection of Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規定》), which came into effect on September 1, 2013, to enhance and enforce legal protection over user information security and privacy on the internet. The Regulations on Protection of Personal Information of Telecommunications and Internet Users require internet service providers to take various measures to ensure the security of users' information.

On August 29, 2015, the SCNPC issued the Ninth Amendment to the Criminal Law of the People's Republic of China (《中華人民共和國刑法修正案(九)》), which became effective on November 1, 2015, and stipulates that any network service provider that fails to fulfill the obligations related to information network security management as required by applicable laws and administrative regulations and refuses to rectify upon regulatory orders shall be subject to criminal liability for causing (i) any large-scale dissemination of illegal information; (ii) any serious consequence due to the leakage of users' information; (iii) any serious loss of evidence of criminal activities or (iv) other serious circumstances, and any individual or entity that (a) sells or provides personal information to others unlawfully or (b) steals or illegally obtains any personal information will be subject to criminal liability in serious circumstances. The Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) issued on May 8, 2017, further clarifies the definitions of certain concepts and specifies certain standards for the conviction and sentencing in respect of the crimes in relation to personal information infringement.

The Announcement of Conducting Special Supervision against the Illegal Collection and Use of Personal Information by Apps (《關於開展App違法違規收集使用個人信息專項治理的公告》), which was issued by the Central Cyberspace Affairs Commission, the MIIT, the Ministry of Public Security (the "**MPS**"), and the SAMR on January 23, 2019 clearly specifies the regulatory requirements for personal information collection and use. Such regulatory requirements were emphasised by the Notice on the Special Rectification of Apps Infringing upon User's Rights and Interests (《關於開展APP侵害用戶權益專項整治工作的通知》) issued by MIIT on October 31, 2019. On November 28, 2019, the CAC, the MIIT, the MPS and the SAMR jointly issued the Methods of Identifying Illegal Acts to Collect and Use Personal Information by Apps (《App違法違規收集使用個人信息行為認定方法》), which further illustrates certain common illegal practices and acts that will be considered as "collection and use of personal information without users' consent". On July 22, 2020, the MIIT issued the Notice on Carrying out Special Rectification Actions in Depth against the Infringement upon Users' Rights and Interests by Apps (《關於開展縱深推進APP侵害用戶權益專項整治行動的通知》), which lists four types of illegal collection and usage of personal information. On March 12, 2021, the CAC, the MIIT, the MPS, and the SAMR jointly issued the Circular on Issuing the Rules on the Scope of Necessary Personal Information for Common Types of Mobile Internet Applications (《關於印發<常見類型移動互聯網應用程序必要個人信息範圍規定>的通知》), which clarifies the definition and scope of "Applications", as well as the scope of necessary personal information for common types of Applications. On February 6, 2023, the MIIT promulgated the Notice on Further Improving the Service Capabilities of Mobile Internet Applications (《關於進一步提升移動互聯網應用服務能力的通知》), which emphasizes enhanced transparency in personal information processing such as setting out specific requirements on the text of personal information processing rules.

Pursuant to the Civil Code of the PRC (《中華人民共和國民法典》) (the "**Civil Code**"), which was promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, the personal information of a natural person shall be protected by the law. Any organization or

individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the People's Republic of China (《中華人民共和國個人信息保護法》) (the "**PIPL** "), which became effective on November 1, 2021. Pursuant to the PIPL, the processing of personal information shall be conducted based on consent of relevant individuals or otherwise permitted by laws and regulations, and before processing personal information, processors should truthfully, accurately and completely inform individuals of requisite matters in a conspicuous manner and in clear and easy-to-understand language. Personal information processors should also take the following measures to ensure that personal information processing activities comply with laws and administrative regulations, and to prevent unauthorized access and personal information leakage, tampering and loss: (i) formulating internal management systems and operating procedures; (ii) implementing classified management of personal information; (iii) adopting corresponding security technical measures such as encryption and de-identification; (iv) reasonably determining the operating authority for personal information processing, and regularly conduct safety education and training for practitioners; (v) formulating and organizing the implementation of emergency plans for personal information security incidents; and (vi) other measures stipulated by laws and administrative regulations.

Where personal information is processed in violation of the provisions of the PIPL, or the processing of personal information fails to fulfill the personal information protection obligations hereunder, the department performing personal information protection duties shall order corrections, give warnings, confiscate illegal gains, and order to suspend or terminate the provision of services by the applications that illegally process personal information; if the personal information processor refuses to make corrections, a fine of not more than RMB1 million shall be imposed; the directly responsible person in charge and other directly responsible personnel shall be fined not less than RMB10,000 but not more than RMB100,000. For any aforesaid illegal act with serious circumstances, the competent authority may impose more stringent penalties.

On February 12, 2025, the Administrative Measures for the Compliance Audit of Personal Information Protection (《個人信息保護合規審計管理辦法》), was promulgated by the CAC, which became effective on May 1, 2025. According to the Administrative Measures for the Compliance Audit of Personal Information Protection, the term "compliance audit of personal information protection" refers to supervisory activities that review and evaluate whether the personal information processing activities of personal information processors comply with laws and administrative regulations. Personal information processors that process the personal information of more than 10 million individuals shall carry out the compliance audit of personal information protection at least every two years.

REGULATIONS RELATING TO ENVIRONMENTAL PROTECTION

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "**Environmental Protection Law**") was promulgated and effective on December 26, 1989, and amended on April 24, 2014, under which any entity which discharges or will discharge pollutants during the course of operations or other activities must implement effective environmental protection safeguards and procedures to control and properly treat waste gas, waste water, waste residue, dust, malodorous gases, radioactive substances, noise, vibrations, electromagnetic radiation, and other hazards produced during such activities. The Environmental Protection Law makes it clear that the legal liabilities of any violation of said law include warning, fine, rectification within a time limit, compulsory cease operation, compulsory reinstallation of dismantled installations of the prevention and control of pollution or compulsory reinstallation of those left idle, compulsory shutout or closedown, or even criminal punishment.

On October 28, 2002, the SCNPC promulgated the Environmental Impact Assessment Law of PRC (《中華人民共和國環境影響評價法》) (the "**Environmental Impact Assessment Law**"), which was latest amended on December 29, 2018. According to the Environmental Impact Assessment Law, the State Council implemented the environmental impact assessment to classify construction projects according to the impact of the construction projects on the environment.

Pursuant to the Interim Measures for Environmental Protection Acceptance of Completed Construction Projects (《建設項目竣工環境保護驗收暫行辦法》) effective on November 20, 2017 and the Regulations on the Administration Construction Project Environmental Protection (《建設項目環境保護管理條例》), which was revised on July 16, 2017 and implemented on October 1, 2017, a construction project for which an environmental impact report or an environmental impact report form is required shall not be put into production or use until the environmental protection completion acceptance check has been passed.

REGULATIONS RELATING TO FIRE CONTROL

Pursuant to the Fire Control Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, and last amended on April 29, 2021 and effective therefrom, the Department of Emergency Management under the State Council and the local people's governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people's governments shall be responsible for implementation. According to Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) issued by the Ministry of Housing and Urban-Rural Development on April 1, 2020, latest amended on August 21, 2023, fire acceptance should be done for special construction projects which meet certain conditions, fire filing should be done for other types of construction projects.

Furthermore, pursuant to the Fire Control Law of the PRC, before the use of or commencement of the business operations in public gathering places, any construction entities or entities using such places must apply for a fire safety inspection with the fire rescue agencies of the local people's governments of such places at or above the county level. Putting a public gathering place into use or into business operation without permission and when the place has not undergone fire safety and protection inspections or has failed to meet fire safety and protection requirements shall result in an order to suspend construction, use, production or business operations and a fine of not less than RMB30,000 and not more than RMB300,000 from the competent departments of housing and urban-rural development and the relevant fire rescue agencies (according to their respective duties).

Regulations Relating to Leasing

According to the Civil Code, an owner of immovable or movable property is entitled to possession, use, earnings, and disposal of such property in accordance with the law. Subject to the consent of the lessor, the lessee may sublease the leased premises to a third party. Where a lessee subleases the premises, the lease contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the lease if the lessee subleases the premises without the consent of the lessor.

On December 1, 2010, the Ministry of Housing and Urban-Rural Development promulgated the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》). According to such measures, the lessor and the lessee are required to complete property leasing registration and filing formalities within 30 days from execution of the property lease contract with the construction (real estate) administrative department of the people's government of the municipality or county where the leased property is located. If a company fails to do as aforesaid, it may be ordered to rectify within a stipulated period, and if such company fails to rectify, a fine ranging from RMB1,000 to RMB10,000 may be imposed.

REGULATION RELATING TO PRICING

Price Law

According to the Price Law of the PRC (《中華人民共和國價格法》, the "**Price Law**") promulgated by the SCNPC on December 29, 1997 and took effect from 1 May 1998, operators should observe the following principles when determining prices: fairness, lawfulness and good faith. The production and operation costs and the market supply and demand situation should be the fundamental basis for the operator to determine the price. When selling or purchasing goods and providing services, the operator shall clearly indicate the price and indicate the name, origin of production, specifications, grade, valuation unit and price of a commodity, or service item, charging standards and other related particulars in accordance with the requirements of the competent government price department. In addition, operators may not take illegitimate pricing actions, such as colluding with others to manipulate market prices and damaging the legitimate rights and interests of other operators or consumers. Any operator engaged in the act of illegitimate pricing stipulated by the Price Law shall be ordered to make corrections, have the illegal income be confiscated, and may be imposed a fine of no more than five times of its illegal income; if the circumstances are serious, the business shall be ordered to suspend for rectification, or the administrative department for industry and commerce shall revoke the business license. In addition, any operator who causes consumers or other operators to pay higher prices due to illegal pricing acts should refund the overpaid portion; if damage is caused, it shall be liable for compensation according to law. Any operator who violates the clearly marked price shall be ordered to make corrections, have the illegal income be confiscated, and may be imposed a fine of no more than RMB5,000.

REGULATIONS RELATING TO EMPLOYMENT AND SOCIAL WELFARE

Employment

According to the Labor Contract Law of the PRC (the "**Labor Contract Law**") (《中華人民共和國勞動合同法》), which was implemented on January 1, 2008 and amended on December 28, 2012, an employer establishes an employment relationship with an employee from the date when the employer puts the employee to work. A written labor contract shall be concluded upon the establishment of an employment relationship. In addition, the labor wages shall not be lower than local standards on minimum wages and shall be paid to the laborers timely. According to the Labor Law of the PRC (《中華人民共和國勞動法》) effective on January 1, 1995, as amended on August 27, 2009 and December 29, 2018, the employer shall establish and perfect its system for labor safety and sanitation, strictly abide by State rules and standards on labor safety and sanitation, educate laborers in labor safety and sanitation, prevent accidents in the process of labor, and reduce occupational hazards.

Social Insurance

The PRC Social Insurance Law (《中華人民共和國社會保險法》), or the Social Insurance Law, issued by the SCNPC in 2010 and latest amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the

non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

Housing Provident Fund

In accordance with the Regulations on the Administration of Housing Provident Funds (《住房公積金管理條例》) promulgated by the State Council on April 3, 1999, and amended on March 24, 2002, and March 24, 2019, enterprises must register at the designated administrative centers and open bank accounts for depositing employees' housing provident funds. Employers and employees are also required to pay and deposit housing provident funds, with an amount no less than 5% of the monthly average salary of the employee in the preceding year in full and on time. In case of overdue payment or underpayment by employers, orders for payment within a specified period will be made by the housing fund management center. Where employers fail to make payment within such period, enforcement by the people's court will be applied.

REGULATIONS RELATING TO INTELLECTUAL PROPERTY RIGHTS

Trademark Laws

Trademarks are protected by the Trademark Law of the PRC (《中華人民共和國商標法》), which was adopted in 1982 and subsequently amended in 1993, 2001, 2013 and 2019, respectively, as well as the Implementation Regulation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) adopted in 2002 and amended in 2014 by the State Council. The Trademark Office of China National Intellectual Property Administration handles trademark registrations and grants a term of ten years to registered trademarks which may be renewed for consecutive ten-year periods upon request by the trademark owner. Trademark license agreements must be filed with the Trademark Office for record. The Trademark Law of the PRC has adopted a "first-to-file" principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark which has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected.

Domain Name

In accordance with the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the MIIT on August 24, 2017 and came into effect on November 1, 2017, and the Implementing Rules for the Registration of National Top-level Domain Names (《國家頂級域名註冊實施細則》), which was promulgated and took effective on June 18, 2019, by China Internet Network Information Center, domain name registrations are handled through domain name service agencies established under relevant regulations, and an applicant becomes a domain name holder upon successful registration.

Patent Laws

In accordance with the Patent Law of the PRC (《中華人民共和國專利法》), promulgated by the SCNPC, which was latest amended in October 17, 2020 and became effective on June 1, 2021, and its Implementation Rules, patent is divided into 3 categories, i.e., invention patent, design patent and utility model patent. The duration of invention patent right, design patent right and utility model patent right shall be 20 years, 15 years and 10 years, respectively, which all calculated from the date of application. Implementation of a patent without the authorization of the patent holder shall constitute an infringement of patent rights, and shall be held liable for compensation to the patent holder and may be imposed a fine, or even subject to criminal liabilities.

Copyright

Pursuant to the Copyright Law of the PRC (《中華人民共和國著作權法》) amended by the SCNPC on November 11, 2020, and came into effect on June 1, 2021, Chinese citizens, legal persons or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software created in writing or oral or other forms. A copyright holder shall enjoy a number of rights, including the right of publication, the right of authorship and the right of reproduction.

REGULATIONS RELATING TO FOREIGN CURRENCY EXCHANGE

The principal regulations governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》), most recently amended on August 5, 2008. The lawful currency of Chinese Mainland is the Renminbi. The SAFE, authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations. For details, see "Appendix III — Taxation and Foreign Exchange — Foreign Exchange Administration in the PRC".

REGULATIONS ON FOREIGN TRADE AND CUSTOMS LAW

Foreign Trade

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》), or the Foreign Trade Law, promulgated by the SCNPC on May 12, 1994 and amended on December 30, 2022, since December 30, 2022, no registration of foreign trade operators is required. The PRC government allows the free import and export of goods and technologies, unless otherwise provided by laws and administrative regulations. Before December 30, 2022, pursuant to the pre-amendment Foreign Trade Law, a foreign trade operator who is engaged in the import and export of goods or technologies shall process the filing and registration with the foreign trade authority under the State Council or its entrusted agencies, unless otherwise provided by the laws, administrative regulations and requirements of the foreign trade authority under the State Council. Where a foreign trade operator fails to do so, Customs shall not handle the formalities for declaration and clearance of the goods imported or exported by the operator.

Customs Law

According to the Customs Law of the PRC (《中華人民共和國海關法》), adopted by the SCNPC on January 22, 1987, and most recently amended on April 29, 2021, the Customs of the People's Republic of China is the entry and exit customs supervision and administration authority of PRC. According to the relevant laws and administrative regulations, the Customs supervises the transportation vehicles, goods, luggage, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics and handles other customs operations.

According to the Regulations of PRC Customs on Administration of Recordation of Declaration Entities (《中華人民共和國海關報關單位備案管理規定》), adopted by the General Administration of Customs on November 19, 2021, customs declaration entities refer to the consignees and consignors of import and export goods and customs declaration enterprises recorded with the customs. If the consignees and consignors of import and export goods and customs declaration enterprises apply for recordation, they shall obtain the qualification of market entities; among them, if the consignees and consignors of import and export goods apply for recordation, they shall also obtain the recordation of the foreign trade operators. The recordation of the customs declaration entities is valid for a long period of time, while the temporary recordation is valid for one year, after the expiry reapplication of recordation can be made.

REGULATIONS RELATING TO TAX

We are subject to a variety of PRC laws, rules and regulations relating to tax, such as the enterprise income tax, value added tax. For details, see "Appendix III — Taxation and Foreign Exchange — Taxation In Chinese Mainland".

REGULATIONS RELATING TO OVERSEAS LISTINGS

Overseas Listings

On February 17, 2023, the CSRC released several regulations regarding the management of filings for overseas offerings and listings by domestic companies, including the Trial Measures for the Administration on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") together with 5 supporting guidelines (together with the Overseas Listing Trial Measures, collectively referred to as the "**Overseas Listing Regulations**"). Under Overseas Listing Regulations, PRC domestic companies that seek to offer and list securities in overseas markets, either in direct or indirect means, are required to file the required documents with the CSRC within three working days after its application for overseas listing is submitted. For details, see "Appendix IV — Summary of Principal Legal and Regulatory Provisions — The PRC Company Law, Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and the Guidelines for the Articles of Association of Listed Companies".

On February 24, 2023, the CSRC and three other relevant government authorities jointly promulgated the Archives Rules. Pursuant to the Archives Rules, where a domestic enterprise provides or publicly discloses any document or material that involving state secrets and working secrets of state agencies to the relevant securities companies, securities service institutions, overseas regulatory authorities and other entities and individuals, it shall report to the competent department with the examination and approval authority for approval in accordance with the law, and submit to the secrecy administration department of the same level for filing.

REGULATIONS RELATING TO FULL CIRCULATION OF H-SHARE

In accordance with the Guidelines on Application for "Full Circulation" of Domestic Unlisted Shares of H-share Companies (《H股公司境內未上市股份申請"全流通"業務指引》) issued by the CSRC on 14 November 2019 and further amended on 10 August 2023, together with the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》), shareholders who hold domestic unlisted shares of H-share issuers may apply to convert their unlisted shares into listed shares for trading on the Stock Exchange. Issuer will be authorized to file with CSRC on behalf of those shareholders. The filing of the H-share full circulation scheme may proceed simultaneously with the application for the overseas listing and offering filing with CSRC, or separately after the IPO. After domestic unlisted shares are listed and circulated on the Stock Exchange, they may not be transferred back to China.

OVERVIEW

Our Company was established as a limited liability company in the PRC on April 11, 2017. On June 11, 2025, our Company was converted into a joint stock company with limited liability and was renamed YUEN KEE FOOD GROUP CO., LTD. (袁記食品集團股份有限公司). For details of the biography of our founder, Mr. Yuan, see the section headed "Directors and Senior Management" in this document. We are the largest Chinese-style QSR company in China by number of stores, according to CIC, as of December 31, 2025.

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

Year	Milestone
2018	The total number of our stores exceeded 100.
	Our Suzhou Yuen Kee factory commenced production.
2020	Our Foshan Yuanhong factory commenced production.
2021	The total number of our stores exceeded 1,000.
2023	We completed the Series A Financing.
2024	Our first overseas store was opened in Singapore.
	We were awarded China's Top 100 Catering Enterprises by China Cuisine Association.
2025	We completed the Series B Financing and Series B+ Financing.
	We started the construction of our Foshan headquarters and Foshan Yuanshun factory.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we carried out our business through our Company and our operating subsidiaries. We set forth below information about our subsidiaries that have made a material contribution to our operating results during the Track Record Period:

Subsidiaries	Principal business	Date of establishment	Place of establishment	Share capital	Percentage of shareholding by our Company
Shenzhen Yunjiao	Operation of our self-operated stores	March 15, 2021	PRC	RMB50 million	100%
Guangdong Yuanhong	Production of meat fillings and small bites	August 7, 2020	PRC	RMB30 million	100%
Foshan Maideli	Production of flour wrappers	February 2, 2021	PRC	RMB5 million	100%

Subsidiaries	Principal business	Date of establishment	Place of establishment	Share capital	Percentage of shareholding by our Company
Suzhou Yuen Kee . .	Production of meat fillings, small bites, flour wrappers and noodles	April 3, 2018	PRC	RMB30 million	100%
Guangdong Yuanshun	Holding company of our under-construction factory to produce meat fillings, wonton and dumpling wrappers	March 15, 2024	PRC	RMB100 million	100%
Guangdong Yuansu .	Storage and delivery of products to stores and export	November 12, 2021	PRC	RMB5 million	100%
Yuanyu Investment .	Investment	April 13, 2023	PRC	RMB100 million	100%

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY

(1) Establishment of Our Company and Capital Increase in April 2018

On April 11, 2017, our Company was established as a limited liability company under the laws of the PRC under the name of Foshan Yuanlianghong Catering Management Co., Ltd. (佛山市袁亮宏餐飲管理有限公司), with an initial registered capital of RMB100,000. Upon establishment, Ms. Yang Yu, the spouse of Mr. Yuan, was interested in 100% of the RMB100,000 of the registered capital of our Company.

In April 2018, Ms. Yang Yu subscribed for the newly issued share capital of our Company in the amount of RMB900,000, upon completion of which Ms. Yang was interested in 100% of the RMB1,000,000 of the registered capital of our Company.

(2) Equity Transfer in March 2020 and Capital Increases in November 2020 and November 2021

In March 2020, Ms. Yang Yu transferred the RMB80,000 registered capital of our Company to Mr. Yuan Kaihong (袁凱鴻), a cousin of Mr. Yuan, at a consideration of RMB100. The consideration was determined through arm's length negotiation between the parties as well as taking into consideration that the registered capital of our Company had not been paid up.

Upon completion of such transfer, the Company was owned as to 92% by Ms. Yang and 8% by Mr. Yuan Kaihong, respectively.

In November 2020 and November 2021, each of Ms. Yang Yu and Mr. Yuan Kaihong subscribed for the newly issued registered capital of our Company in the amount of RMB91,080,000 and RMB7,920,000, respectively in proportion to their shareholding in the Company. Upon the completion of the capital increase in November 2021, the Company's registered capital increased to RMB100,000,000, and each of Ms. Yang and Mr. Yuan Kaihong continues to be interested in 92% and 8% of the then shareholding of the Company, respectively.

(3) Equity Transfers in December 2021 and December 2022

In December 2021, Ms. Yang Yu transferred the registered capital of our Company in the amount of RMB87,000,000 (representing 87% of the then shareholding of the Company) to Mr. Yuan at a consideration of RMB1.00. The consideration was determined through arm's length negotiation between the parties as well as taking into consideration that the registered capital of our Company had not been paid up and our Company was still loss making.

In December 2022, Mr. Yuan Kaihong transferred the registered capital of our Company of 3,100,000 and 1,900,000 (representing 3.10% and 1.90% of the then registered capital of the Company, respectively) to Foshan Yuziji, an Employee Shareholding Platform, and Foshan Tanweizhi, an Incentive Shareholding Platform, at a consideration of RMB1.00 each. The consideration was determined in arm's length between the parties as well as taking into consideration that the registered capital of our Company had not been paid up by Mr. Yuan Kaihong.

In December 2022, Mr. Yuan Kaihong transferred the registered capital of our Company of RMB3,000,000 (representing 3.00% of the then registered capital of the Company) to Mr. Yuan at a consideration of RMB1.00. The consideration was determined in arm's length negotiation between the parties as well as taking into consideration that the registered capital of our Company had not been paid up by Mr. Yuan Kaihong. On the same day, Ms. Yang Yu transferred the registered share capital of our Company of RMB5,000,000 (representing 5.00% of the then registered share capital of the Company) to Mr. Yuan at the amount equivalent to the registered capital transferred.

Upon completion of such transfers, the Company was owned as to 95% by Mr. Yuan, 3.1% by Foshan Yuziji and 1.9% by Foshan Tanweizhi, respectively.

(4) Series A Financing

We have completed the Series A Financing in June 2023 through capital increase. Xiamen Black Ant No. 3 Equity Investment Partnership (Limited Partnership) (廈門黑蟻三號股權投資合夥企業(有限合夥)) ("**Xiamen Black Ant No. 3**") subscribed for the registered capital of our Company in the amount of RMB1,522,843 (representing 1.50% of the then registered capital of the Company) at a consideration of RMB30 million. For further details, see "— Pre-[**REDACTED**] Investments" below.

Upon completion of the Series A Financing, our shareholding structure was as follows:

Shareholders	Registered capital	Percentage of shareholding
	(RMB)	
Yuen Kee Investment[(1)]	45,905,001	45.22%
Mr. Yuan	26,094,999	25.70%
Foshan Tanweizhi[(2)]	9,900,000	9.75%
Foshan Xinxiangyuan[(3)]	5,000,000	4.93%
Foshan Yueshanhe[(3)]	5,000,000	4.93%
Foshan Yuanyunjiao[(3)]	5,000,000	4.93%
Foshan Yuziji[(4)]	3,100,000	3.05%
Xiamen Black Ant No. 3	1,522,843	1.50%
Total	**101,522,843**	**100%**

Notes:

1. Yuen Kee Investment is owned as to 99% by Mr. Yuan and 1% by Mr. Yuan Jianjun, Mr. Yuan's father. In April 2023, Mr. Yuan transferred the registered capital of RMB45,905,001 of the Company to Yuen Kee Investment at the amount equivalent to the registered capital transferred.

2. Foshan Tanweizhi is an Incentive Shareholding Platform of our Company. For details, please refer to "— CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [**REDACTED**]" in this section.

3. Foshan Xinxiangyuan, Foshan Yueshanhe and Foshan Yuanyunjiao are our Employee Incentive Platforms. For details, please refer to "— EMPLOYEE INCENTIVE SCHEME" and "— CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [**REDACTED**]" in this section.

4. Foshan Yuziji is an Employee Shareholding Platform. For details, please refer to "– CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [**REDACTED**]" in this section.

(5) Conversion into a Joint Stock Limited Company in May 2025

On May 13, 2025, our Shareholders' resolutions approved, among other matters, (i) the conversion of our Company from a limited liability company into a joint stock limited company and the change of our name to YUEN KEE FOOD GROUP CO., LTD. (袁記食品集團股份有限公司); (ii) the registered share capital of our Company was RMB101,522,843 divided into 101,522,843 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective interests in our Company before the conversion. The conversion was completed on June 11, 2025.

(6) Series B Financing

We have completed the Series B Financing in September 2025 through capital increases as set forth below. For further details, see "— Pre-[**REDACTED**] Investments" below.

Subscribers	Subscribed Registered Share Capital	Consideration	Percentage of shareholding subscribed in Series B Financing
	(RMB)	*(RMB)*	
Series B Financing			
Zhangjiagang Xinghan Chuangxiang Investment Partnership (Limited Partnership) (張家港星翰創饗投資合夥企業(有限合夥)) ("**Xinghan Chuangxiang**")	2,160,060	50,000,000	2.00%
Shanghai Yiyong Enterprise Management Consulting Partnership (Limited Partnership) (上海翼甬企業管理諮詢合夥企業(有限合夥)) ("**Shanghai Yiyong**")	1,080,030	25,000,000	1.00%
Platinum Summit Hong Kong Limited ("**PSHK**")	1,080,030	25,000,000	1.00%
Shanghai Bird Nest Enterprise Management Partnership (Limited Partnership) (上海鳥窩企業管理合夥企業(有限合夥)) ("**Shanghai Bird Nest**")	864,024	20,000,000	0.80%
Hainan Silverpine Investment Partnership (Limited Partnership) (海南銀淞投資合夥企業(有限合夥)) ("**Hainan Silverpine**")	864,024	20,000,000	0.80%
Lingyue Flavor (Guangzhou) Venture Capital Partnership (Limited Partnership) (領粵美味(廣州)創業投資合夥企業(有限合夥)) ("**Lingyue Flavor**")	432,012	10,000,000	0.40%
Total	**6,480,180**	**150,000,000**	**6.00%**

(7) Series B+ Financing

We have completed the Series B+ Financing in December 2025 through capital increases as set forth below. For further details, see "— Pre-[**REDACTED**] Investments" below.

Subscribers	Subscribed Registered Share Capital	Consideration	Percentage of shareholding subscribed in Series B+ Financing
	(RMB)	*(RMB)*	
Series B+ Financing			
Xinghan Chuangxiang	2,767,158	82,500,000	2.36%
Xiamen Qimei Gongxiang Investment Partnership (Limited Partnership) (廈門啟美共饗投資合夥企業(有限合夥)) ("**Qimei Gongxiang**")[(1)]	670,826	20,000,000	0.57%
Shanghai Yiyong	1,718,992	51,250,000	1.46%
PSHK	1,718,992	51,250,000	1.46%
Xiamen Jianfa Emerging Industries Equity Investment No. 11 Partnership (Limited Partnership) (廈門建發新興產業股權投資拾壹號合夥企業(有限合夥)) ("**Xiamen Jianfa**")	1,006,240	30,000,000	0.86%
Yihai Kerry Arawana Holdings Co., Ltd. (益海嘉里金龍魚食品集團股份有限公司) ("**Yihai Kerry**")	503,120	15,000,000	0.43%
Ms. Yang Yongyin (楊詠茵)	335,413	10,000,000	0.29%
Mr. Zhang Luyong (張鷺勇)	335,413	10,000,000	0.29%
Mr. Dai Xiongwei (戴雄偉)	335,413	10,000,000	0.29%
Total	**9,391,567**	**280,000,000**	**8.00%**

Note:

(1) Pursuant to a share transfer agreement dated March 23, 2026, Qimei Gongxiang transfered the 670,826 Shares held by it to Beijing Desai Innovation Equity Investment Center Limited Partnership) (北京德賽創新股權投資中心(有限合夥)) ("**Beijing Desai**") at a consideration equivalent to its original investment amount. Beijing Desai is the sole limited partner of Qimei Gongxiang, holding approximately 100% partnership interest therein.

PRC REGULATORY REQUIREMENTS

Our PRC Legal Advisor has confirmed that we have legally obtained the requisite legal approvals and completed requisite governmental registrations or filings with relevant governmental authorities in the PRC with respect to the aforesaid capital increases and equity transfers.

PRE-[REDACTED] INVESTMENTS

Overview

Our Company concluded three rounds of financing with the Pre-[**REDACTED**] Investors. For further details, see the subsection headed "Establishment and Development of Our Company" in this section.

The following table summarizes the key terms of the Pre-[**REDACTED**] Investments to our Company made by the Pre-[**REDACTED**] Investors:

	Series A	Series B	Series B+
Date of agreements	June 6, 2023	August 7, 2025	November 13, 2025
Date of payment in full	June 27, 2023	September 17, 2025	December 15, 2025
Amount of registered capital subscribed for *(RMB)*	1,522,843	6,480,180	9,391,567
Amount of consideration paid *(RMB)*	30,000,000	150,000,000	280,000,000
Basis of determining the consideration paid	The consideration for the Pre-[**REDACTED**] Investments was determined based on arm's length negotiations between the Company and the Pre-[**REDACTED**] Investors after taking into consideration various factors including but not limited to, the historical operating performance, the market share, the timing of the investments, the market value, and the prospects of our business. The growth in the valuation of our Company has been in line with the growth in our total revenue. The increased valuation for our Series B Financing as compared to Series A Financing, and that for our Series B+ Financing as compared to Series B Financing reflect the substantial business growth we achieved during the relevant period.		
Cost per Share *(RMB)*	19.70	23.15	29.81
Discount (Premium) to the [REDACTED] (approximation)[(1)]	[**REDACTED**]%	[**REDACTED**]%	[**REDACTED**]%
Lock-up Period	Pursuant to the applicable PRC law, within the 12 months following the [**REDACTED**], all current Shareholders (including the Pre-[**REDACTED**] Investors) could not dispose of any of the Shares held by them.		

	Series A	Series B	Series B+

Special rights of the Pre-[REDACTED] Investors .

The Pre-[**REDACTED**] Investors were granted redemption rights by the Company, Mr. Yuan and Yuen Kee Investment.

(a) The redemption obligation undertaken by the Company to the Pre-[**REDACTED**] Investors was terminated automatically and deemed *void ab initio* on February 28, 2025, the base date of the Company's conversion into a joint stock company and shall not resume pursuant to the supplemental agreement to the capital increase agreement dated June 6, 2023 (the "***Agreement***"). No Pre-[**REDACTED**] Investors exercised their redemption rights during the Track Record Period.

Article 143 of the Civil Code of the People's Republic of China (中華人民共和國民法典) stipulates that a civil legal act is valid if it is conducted by parties with the requisite capacity for civil conduct, is based on genuine intent, and does not contravene mandatory provisions of laws, administrative regulations, or public order and morals.

Adhering to the principle of autonomy of will, the Company and the Pre-[**REDACTED**] Investors explicitly agreed that the redemption right granted by the Company (the "**Company Redemption Right**") was irrevocably terminated and deemed *void ab initio*. The Agreement provides that the Company Redemption Right shall be terminated and deemed void ab initio and shall not be revived in any case since the base date of the Company's conversion into a joint stock company. This arrangement does not violate any mandatory provisions of laws, administrative regulations, or public order and morals, and is thus legally valid. Based on the above, the PRC Legal Advisor is of the view that the Company Redemption Right has been irrevocably terminated and shall be deemed *void ab initio*. Pursuant to the Agreement, the PRC Legal Advisor is also of view that there is no warranty regarding the enforceability of the redemption rights.

	Series A	Series B	Series B+

(b) The redemption obligation undertaken by Mr. Yuan and Yuen Kee Investment to the Pre-[**REDACTED**] Shareholders has been terminated one day prior to the date of the submission of [**REDACTED**] by the Company to the Stock Exchange, and shall resume to be exercisable automatically upon the earliest of (i) Company's resolution not to proceed with the [**REDACTED**], (ii) the withdrawal of the [**REDACTED**] by our Company; (iii) the withdrawal of any sponsor; (iv) the Stock Exchange, SFC or CSRC (if applicable) rejecting the Company's [**REDACTED**]; (v) upon approval of the [**REDACTED**] of the Company by the relevant securities regulatory authorities, the Company fails to complete the [**REDACTED**] within the validity period for the [**REDACTED**] by the relevant security regulatory authorities, or the Company fails to renew the validity period for the [**REDACTED**] as approved by the relevant securities regulatory authorities; or (vi) the Company fails to complete the [**REDACTED**] due to any change in policy or laws or regulations. Please also refer to note 30 to the Accountants' Report as set out in Appendix I to this document. For the avoidance of doubt, the Company has not provided any form of guarantee or entered any side agreement in connection with the redemption obligation undertaken by Mr. Yuan and Yuen Kee Investment to the Pre-[**REDACTED**] Shareholders. Accordingly, no financial liability regarding the redemption obligation undertaken by Mr. Yuan and Yuen Kee Investment to the Pre-[**REDACTED**] Shareholders was recorded by the Company during the Track Record Period. See Note 35(f) to the Accountants' Report set out in Appendix I to this document for details.

Use of proceeds from the Pre-[REDACTED] Investments . . . . . We utilized the proceeds from the Pre-[**REDACTED**] Investments for the principal business of our Group, including but not limited to the growth and expansion of our Company's business including the procurement of raw materials, and general working capital purposes. As of the Latest Practicable Date, approximately 100% of the proceeds from the Pre-[**REDACTED**] Investments had been utilized.

	Series A	Series B	Series B+
Strategic benefits to our Company brought by the Pre-[REDACTED] Investors	At the time of the Pre-[**REDACTED**] Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-[**REDACTED**] Investors' investments in our Company and the Pre-[**REDACTED**] Investors' knowledge and experience. Our Pre-[**REDACTED**] Investors include experienced investors who can share their experience on brand building and market expansion as well as their insight on business strategies and operations, their professional advice on our Group's corporate governance and internal control, some of which are especially experienced in food production and retail industry. Moreover, our Directors were also of the view that our Company could benefit from the Pre-[**REDACTED**] Investments as the Pre-[**REDACTED**] Investors' investments demonstrated their confidence in our operations and served as an endorsement of our performance, strengths and prospects.		

Note:

(1) Calculated based on the [**REDACTED**] of HK$[**REDACTED**] per H Share, being the mid-point of the indicative [**REDACTED**] range of HK$[**REDACTED**] to HK$[**REDACTED**] per H Share.

Joint Sponsors' Confirmation

On the basis that (i) the consideration for the Pre-[**REDACTED**] Investments was settled no less than 120 clear days before the [**REDACTED**]; and (ii) all special rights have been terminated in compliance with Chapter 4.2 of the Guide for New Listing Applicants (the "**Guide**"), the Joint Sponsors have confirmed that the Pre-[**REDACTED**] Investments are in compliance with Chapter 4.2 of the Guide.

Information about Our Pre-[REDACTED] Investors

Set out below is a description of our Pre-[**REDACTED**] Investors as of the Latest Practicable Date. To the best knowledge of our Directors, each of the following Pre-[**REDACTED**] Investors and their respective ultimate beneficial owners is an Independent Third Party.

Xiamen Black Ant No. 3

Xiamen Black Ant No. 3 is a limited partnership incorporated in the PRC on May 31, 2021. Its general partner is Xiamen Yiyuan Investment Partnership (Limited Partnership) (廈門逸源投資合夥企業(有限合夥) ("**Xiamen Yiyuan**"), which is ultimately controlled by Mr. He Yu (何愚). Xiamen Black Ant No. 3 has more than 20 limited partners and none of these limited partners holds more than 30% of limited partnership interests therein. The management company of Xiamen Black Ant No. 3 is Shenzhen Qianhai Black Ant Innovation Investment Partnership (Limited Partnership) (深圳前海黑蟻創新投資合夥企業(有限合夥)) ("**BA Capital**"). BA Capital is an investment fund which primarily focuses on investment opportunities in consumer industries in Chinese and global markets.

Shanghai Yiyong

Shanghai Yiyong is a limited partnership established in the PRC on March 5, 2025. Shanghai Yiyong was owned as to approximately 0.01% by Xiamen Yiyuan as its general partner, and approximately 99.99% by Xiamen Black Ant No. 3 as its limited partner.

PSHK

PSHK is a limited company established in Hong Kong on July 23, 2025. PSHK is owned as to 98% by BA Capital Fund III, L.P. and 2% by BA Capital Limited. Each of BA Capital Fund III, L.P. and BA Capital Limited is ultimately controlled by Mr. He Yu.

Xinghan Chuangxiang

Xinghan Chuangxiang is a limited partnership established in the PRC on July 29, 2025. Its general partner is Suzhou Chengqi Weixin Investment Management Partnership (Limited Partnership) (蘇州承啟維新投資管理合夥企業(有限合夥)) ("**Suzhou Chengqi Weixin**"), holding 0.1% partnership interests therein. Zhangjiagang Xinghan Qicheng Investment Partnership (Limited Partnership) (張家港星翰啟承投資合夥企業(有限合夥)) ("**Xinghan Qicheng**") is a limited partner holding 83% partnership interest in Xinghan Chuangxiang, the general partner of which is Suzhou Chengqi Weixin. Suzhou Chengqi Weixin is in turn ultimately controlled by Mr. Chang Bin (常斌).

Beijing Desai

Beijing Desai is a limited partnership established in the PRC on July 5, 2021. It is owned as to approximately 99.88% by Peking University Education Foundation (北京大學教育基金會) as the sole limited partner and 0.12% by Beijing Desai Innovation Enterprise Management Center (Limited Partnership) (北京德賽創新企業管理中心(有限合夥)) as the general partner, the ultimate beneficial owner of which is Ms. Pan Longyu (潘隆玉).

Shanghai Bird Nest

Shanghai Bird Nest is a limited partnership established in the PRC on July 8, 2025. Shanghai Bird Nest is owned as to 1% by Mr. Zhao Ding (趙定) as its general partner; and 1% by Ms. Gao Caifang (高采芳) and 98% by Hong Kong CAIYUE LIMITED, which is wholly-owned by Ms. Gao Caifang, as its limited partners.

Hainan Silverpine

Hainan Silverpine is a limited partnership established in the PRC on June 2, 2022. The general partner of Hainan Silverpine is Shenzhen Silverpine Technology Investment Co., Ltd. (深圳銀淞科技投資有限責任公司), holding 1% partnership interests therein, which in turn is controlled by Ms. Wang Shan (王珊). The limited partners of Hainan Silverpine are Mr. Liu Li (劉力) and Mr. Gu Stephen Kwanshu (谷坤澍), holding 90% and 9% partnership interests therein.

Lingyue Flavor

Lingyue Flavor is a limited partnership established in the PRC on September 6, 2022. The general partner of Lingyue Flavor is Guangzhou Shanghong Equity Investment Fund Management Co., Ltd. (廣州尚泓股權投資基金管理有限公司) holding 1% partnership interests therein. The largest limited partner of Lingyue Flavor is Guangdong Lingyue Investment and Development Co., Ltd. (廣東領岳投資發展有限公司), holding 35% partnership interests therein. Guangdong Lingyue Investment and Development Co., Ltd. in turn is wholly owned by Guangdong Guanghong Holdings Co., Ltd. (廣東廣弘控股股份有限公司) , a company listed on the Shenzhen Stock Exchange (stock code: 000529.SZ). Save for Guangdong Lingyue Investment and Development Co., Ltd., no other limited partners of Lingyue Flavor hold more than 30% partnership therein.

Yihai Kerry

Yihai Kerry is a joint stock company incorporated under the laws of the PRC listed on the Shenzhen Stock Exchange (stock code: 300999). Yihai Kerry is an important agricultural and food products processing company in China. As of June 30, 2025, Yihai Kerry was owned as to 89.99% by Wilmar Distribution (Hong Kong) Limited.

Xiamen Jianfa

Xiamen Jianfa is a limited partnership established in the PRC on July 27, 2020. Xiamen Jianfa is managed by Xiamen Jianxin Investment Limited (廈門建鑫投資有限公司) which in turn is controlled by Xiamen Jianfa Emerging Industry Equity Investment Co., Ltd. (廈門建發新興產業股權投資有限責任公司) ("**Xiamen Jianfa Emerging Industry**"). The limited partner of Xiamen Jianfa is Xiamen Jianfa Emerging Industry, holding 99.96% partnership interests in Xiamen Jianfa. Xiamen Jianfa Emerging Industry is in turn held as to 90% by Xiamen Jianfa Group Co., Ltd. (廈門建發集團有限公司) and 10% by Xiamen Huayi Industry Trade Co., Ltd. (廈門華益工貿有限公司). No other limited partners of Xiamen Jianfa hold more than 30% partnership interests in Xiamen Jianfa.

Ms. Yang Yongyin

Ms. Yang Yongyin is an individual Pre-[**REDACTED**] Investor with a primary focus on food industries.

Mr. Zhang Luyong

Mr. Zhang Luyong is an individual Pre-[**REDACTED**] Investor with a primary focus on food industries.

Mr. Dai Xiongwei

Mr. Dai Xiongwei is an individual Pre-[**REDACTED**] Investor with a primary focus on food industries.

EMPLOYEE INCENTIVE SCHEME

In recognition of the contributions of our employees and to incentivize them to further promote our development, our Company adopted the Employee Incentive Scheme in December 2023 to award the partnership interests in our Employee Incentive Platforms, namely Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan, to the scheme participants.

In May 2023, Mr. Yuan transferred the registered capital of our Company in the amount of RMB5,000,000, RMB5,000,000 and RMB5,000,000 (representing 5.00%, 5.00% and 5.00% of the then registered capital of the Company) to Foshan Yuanyunjiao, Foshan Xinxiangyuan, and Foshan Yueshanhe at a consideration of RMB5,000,000, RMB5,000,000 and RMB5,000,000, respectively. As of the Latest Practicable Date, Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan held 4.26%, 4.26% and 4.26% of our total issued Shares. See "Statutory and General Information — Employee Incentive Scheme" in Appendix VI to this document for details of our Employee Incentive Scheme.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

			Shares immediately after [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Domestic [REDACTED] Shares into H Shares					
Shareholders	Shares held as of the Latest Practicable Date	Percentage of shareholding as of the Latest Practicable Date	Number of Domestic [REDACTED] Shares	Shareholding in the Domestic [REDACTED] Shares	Number of H Shares	Shareholding in the H Shares	Number of Total Shares	Shareholding in the total issued share capital
Our Group of Controlling Shareholders								
– Yuen Kee Investment	45,905,001	39.10%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Mr. Yuan	26,094,999	22.23%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Foshan Tanweizhi	9,900,000	8.43%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Foshan Xinxiangyuan	5,000,000	4.26%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Foshan Yueshanhe	5,000,000	4.26%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Foshan Yuanyunjiao	5,000,000	4.26%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Subtotal	***96,900,000***	***82.54%***	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Foshan Yuziji	3,100,000	2.64%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xinghan Chuangxiang	4,927,218	4.20%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
BA Investors								
– Shanghai Yiyong	2,799,022	2.38%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– PSHK	2,799,022	2.38%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Xiamen Black Ant No. 3	1,522,843	1.30%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
– Subtotal	***7,120,887***	***6.06%***	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Xiamen Jianfa	1,006,240	0.86%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Bird Nest	864,024	0.74%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Hainan Silverpine	864,024	0.74%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Desai	670,826	0.57%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Yihai Kerry	503,120	0.43%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Lingyue Flavor	432,012	0.37%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Yang Yongyin	335,413	0.29%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Luyong	335,413	0.29%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Dai Xiongwei	335,413	0.29%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Investors taking part in the [REDACTED]	–	–	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	**117,394,590**	**100.00%**	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We did not acquire any subsidiary or business during the Track Record Period thus Rule 4.05A of the Listing Rules is not applicable. Additionally, we had no acquisitions, disposals or mergers that we consider to be material during the Track Record Period and up to the Latest Practicable Date.

PUBLIC FLOAT

[**REDACTED**] Domestic [**REDACTED**] Shares held by Yuen Kee Investment (representing [**REDACTED**]% of our total issued Shares upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised)) will not be considered as part of the public float as such Domestic [**REDACTED**] Shares will not be converted into H Shares.

Among the [**REDACTED**] H Shares to be converted from Domestic [**REDACTED**] Shares pursuant to the Full Circulation Application of the Company and [**REDACTED**] on the Stock Exchange:

(a) the [**REDACTED**] H Shares to be converted from Domestic [**REDACTED**] Shares pursuant to the Full Circulation Application of the Company and [**REDACTED**] on the Stock Exchange (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised)) held by our Group of Controlling Shareholders will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [**REDACTED**] as such Shares are being held or controlled by the core connected persons of the Company; and

(b) the [**REDACTED**] H Shares to be converted from Domestic [**REDACTED**] Shares pursuant to the Full Circulation Application of the Company and [**REDACTED**] on the Stock Exchange (representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised)) held by our Shareholders other than our Group of Controlling Shareholders will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [**REDACTED**] as these entities are not held or controlled by the core connected persons of our Company upon [**REDACTED**] nor are they accustomed to take instructions from the Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by the Company's core connected persons.

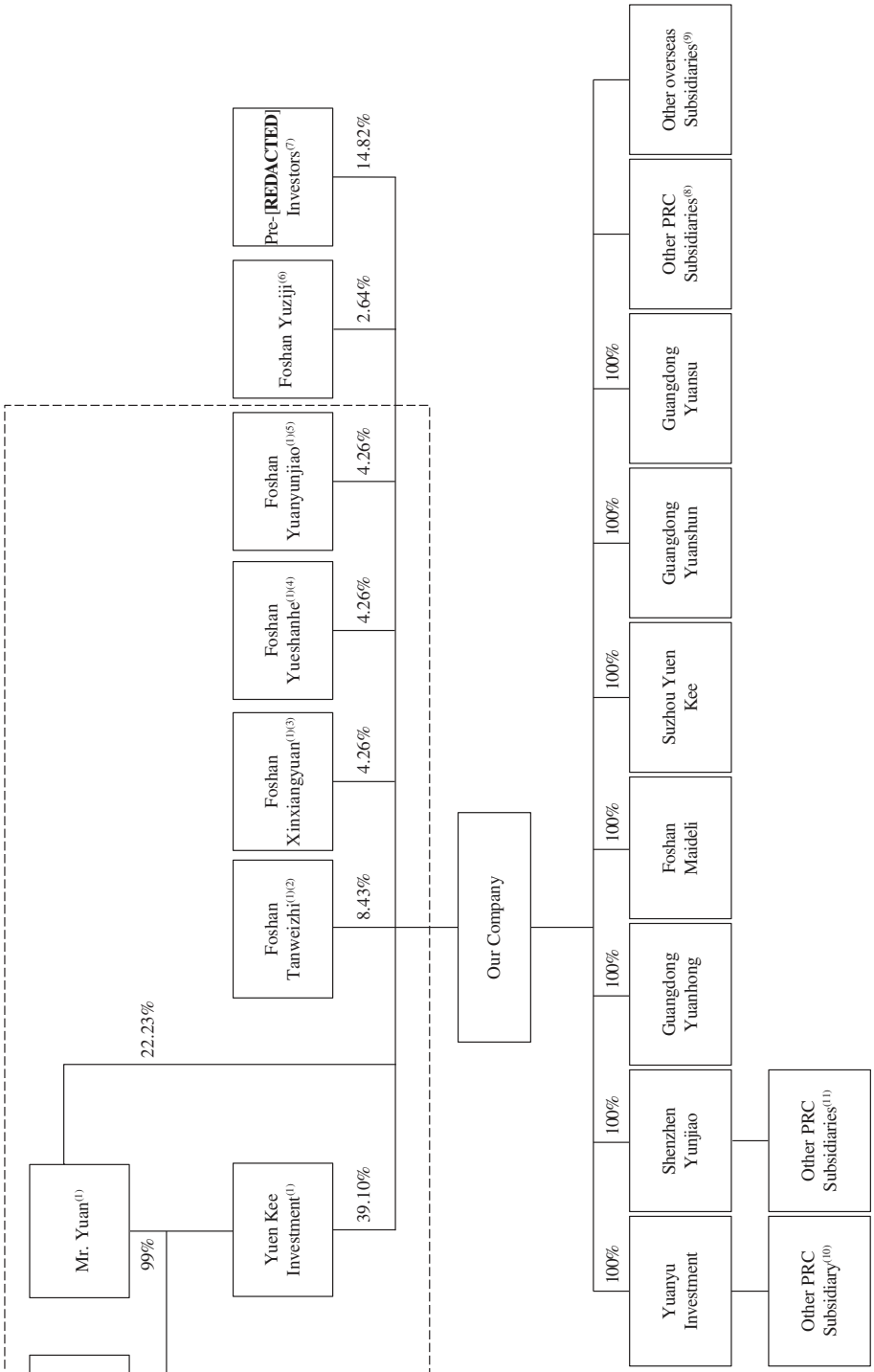
Taking into account the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), [**REDACTED**] Shares, representing [**REDACTED**]% of our total issued Shares upon [**REDACTED**], will be counted towards to the public float of our Company according to Rule 8.08 (as amended and replaced by Rule 19A.13A) of the Listing Rules, which is higher than the prescribed percentage of H Shares required to be held in public hands of 25% under Rule 19A.13A(1) of the Listing Rules calculated based on the [**REDACTED**] of HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**] (being the low end, mid-point and high end of the [**REDACTED**] range, respectively), thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

FREE FLOAT

[**REDACTED**]

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

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



Notes:

(1) Mr. Yuan, Mr. Yuan Jianjun, Yuen Kee Investment, Foshan Tanweizhi, Foshan Xinxiangyuan, Foshan Yueshanhe and Foshan Yuanyunjiao are our Group of Controlling Shareholders. Mr. Yuan Jianjun is the father of Mr. Yuan. See "Relationship with Our Group of Controlling Shareholders" for further details.

(2) Foshan Tanweizhi is an Incentive Shareholding Platform of our Company held by Mr. Yuan and our business partners, including shareholders of suppliers and franchisees, and consultants for rewarding their contribution to the development to the business of the Company. Foshan Tanweizhi was held by 24 individuals, among whom Mr. Yuan held approximately 71.38% partnership interest therein. Save as above, none of the partners of Foshan Tanweizhi held more than 5% partnership interest therein. As of the Latest Practicable Date, other than Mr. Yuan, each of the partners of Foshan Tanweizhi is a business partner of the Group and an Independent Third Party. Among the partners of Foshan Tanweizhi, there are five individuals, who are shareholders of two franchisees of the Company in Sichuan and Hong Kong. Such individuals were granted interests in our Incentive Shareholding Platform primarily taking into account their market resources, ability to develop local markets and contributions to the expansion of the Group's franchised store network. Mr. Yuan is the general partner of Foshan Tanweizhi and is able to control its voting rights. The Company may, subject to applicable laws and regulations and the approval of the Stock Exchange and based on business needs, continue to consider granting equity incentives to selected regional franchisees or business partners after [**REDACTED**].

(3) Foshan Xinxiangyuan is an Employee Incentive Platform of our Company. Foshan Xinxiangyuan was held by 43 individuals, among whom (i) Mr. Yuan held approximately 81.12% partnership interest therein, (ii) Liu Yong (劉勇), our deputy general manager, held approximately 1.02% partnership interests therein, and (iii) Xia Ni (夏霓), our chief financial officer, held approximately 2.03% partnership interests therein. Save as above, none of the partners of Foshan Xinxiangyuan held more than 5% partnership interest therein. As of the Latest Practicable Date, (i) each of the partners of Foshan Xinxiangyuan is currently an employee of the Group; and (ii) other than Mr. Yuan, each of the partners of Foshan Xinxiangyuan is an Independent Third Party. Mr. Yuan is the general partner of Foshan Xinxiangyuan and is able to control its voting rights.

(4) Foshan Yueshanhe is an Employee Incentive Platform of our Company. Foshan Yueshanhe was held by 26 individuals, among whom (i) Mr. Yuan held approximately 56.35% equity interests therein, (ii) Zhang Liangliang (張亮亮), our executive Director and deputy general manager, held approximately 5.69% partnership interests therein, (iii) Xu Le (徐樂), our executive Director and deputy general manager, held approximately 2.74% partnership interests therein, (iv) Zheng Boqi (鄭伯奇), our deputy general manager, held approximately 3.75% partnership interests therein, and (v) Cao Shan (曹鈐), our Board secretary, held approximately 1.62% partnership interest therein. Save as above, none of the partners of Foshan Yueshanhe held more than 5% partnership interest therein. As of the Latest Practicable Date, (i) each of the partners of Foshan Yueshanhe is currently an employee of the Group; and (ii) other than Mr. Yuan, Zhang Liangliang and Xu Le, each of the partners of Foshan Yueshanhe is an Independent Third Party. Mr. Yuan is the general partner of Foshan Yueshanhe and is able to control its voting rights.

(5) Foshan Yuanyunjiao is an Employee Incentive Platform of our Company. Foshan Yuanyunjiao was held by 33 individuals, among whom (i) Mr. Yuan held approximately 35.23% partnership interests therein, (ii) Yuan Yongbo (袁永波), our executive Director, employee representative Director and operations director of Southwestern China Business Division, held approximately 4.06% partnership interests therein, and (iii) Tian Wei (田偉), our executive Director and deputy general manager, held approximately 2.74% partnership interests therein. Save as above, none of the partners of Foshan Yuanyunjiao held more than 5% equity interest therein. As of the Latest Practicable Date, (i) each of the partners of Foshan Yuanyunjiao is currently an employee of the Group; and (ii) other than Mr. Yuan, Yuan Yongbo and Tian Wei, each of the partners of Foshan Yuanyunjiao is an Independent Third Party. Mr. Yuan is the general partner of Foshan Yuanyunjiao and is able to control its voting rights.

(6) Foshan Yuziji is an Employee Shareholding Platform of our Company. Foshan Yuziji was held by 9 individuals, among whom (i) Xu Chaowen (徐超文) is the general partner of Foshan Yuziji, holding approximately 3.23% partnership interests therein, (ii) each of Tian Wei (田偉) and Xu Le (徐樂), our executive Directors and deputy general managers, held approximately 25.81% partnership interests therein, and (iii) Zheng Boqi (鄭伯奇), our deputy general manager, held approximately 9.68% partnership interests therein. Save as above, none of the partners of Foshan Yuziji held more than 30% partnership interest therein. As of the Latest Practicable Date, (i) each of the partners of Foshan Yuziji is currently an employee of the Group; (ii) other than Tian Wei and Xu Le, each of the shareholders of Foshan Yuziji is an Independent Third Party, and (iii) the Shares held by Foshan Yuziji had been fully vested and issued to the individuals above and no further grant will be made under relevant Employee Incentive Scheme with respect to the shares held by Foshan Yuziji. Xu Chaowen, an employee of the Group, is the general partner of Foshan Yuziji and is able to control its voting rights.

(7) See "— Capitalization of Our Company" above for details of other Shareholders.

(8) Refer to Sichuan Yuantuo Food Co., Ltd. (四川元拓食品有限公司), Guangdong Yuen Kee Taste Brand Management Co., Ltd. (廣東省袁記味享品牌管理有限公司), Guangdong Hansao Food Technology Co., Ltd. (廣東省漢嫂食品科技有限公司), Guangdong Yuen Kee Food Technology Co., Ltd. (廣東袁記食品科技有限公司), Hunan Yuen Kee Culture and Tourism Development Co., Ltd. (湖南省袁記文化旅遊發展有限公司), Guangdong Yuanchuang Food Co., Ltd. (廣東省元創食品有限公司), Yuen Kee Taste Catering Management (Foshan) Co., Ltd. (袁記味享餐飲管理(佛山)有限公司), and Langfang Yuanhong Food Co., Ltd. (廊坊市元宏食品有限公司).

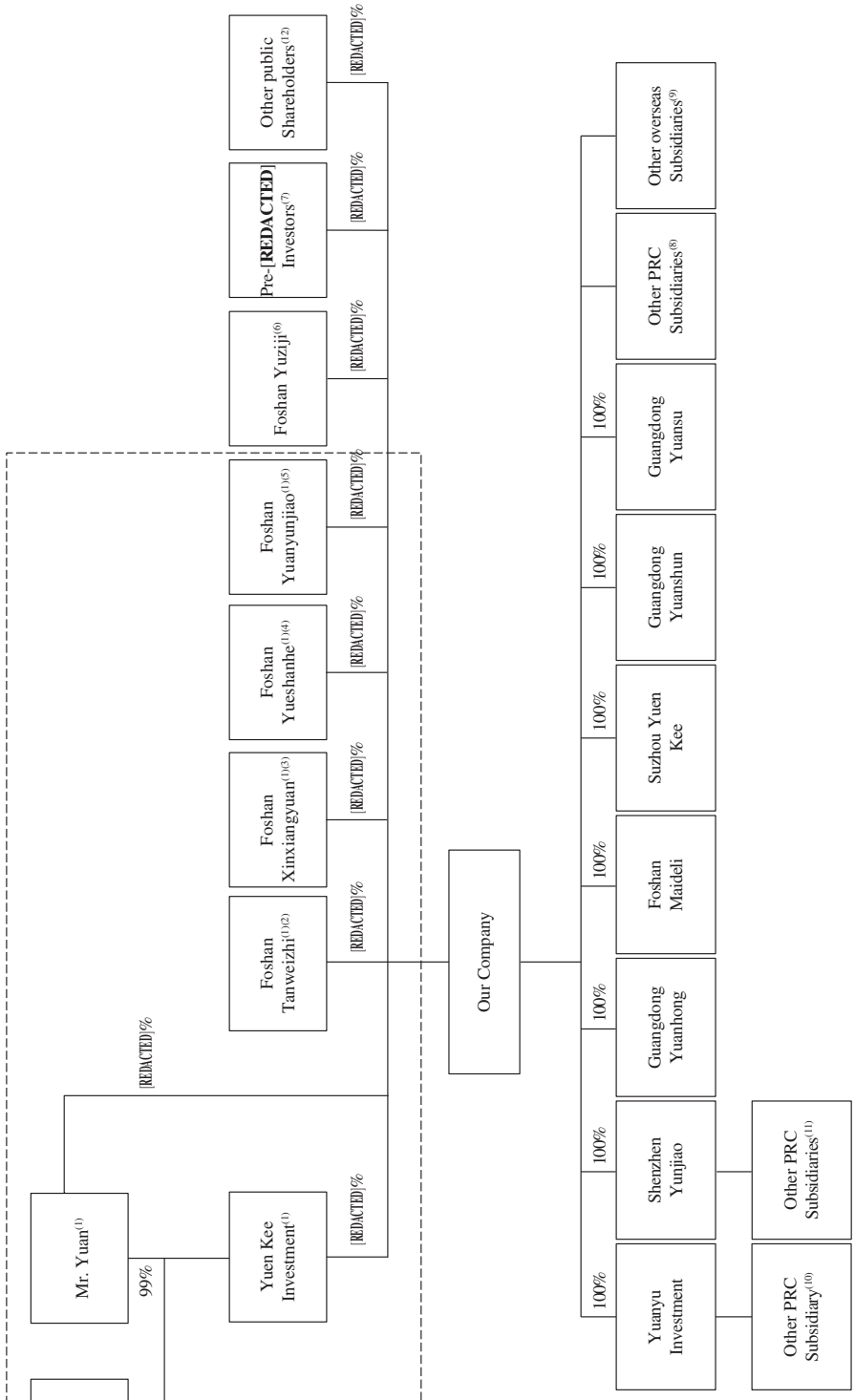
(9) Refers to YUAN JI (HONG KONG) LIMITED (袁記(香港)有限公司) (incorporated in Hong Kong), YUEN KEE DUMPLINGS (S) MANAGEMENT PTE. LTD. (incorporated in Singapore), YUAN'S DUMPLINGS LIMITED (袁記餃子有限公司) (incorporated in Hong Kong), YUEN KEE FOOD HOLDING LIMITED (incorporated in Cayman Islands), YUEN KEE FOOD (S) PTE. LTD. (incorporated in Singapore), YUEN KEE FOOD (S) MANAGEMENT PTE. LTD. (incorporated in Singapore), YUEN KEE DUMPLINGS (S) MANUFACTURING PTE. LTD. (incorporated in Singapore), YUEN KEE FOOD (UK) CO., LTD (incorporated in UK), YUEN KEE DUMPLINGS (M) SDN. BHD. (incorporated in Malaysia), YUEN KEE DUMPLINGS MANAGEMENT (M) SDN. BHD. (incorporated in Malaysia), YUEN KEE DUMPLINGS JAPAN CO., LTD (incorporated in Japan), PT YUEN KEE DUMPLINGS INDONESIA (incorporated in Indonesia), YUEN KEE DUMPLINGS (VN) COMPANY LIMITED (incorporated in Vietnam), YUEN KEE KOREA CO., LTD (incorporated in Korea), and YUEN KEE FOOD (SPAIN) SL (incorporated in Spain).

(10) Refers to Foshan Miantoushi Food and Beverage Management Co., Ltd. (佛山市面頭師餐飲管理有限公司).

(11) Refers to Guangzhou Yuen Kee Yunjiao Catering Management Co., Ltd. (廣州袁記雲餃餐飲管理有限公司), Nanjing Yuen Kee Yunjiao Catering Management Co., Ltd. (南京袁記雲餃餐飲管理有限公司), Chongqing Yuen Kee Yunjiao Catering Management Co., Ltd. (重慶袁記雲餃餐飲管理有限公司), Wuhan Yuen Kee Yunjiao Catering Management Co., Ltd. (武漢袁記雲餃餐飲管理有限公司), Changsha Yuen Kee Yunjiao Catering Management Co., Ltd. (長沙市袁記雲餃餐飲管理有限公司), Hangzhou Yuanji Yun Jiao Catering Management Co., Ltd. (杭州袁記雲餃餐飲管理有限公司), Xi'an Yuen Kee Yunjiao Catering Management Co., Ltd. (西安袁記雲餃餐飲管理有限公司), Shanghai Yuen Kee Yunjiao Catering Management Co., Ltd. (上海袁記雲餃餐飲管理有限公司), Foshan Yuen Kee Yunjiao Catering Management Co., Ltd. (佛山袁記雲餃餐飲管理有限公司), Fuzhou Yuen Kee Yunjiao Catering Management Co., Ltd. (福州市袁記雲餃餐飲管理有限公司), Jinan Yuen Kee Yunjiao Catering Management Co., Ltd. (濟南袁記雲餃餐飲管理有限公司), and Foshan Yuanji Craft Brewing Catering Management Co., Ltd. (佛山袁記精釀餐飲管理有限公司).

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

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



Notes:

(1)-(11) See the respective notes under "Corporate Structure Immediately Before Completion of The [**REDACTED**]."

(12) The Shares held by these other public Shareholders are H Shares, which will be counted towards the public float.

OVERVIEW

Who We Are

We are the largest Chinese-style quick service restaurant (QSR) company in China by number of stores, according to CIC, as of December 31, 2025. We also ranked 8th in the entire QSR industry and 3rd in the Chinese-style QSR industry in China with market share of 0.5% and 0.7%, respectively, according to CIC in terms of GMV in 2025. Anchored by Yuen Kee Dumpling (袁記雲餃), our restaurant brand, we position freshly hand-wrapped, freshly cooked as a core operational framework, while serving dumplings, wontons and related products in both RTE and RTC formats. The ingredients for our dumplings and wontons sold at the stores are mainly prepared in advance at our production facilities to maintain consistency in ingredient quality and flavor profiles, while store personnel are only responsible for the wrapping and cooking processes. With a broad, growing store network and a stable, resilient supply chain, we meet our consumers' daily meal needs through three forms of consumption: dine-in, pick-up and delivery. Dine-in provides on-site dining, RTE and RTC products. Pick-up facilitates the provision of RTE and RTC products. Delivery allows RTE and RTC products to be delivered to consumers via third-party food delivery platforms.

In addition, we expand our business coverage through Yuen Kee Taste (袁記味享), our retail brand, offering pre-packaged dumplings and wontons through various sales channels. Together with our Yuen Kee Dumpling (袁記雲餃) brand, this structure broadens our growth opportunities and compounds brand impact across catering and retail consumers, which in turn reflects our integrated restaurant and retail business model.

Our Business Models

We primarily operate a franchising business model under our Yuen Kee Dumpling (袁記雲餃) brand with a standardized supply chain. We manufacture (i) meat fillings, (ii) flour wrappers and (iii) other miscellaneous food items at our factories and generate revenue by selling them to the franchised stores. The franchised stores, under various store formats, use these raw materials sold by us to make food items, where they are freshly hand-wrapped, and in turn sell them to consumers, in the form of dine-in, RTE and RTC in both pick-up and delivery formats. We provide brand, supply chain, digital, and operational support, while franchisees run front-end operations and sales. We also operate a small number of self-owned stores primarily to gain operational insights and enhance our Yuen Kee Dumpling (袁記雲餃) brand awareness.

We also operate a retail business under our Yuen Kee Taste (袁記味享) brand, where we produce standardized pre-packaged dumplings and wontons at our factories and sell them primarily through instant retail channels, supermarkets and distributors.

Our Expansive and Fast-growing Store Network

From January 1, 2023 to May 31, 2026, our total number of stores increased from 1,990 to 4,773. We have achieved nationwide coverage while maintaining localized operational strategies tailored to different regions. As of May 31, 2026, we covered 33 provinces, autonomous regions, special administration regions and municipalities in China, spanning more than 250 cities. In parallel, we opened our first overseas store in Singapore at the end of 2024 and have continued to expand overseas through 2026. As of May 31, 2026, we operated 41 overseas stores, including 36 in Singapore, three in Thailand, one in Malaysia and one in the United Kingdom, taking Chinese dumplings and wontons to new segments of consumers.

Our Market Opportunities

Dumplings and wontons are a cultural mainstay. Just as important, they are everyday staples, not occasional treats as they remain a versatile main choice that fits office lunches and family meals alike, driving high-frequency use and strong repeat.

Accordingly, China's Chinese-style QSR market is experiencing robust growth, with branded chain operators gaining growing competitive advantages. According to CIC, China's Chinese-style QSR grew at a CAGR of 10.4% from RMB529.6 billion in 2020 to RMB867.9 billion in 2025 and is projected to grow at a CAGR of 8.9% to reach RMB1,329.6 billion by 2030. This momentum is structural as upgraded supply chains and digital operations are driving operation efficiency, and branded chains are gaining increasing market shares. On the demand side, consumers are choosing convenience, safety and consistency, signaling a shift toward organized systems. China's dumpling and wonton industry grew at a CAGR of 10.8% from RMB113.3 billion in 2020 to RMB189.3 billion in 2025 and is projected to grow at a CAGR of 9.4% to reach RMB296.3 billion by 2030, driven by continuous category innovation. The catering market for dumpling and wonton grew at a CAGR of 14.3% from RMB66.2 billion in 2020 to RMB129.2 billion in 2025 and is projected to grow at a CAGR of 11.6% to reach RMB223.6 billion by 2030. The retail market for dumpling and wonton category grew at a CAGR of 5.0% from RMB47.2 billion in 2020 to RMB60.1 billion in 2025 and is projected to grow at a CAGR of 3.9% to reach RMB72.7 billion by 2030.

Our Performance

Our total store GMV increased by 30.9% from RMB4,771.6 million in 2023 to RMB6,247.5 million in 2024, and further increased by 6.6% to RMB6,662.0 million in 2025, and continued to increase by 27.3% from RMB2,316.5 million in the five months ended May 31, 2025 to RMB2,948.8 million in the five months ended May 31, 2026. Our revenue increased by 26.4% from RMB2,026.1 million in 2023 to RMB2,561.1 million in 2024, and further increased by 9.1% to RMB2,795.1 million in 2025. Our revenue further increased by 39.8% from RMB934.0 million in the five months ended May 31, 2025 to RMB1,305.5 million in the five months ended May 31, 2026.

STRENGTHS

The largest Chinese-style QSR company in China

We are a leading player in the Chinese-style quick service restaurant (QSR) industry. In terms of number of stores, as of December 31, 2025, we are the largest Chinese-style QSR company in China. In terms of GMV of dumplings and wontons industry, we are the largest company in China in 2025, according to CIC. In addition to ranking and performance, we value consumers' inputs, which are vital to our success.

As of May 31, 2026, we had 4,773 stores across 33 provinces, autonomous regions, special administration regions and municipalities in China, as well as Southeast Asia and Europe. We continue to expand into markets that are under-penetrated. As of May 31, 2026, we had 2,213 stores in tier 1 cities and 2,471 in other city tiers within Chinese Mainland. We leverage a mature operating system and supply chain to replicate success abroad. As of May 31, 2026, we had 36 stores in Singapore, three stores in Thailand, one store in Malaysia and one store in the United Kingdom, demonstrating strong local adaptability and potentials. Our freshly hand-wrapped dumplings and wontons, through a consistent brand, continue to enhance identity and standardized store experience.

Our performance through the Track Record Period is robust. Our total store GMV increased by 30.9% from RMB4,772 million in 2023 to RMB6,247 million in 2024, and further increased by 6.6% to RMB6,662 million in 2025. Our total store GMV continued to increase by 27.3% from RMB2,316.5 million in the five months ended May 31, 2025 to RMB2,948.8 million in the five months ended May 31, 2026. Our revenue increased by 26.4% from RMB2,026.1 million in 2023 to RMB2,561.1 million in 2024, and further increased by 9.1% to RMB2,795.1 million in 2025. Our revenue further increased by 39.8% from RMB934.0 million in the five months ended May 31, 2025 to RMB1,305.5 million in the five months ended May 31, 2026. The backdrop is favorable as China's Chinese-style QSR market was RMB867.9 billion in 2025 and is projected to grow at a CAGR of 8.9% to reach RMB1,329.6 billion by 2030, according to CIC. The dumpling and wonton

dining market was RMB129.2 billion in 2025 and is projected to grow at a CAGR of 11.6% to reach RMB223.6 billion by 2030, according to CIC. With high brand awareness, high quality products, and multi-channel reach, we are positioned to ride and shape the sector's shift toward chain-led, standardized, higher-quality offerings, reinforcing leadership across Chinese-style QSR, as well as the dumpling and wonton category while compounding growth.

Our "restaurant + retail" integration model, covering multiple dining occasions

We have adopted an integrated model in Chinese-style QSR that unites restaurant and retail. Yuen Kee Dumpling (袁記雲餃) anchors three forms of consumption: dine in, RTE and RTC in both pick-up and delivery formats. Yuen Kee Taste (袁記味享) extends us into retail and institution-end with branded pre-packaged products, together covering online and offline and to-home and to-store.

On the store format side for Yuen Kee Dumpling (袁記雲餃), we operationalized through three standardized store formats, dine-in stores, pick-up stores and RTC pick-up stores, that offers dine in, RTE and RTC in both pick-up and delivery formats. Each dine-in store is multi-functional, serving guests on-premise while acting as the node for pickup and last-mile fulfillment, thereby driving clear operating advantages. In parallel, Yuen Kee Taste (袁記味享) extends us into retail end as we produce and sell pre-packaged products, across supermarkets and retail chains in China as of May 31, 2026, achieving initial penetration that complements restaurant scenarios and opens new growth vectors.

This model widens our consumer reach. In particular on the online side, we operate across major digital platforms, including Meituan, Taobao (including Tmall), JD and Douyin, as well as our mini-program embedded in Weixin, through which consumers can order both RTE and RTC products from our franchised and self-operated stores for pick-up or delivery. In addition, our Yuen Kee Taste (袁記味享) stores on those digital platforms, other than the Weixin mini-program, offer pre-packaged foods. Backed by high-density store network, this model enables us to promptly provide dine-in, pick-up and delivery services for the community. Delivery has become a core growth engine, with GMV increasing significantly across the Track Record Period. Our delivery GMV increased by 47.5% from RMB2,044.0 million in 2024 to RMB3,015 million in 2025, and accounted for 32.7% and 45.3% of our GMV, respectively. Our delivery GMV increased by 58.5% from RMB857.0 million in the five months ended May 31, 2025 to RMB1,358.2 million in the five months ended May 31, 2026. Meanwhile, Yuen Kee Taste (袁記味享) on JD.com, Taobao (including Tmall) and Douyin breaks geographic limits and captures non-immediate retail demand.

An innovating product matrix, winning trust with quality

We have built a comprehensive, integrated product lineup that works closely with our "restaurant + retail" integration model. As of May 31, 2026, we managed more than 350 SKUs, with about 68 SKUs per store, spanning five core categories: dumplings, wontons, noodles, small bites and beverages. In parallel, through Yuen Kee Taste (袁記味享), we bring pre-packaged dumplings, wontons, and complementary ingredients to households and business end scenarios such as group catering.

Beyond these five categories and various SKUs, we also offer spicy and non-spicy variants, as well as soup and dry formats, to accommodate regional palate differences across China without fragmenting the lineup. At the same time, we maintain a steady selection of popular choices, including pork and corn dumplings and shrimp and tobiko dumplings, to meet consistent demand. We operate a monthly release cadence of one new product in the middle of every month, focused on healthy, nutritious, and adventurous offerings that sustain brand energy and relevance. During the Track Record Period, we launched over 200 new SKUs.

Freshly hand-wrapped, freshly cooked is our product moat, and quality-for-value is why consumers stick with us. We insist on standardized recipes and in-store wrapping to keep quality tightly controlled. Our meat filling to dough ratio for our dumplings and wontons stays at 60% or

above, substantially better than peers. On the front line, open-kitchen wrapping lets consumers see our operations transparently; we also enforce our "one day shelf life" rule for our hand-wrapped dumplings and wontons, continually reinforcing the brand values of freshly hand-wrapped, freshly cooked. For the five months ended May 31, 2026, our average quarterly repurchase rate across our store network of the Yuen Kee Dumpling (袁記雲餃) brand reached about 31.2% among our members, above the industry average, signaling high stickiness and long-term trust, according to CIC. Calculating the repurchase rate on a quarterly basis provides a more meaningful and stable measure of recurring customers' demand, as it is less susceptible to short-term fluctuations from seasonal factors (e.g. holidays and promotional campaigns) than a monthly matrix which might lead to the absence of repeated purchases within a particular month. It is consistent with the industry practice and appropriate for the Chinese-style QSR segment, as confirmed by CIC.

A robust and resilient supply chain, safeguarding quality and unlocking cost efficiency

We have built a leading and fully integrated supply chain "from source to storefront", linking procurement and production with high-efficiency cold-chain logistics, to ensure stable, high-quality ingredient flow at scale. By controlling the critical path "from source to storefront," we enhance availability, and give our stores a reliable and consistent supply network.

Our sourcing approach emphasizes rigorous quality standards and long-term cooperation with upstream partners. We set high selection standards for core inputs — using longer-cycle, firmer-texture pork for improved juiciness; selecting in-season corn from golden-belt regions for natural sweetness; and procuring large Peruvian tobiko and other premium adjuncts to lock in product quality. Beyond specifications, we cooperate with best-in-class manufacturers in each category and deploy industrial chain investments to secure key inputs and buffer price volatility. With long-term, stable ties to core suppliers, we maintained an uninterrupted supply with no raw-material stockouts or severe shortages during the Track Record Period. This sourcing approach complements directly into our standardized production process.

The foundation of our supply chain is a national network of production facilities engineered for food industrialization and standardization. We operate six self-owned plants across China, where we centralize meat-filling preparation, dough processing, and core semi-finished production. This reduces in-store complexity, ensuring product consistency, shortening ticket times, and elevating the dining experience.

In addition, as of May 31, 2026, we operated 24 warehouses, to serve more than 4,300 stores with high-frequency, on-time deliveries, supporting multi-region expansion to increase the density of our store network. We are among the few in the industry to operate a full cold-chain end-to-end, across plants, warehouses, and last-mile store delivery, with temperature control visible throughout. In 2025, our inventory turnover rate outperformed the market, with our inventory turnover of 13.7 days in 2025 versus the Chinese-style QSR inventory turnover of around 25.0 days, according to CIC. Key ingredients like meat filling and wrappers are delivered to almost 70% of stores on a "once every two days" frequency to keep short shelf-life items fresh and sales-ready. During the Track Record Period and up to the Latest Practicable Date, our supply chain experienced no material disruptions or shortages.

An end-to-end digital operating system, enhancing efficiency and driving growth

We run a demand-led, precision-response supply chain powered by full-link digitization. From procurement and production to warehousing and logistics, tightly integrated ERP, WMS, TMS, MES, and SRM systems connect forecasts, smart purchasing, production planning, and fulfillment on a single, real-time data backbone. On the procurement side, the digital onboarding, qualification, and performance management of suppliers sit natively in SRM, linking directly to contract terms and purchase workflows. This increases transparency, and makes sourcing more resilient, with clearer traceability from ingredient to batch. In production, aided by our MES, schedules, line status, and quality checks are synchronized in real time, so capacity is allocated more accurately,

deviations are flagged early, and recipes are executed consistently across plants. In warehousing and logistics, demand flows straight into WMS for inventory control, and into TMS for routing arrangement and logistics distribution. This integration supports faster order release, tighter inventory control, and more reliable delivery to stores, while maintaining cold-chain integrity.

We extend the same rigor to the front line with real-time, headquarter-to-store-to-consumer digital management, thus closing the loop from supply to service. Our POS system is seamlessly integrated with our headquarter, enabling transactions, membership recognition, and auto-redemption of promotions while simplifying store workflows. Our headquarter monitors operating data across more than 4,000 stores in real time, using digital remote inspections and command-center dashboards for national-scale oversight — covering remote audits, sales forecasting, and smart food-safety traceability. The effects are clear in service speed and labor productivity, materially improving unit economics and the guest experience. With the back end synchronized and the front end streamlined, we can operate faster and smarter as one system.

Finally, with digital user operations and membership program marketing, we turn traffic into data, data into insight, insight into sales, and repeat this cycle. Our member engine follows a "public-domain acquisition, membership retention and precision repurchase" model, unifying statistics in relation to multiple channels such as mini-programs and delivery platforms so as to form integrated membership strategy for more efficient reach and uplift. As of May 31, 2026, we had more than 49 million members.

An experienced leadership team and a mature talent engine, powering long-term growth

Our leadership team combines entrepreneurial experience with institutional management capabilities. With an average industry experience over 10 years, the leadership team combines strategic vision with strong execution capabilities. Our founder Mr. Yuan Lianghong has spent more than a decade in the food service industry, accumulating deep market insight and formulating a clear strategic direction. He led the differentiation around "quality-for-value, freshly hand-wrapped, freshly cooked," and drove cornerstone initiatives such as supply chain and end-to-end digitalization, taking the brand from regional to national scale, and from a single brand to a multi-brand portfolio. Surrounding him is a cross-functional management team spanning restaurant operations, supply chain, finance, and marketing, professionals with complementary expertise and hands-on experience. Together, they provide the governance and operating rigor needed to execute fast expansion of our store network and support internationalization, turning strategy into repeatable systems and sustained performance.

Underpinning that execution is a complete talent development and pipeline system that scales in lockstep with the business. As of May 31, 2026, our employees' average age is 34, young, energetic, and adaptable, enabling rapid learning, innovation, and tight alignment with evolving industry trends. Guided by the principle of "select well, develop deeply, and deploy right," we have built a full-employment talent framework to keep supply matched with growth. We have continuously provided trainings for store managers and regional managers. This system not only secures steady talent for nationwide footprint and overseas expansion, but also provides clear career pathways that spark belonging, creating a virtuous cycle where talent propels the business and the business, in turn, elevates talent.

STRATEGIES

Maintain our leadership in the Chinese-style QSR industry

We will broaden and deepen our domestic footprint, lifting share and driving revenue while reinforcing category leadership. As of May 31, 2026, our stores covered more than 250 cities across 33 provinces, autonomous regions, special administration regions and municipalities in China.

Building on this platform, we will keep scaling up our business operations while maintaining our standards: city-by-city operating depth, format-by-format fit, and a tight cadence of openings that strengthens our network effect rather than diluting it.

We plan to unlock the next growth curve in under-penetrated markets to actualize this aim. With a solid base in established cities and a clear value-for-money edge, we will step up expansion into transport hubs, commercial districts, universities, scenic districts and others, as well as into under-penetrated cities. We see significant headroom for Chinese-style QSR industry in these places. According to CIC, by GMV, Chinese Mainland's third-tier and below Chinese-style QSR market is expected to grow at a CAGR of 8.6% from RMB319.7 billion in 2025 to RMB483.6 billion in 2030. We will tailor formats and investment envelopes to local demand intensity, leveraging our flexible store models and robust supply chain to deliver fast, affordable, freshly hand-wrapped offerings at scale.

We will also keep the brand fresh and the food category broad. We will continue upgrading the Yuen Kee Dumpling brand (袁記雲餃), iterating store image and formats to match local contexts and evolving consumer needs, ensuring strong visibility, higher loyalty, and more repurchases from our consumers. In parallel, we will expand the Yuen Kee Taste (袁記味享) pre-packaged dumpling and wonton retail line, broadening reach across group catering, supermarkets, and instant retail channels. Together, brand upgrades plus category extensions reinforce our consumer relevance, widen our demand surface, and sustain our leadership as the network scales.

Accelerate our overseas expansion

We will enter and scale overseas markets, weighing in population size, economic growth, income levels, local culture, and dining preferences.

Our goal is not scattershot coverage but a coherent footprint that compounds. As of May 31, 2026, we have opened 36 stores in Singapore, three stores in Thailand, one store in Malaysia and one store in the United Kingdom. From this hub, we will focus on Southeast Asia, while preparing for selective entries in East Asia, Europe and North America to shape a global brand. Each new city will follow a calibrated playbook: format fit to trade areas, pricing aligned to local spending power, and menus tuned to regional taste without losing our core.

We plan to strengthen our overseas supply chain capabilities by investing in or partnering with local suppliers. As the network scales, we will sequence overseas production assets by prioritizing locations so that core ingredients can be delivered stably and on time, with full cold-chain coverage and transparent controls. The buildout tempo will follow store density as once a market becomes ripe with more local stores, we will localize more processing, shorten lead times, and lower logistics costs, locking in consistency while improving unit economics.

In parallel, we may cooperate with local partners, whether to open up additional stores, set up local supply chain for meat fillings, flour wrappers, shrimps and other raw materials or build local warehouses. Where there is high synergy with our brand and business, we may also seek strategic cooperations and mergers and acquisitions that may, among other things, enhance our industrial chain overseas and enrich the portfolio of our product offerings.

Optimize and upgrade our supply chain management system

We will keep strengthening our supply chain to lift overall operating efficiency by tightening control at procurement, scaling standardized production, and sharpening warehousing and cold-chain logistics so quality and cost move in the right direction together.

On the procurement side, quality remains the first priority. We will refine supplier onboarding and ongoing assessments, and use selective strategic investments where appropriate. By deepening partnerships with core, high-quality suppliers and leveraging our growing scale, we enhance bargaining power and unlock economies of scale. In parallel, we will build a more comprehensive traceability system to safeguard safety and consistency, thus tightening controls on key inputs such as pork, flour, and corn.

On the production side, as the store network expands, we will add intensive, automated, intelligent, and digitally managed plants at home and abroad to boost throughput and control cost without compromising quality. In China, our Foshan Yuanshun factory has been under construction; looking ahead, we are considering new factories in North China and East China to better serve local stores.

On the logistics side, with more stores coming online, we will densify warehouse layout and upgrade the cold-chain system to raise delivery frequency, ensure on-time, stable distribution, and keep ingredients fresh, directly supporting network expansion and standardized output. Building on the current footprint, we plan to deploy core warehouses and front warehouses in cities across China, calibrated to local store needs. As these nodes come together, the system delivers faster turns, steadier supply, and lower per-unit cost, making the network stronger as it scales.

Invest in R&D to refine and widen our product matrix

We will stay close to evolving tastes in Chinese-style QSR and keep a steady cadence of product upgrades and new launches by focusing on broadening categories, lifting ingredient quality, and localizing flavor profiles so that our core stays strong while our appeal widens. Fast iteration, rigorous testing, and regular refresh of our product range will continue to guide how we optimize existing heroes and introduce products that meet shifting preferences and attract a broader audience.

We will enrich SKUs across five pillars, dumplings, wontons, noodles, small bites and beverages, opening space for new items. On fillings, we will continue to innovate with more diverse, on-trend recipes. Tapping the light-eating wave, we will develop additional light options for fitness-minded and vegetarian consumers. At the same time, we will double down on our freshly hand-wrapped equity, expanding themes like freshly hand-wrapped, freshly steamed with lines such as siu mai and steamed dumplings to create consumer awareness and impression of our craft. We will introduce our breakfast offerings to support all-day occasions. We will also introduce more premium protein options, such as beef, black pork, and yellow croaker, so fillings are enhanced in quality and variety.

In addition, using big-data insights, consumer research, and on-the-ground tastings, we will develop flavors that fit local eating habits and formats as our footprint expands across China. We also plan to bring distinctive regional tastes into our lineup. The result is a menu that feels familiar yet fresh in each city, rooted in our core, tuned to local preference, and refreshed often enough to keep consumers coming back.

Invest in and deepen our digital capabilities

We already operate an integrated digital infrastructure, MES for production, TMS for transport, WMS for warehousing, and SRM for procurement, giving us end-to-end transparency from sales forecasting and smart purchasing to production planning and logistics. The next step is to (i) continuously upgrade our digital infrastructure to enhance franchisee management and monitoring so as to help raise franchisee operating efficiency and improve the consumer experience, and (ii) enhance cost savings so that data flows faster, decisions get sharper, and execution becomes simpler at scale.

Furthermore, we will deploy more advanced digital tools for sales forecasting to support procurement and production planning, drive precise, automated replenishment and reduce reliance on manual judgment. In parallel, we will enhance consumer behavior prediction to power earlier, more relevant personalization, from targeted offers to product recommendations, so marketing is timely and conversion improves. We will automate stock counts to enhance inventory accuracy and warehousing efficiency, analyze traffic and heatmaps, and optimize layouts and merchandising by using digital image recognition to enhance store management and monitoring and lift the on-site experience. We will also deepen online-offline integration by refining scenarios such as order-online-pick-up-in-store and store-led livestream selling, while unifying membership and data across all touchpoints.

Finally, we will further digitalize our cold-chain logistics and warehousing operations, strengthen the traceability system and build a more transparent, resilient digital supply chain, from raw materials to the consumer's hands, so we can respond quickly to market changes while safeguarding safety and quality. Enhanced logistics and warehousing operations will improve inventory accuracy and warehousing efficiency, and support transportation coordination and on-time delivery. When every step is visible and verifiable, we protect trust, shorten response times, and keep the network steady even as it grows.

OUR BRANDS AND OFFERINGS

Our offerings are centered around our Yuen Kee Dumpling (袁記雲餃) brand for freshly hand-wrapped dumplings, wontons, noodles and other fresh delicacies, complemented by our Yuen Kee Taste (袁記味享) brand for pre-packaged foods.

As of December 31, 2025, we are the largest Chinese-style QSR company in China in terms of the number of stores, according to CIC, with a network of more than 4,500 stores. As of the same date, we had 56 stores outside Chinese Mainland in Hong Kong SAR, Macau SAR, Singapore and Thailand. Capitalizing on the surging demand for pre-packaged foods in China, we sequentially introduced our Yuen Kee Taste (袁記味享) brand to diversify our category portfolio, while leveraging our existing supply chain and operational infrastructure.

Our Yuen Kee Dumpling (袁記雲餃) Offerings

Yuen Kee Dumpling (袁記雲餃) offers a diversified product portfolio across five core categories: dumplings, wontons, noodles, small bites and beverages, comprising more than 350 SKUs nationwide as of May 31, 2026. During the Track Record Period, we introduced over 200 new SKUs.

Our signature dumpling and wonton lines form the foundation of our value proposition. Dumpling and wonton lines contributed more than 80% of our store GMV during the Track Record Period. Noodles, beverages and small bites complement the product mix and cater to evolving consumer preferences. This product portfolio ensures broad market appeal alongside operational efficiency.

Dumplings

We have developed a portfolio of flavorful dumplings that have achieved substantial and sustained consumer loyalty across our markets. The below list includes the details of our best-selling freshly hand-wrapped dumplings during the Track Record Period.

Corn and pork dumplings are crafted with fresh sweet corn, and premium cuts of pork. The standard retail price for RTC products ranges from RMB19.8 to RMB23.8 per 500 gram, while RTE products range from RMB15 to RMB25 per serving. For the five months ended May 31, 2026, approximately 3,267 tons of RTC and 11.6 million servings of RTE pork and corn dumplings were sold in our stores in Chinese Mainland.

Chive and pork dumplings are crafted with chives and pork filling. The aroma of chives complements the taste of pork, wrapped in a thin and firm dumpling skin to deliver a satisfying flavor. The standard retail price for RTC products ranges from RMB19.8 to RMB23.8 per 500 gram, while RTE products range from RMB15 to RMB25 per serving. For the five months ended May 31, 2026, approximately 1,989 tons of RTC and 6.0 million servings of RTE chive and pork dumplings were sold in our stores in Chinese Mainland.

Assorted dumplings, with assorted fillings (excluding shrimp), offer a combination of a variety of classic flavors in one pack, catering to diverse taste preferences and providing a convenient choice for consumers. The standard retail price for RTC products ranges from RMB19.8 to RMB25 per 500 gram, while RTE products range from RMB15 to RMB25 per serving. For the five months ended May 31, 2026, approximately 1,331 tons of RTC and 6.9 million servings of RTE assorted dumplings were sold in our stores in Chinese Mainland.

Wontons

We also specialize in freshly hand-wrapped Chinese wontons that combine tradition with quality, served either in a broth or paired with our signature sauces. According to CIC, our shrimp and tobiko wonton ranked as the best-selling freshly hand-wrapped wonton product in China by volume in 2025. The below includes the best-selling wontons during the Track Record Period.

Each shrimp and tobiko wonton contains a whole shrimp, paired with tobiko and pork selected for its fine texture. The standard retail price for RTC products ranges from RMB28 to RMB35 per 500 gram, while RTE products range from RMB23 to RMB32 per serving. For the five months ended May 31, 2026, approximately 1,413 tons of RTC and 17.4 million servings of RTE shrimp and tobiko wontons were sold in our stores in Chinese Mainland.

Assorted wontons, with a variety of assorted fillings (excluding shrimp), offer a combination of classic flavors in one serving, catering to diverse taste preferences and providing a convenient choice for consumers. The standard retail price for RTC products ranges from RMB19.8 to RMB25 per 500 gram, while RTE products range from RMB15 to RMB25 per serving. For the five months ended May 31, 2026, approximately 387 tons of RTC and 10.4 million servings of RTE assorted wontons were sold in our stores in Chinese Mainland.

Signature black pork wontons are an upgraded version of our previous fresh pork wontons, using premium black pork as the main filling ingredient. The wontons offer a rich pork aroma without being greasy. The standard retail price for RTC products ranges from RMB19.8 to RMB25.8 per 500 gram, while RTE products range from RMB15 to RMB25 per serving. For the five months ended May 31, 2026, approximately 1,721 tons of RTC and 6.7 million servings of RTE signature black pork wontons were sold in our stores in Chinese Mainland.

Noodles

Beyond dumplings and wontons, our noodles, served only in RTE format, are crafted to deliver the balance of texture and taste. Made from high-quality wheat flour, they are smooth, springy, and designed to complement our broths and signature toppings.

Our noodle offerings include several signature products. Signature black pork wonton noodles ("招牌黑豬肉雲吞麵") feature wontons made with premium black pork, served in a clear broth that complements the meat and noodles. Shrimp and tobiko wonton noodles ("鮮蝦蟹籽雲吞麵") contain whole shrimp and tobiko in each wonton, paired with a rich broth that blends seafood freshness with noodle aroma. Noodles with minced pork sauce ("雜醬麵") are made with pork cooked slowly in a blend of seasonings and sauce. The noodles are crafted from high-gluten wheat flour for a smooth, firm texture that absorbs the sauce.

The standard retail price ranges are RMB15 to RMB16 per serving for signature black pork wonton noodles, RMB19 to RMB21 per serving for shrimp and tobiko wonton noodles, and RMB8 to RMB10 per serving for noodles with savory minced pork sauce. For the five months ended May 31, 2026, approximately 3.4 million servings of RTE signature black pork wonton noodles, 3.8 million servings of RTE shrimp and tobiko wonton noodles, and 0.3 million servings of RTE noodles with savory minced pork sauce were sold in our stores in Chinese Mainland.

Our small bites and beverages

We offer small bites and beverages to companion each meal set, crafted with the same attention to flavor as our signature dumplings and wontons. From cold dishes and small bites to beverages, we aim to offer unique supplements to awaken consumers' appetites and add variety to the eating experiences.

Braised pork neck bones ("醬骨架") are made from selected pork neck bones, slow-cooked until tender and infused with a proprietary sauce. Freshly pressed corn juice ("現榨玉米汁") is prepared from sweet corn to deliver a natural sweetness, retaining the authentic flavor of the ingredient.

The standard retail price ranges are RMB15 per serving for braised pork neck bones and RMB5 to RMB8 per serving for freshly pressed corn juice. For the five months ended May 31, 2026, approximately 0.4 million servings of braised pork neck bones and 2.7 million servings of freshly pressed corn juice were sold in our stores in Chinese Mainland.

Our Yuen Kee Taste (袁記味享) Offerings

Yuen Kee Taste (袁記味享), upgraded from our Yuanlianghong ("袁亮宏") brand in 2023 following our strategic shift, focuses on pre-packaged food products and offers a diversified product portfolio, especially the signature dumpling and wonton product lines. Yuen Kee Taste (袁記味享) offered 22 SKUs nationwide, as of May 31, 2026. These products are sold across supermarket and retail chains across China. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, revenue from our Yuen Kee Taste (袁記味享) brand amounted to RMB54.4 million, RMB63.2 million, RMB96.1 million, RMB25.4 million and RMB69.3 million, respectively, and comprised 2.7%, 2.5%, 3.4%, 2.7% and 5.3% of our total revenue, respectively. Products under the Yuen Kee Taste (袁記味享) brand complements our product offerings in retail channels, enriches our brand and product portfolio, and enables us to cover scenarios in addition to dine-in, pick-up and delivery. We intend to continue developing the brand as an additional avenue for business growth and introduce its products into overseas markets in the future. For our pre-packaged products under Yuen Kee Taste (袁記味享), we outsource part of production to our connected parties, Huifengyuan, Fanlaizhiwei and Hunan Hufeng, primarily covering frozen dumplings, which represent a key product category under Yuen Kee Taste (袁記味享), as well as certain meat fillings and wrappers used in our pre-packaged products. Going forward, we expect to continue this strategy of outsourcing part of the production to our connected parties.

Dumplings

We offer a broad selection of pre-packaged dumpling flavors designed to provide consumers with the convenience of preparing and enjoying our products at home, with signature dumpling lines forming a core part of our offerings. Made with the same ingredients and standards as the freshly hand-wrapped dumplings in our Yuen Kee Dumpling (袁記雲餃) stores, we turn those flavors into pre-packaged form. The below includes the details of our best-selling dumplings under Yuen Kee Taste (袁記味享) during the Track Record Period.

The standard retail price of pre-packaged chive and pork dumplings ranges from RMB12.9 to RMB24.9 per pack. In the five months ended May 31, 2026, we sold approximately 743.0 thousand packs of chive and pork dumplings in Chinese Mainland.

The standard retail price of pre-packaged corn and pork dumplings ranges from RMB12.9 to RMB25.8 per pack. In the five months ended May 31, 2026, we sold approximately 693.1 thousand packs of corn and pork dumplings in Chinese Mainland.

Wontons

We also offer a range of pre-packaged wonton flavors to cater to diverse consumer preferences. Made with the same ingredients and standards as the freshly hand-wrapped wontons in our Yuen Kee Dumpling (袁記雲餃) stores, we turn those flavors into pre-packaged form. The below includes the best-selling wontons under Yuen Kee Taste (袁記味享) during the Track Record Period.

The standard retail price of shrimp and tobiko wontons ranges from RMB25.0 to RMB61.9 per pack. In the five months ended May 31, 2026, we sold approximately 1,627.8 thousand packs of shrimp and tobiko wontons in Chinese Mainland.

The standard retail price of corn and pork wontons ranges from RMB11.6 to RMB29.9 per pack. In the five months ended May 31, 2026, we sold approximately 428.4 thousand packs of corn and pork wontons in Chinese Mainland.

The following sets forth the average selling price and sales volume of our Yuen Kee Taste (袁記味享) products.

	Year ended December 31						Five Months ended May 31,	
	2023		2024		2025		2026	
	Sales volume (packs)[1]	*ASP (RMB)*	*Sales volume (packs)*[1]	*ASP (RMB)*	*Sales volume (packs)*[1]	*ASP (RMB)*	*Sales volume (packs)*[1]	*ASP (RMB)*
Wontons	3,048,703	16.63	3,518,143	13.25[2]	5,260,300	10.37[2]	3,549,541	11.56
Dumplings	328,380	9.71	1,808,885	7.43[2]	4,958,858	8.09[3]	2,899,065	9.18
Total (packs)	**3,377,083**	**15.96**	**5,327,028**	**11.28**	**10,219,158**	**9.26**	**6,448,606**	**10.49**

Notes:

(1) Packs for dumplings are 330 grams per pack; packs for wontons range from 310 gram per pack to 1,650 gram per pack; (2) The decline in the ASP of wontons under our Yuen Kee Taste (袁記味享) brand in 2024 and 2025 and dumplings under our Yuen Kee Taste (袁記味享) brand in 2024 was mainly due to our promotional initiatives implemented during the early stage of brand development, including sales discounts and bundled promotional giveaways; and (3) The increase in the ASP of dumplings under our Yuen Kee Taste (袁記味享) brand in 2025 was mainly due to a higher proportion of sales generated through our self-operated e-commerce stores, which generally carried higher selling prices because products sold through such channels were primarily sold at retail prices rather than wholesale prices.

The following sets forth the revenue, gross profit and gross profit margin of our Yuen Kee Taste (袁記味享) products.

	Year ended December 31									Five Months ended May 31,					
	2023			2024			2025			2025			2026		
	Revenue	Gross Profit	%	Revenue	Gross Profit	%	Revenue	Gross Profit	%	Revenue	Gross Profit	%	Revenue	Gross Profit	%
	(RMB in thousands, except for percentage)														
										(unaudited)					
Wontons	50,702	11,494	22.7	46,618	7,039	15.1[1]	54,549	10,762	19.7[2]	15,787	1,632	10.3	41,029	13,856	33.8[4]
Dumplings	3,189	304	9.5	13,447	186	1.4[1]	40,098	11,544	28.8[2]	9,251	1,014	11.0	26,614	11,459	43.1[4]
Others	544	(38)	(7.0)[3]	3,098	1,166	37.6[3]	1,485	298	20.1[3]	384	11	2.9	1,638	399	24.4[3]
Total	**54,435**	**11,760**	**21.6**	**63,163**	**8,391**	**13.3**	**96,132**	**22,604**	**23.5**	**25,422**	**2,657**	**10.5**	**69,281**	**25,714**	**37.1**

Notes:

(1) The gross profit margin of our wontons and dumplings under the Yuen Kee Taste (袁記味享) brand decreased from 2023 to 2024, primarily due to (i) an increase in raw material costs, and (ii) an increase in promotional expenses in the form of sales discounts;

(2) The gross profit margin of our wontons and dumplings under the Yuen Kee Taste (袁記味享) brand increased from 2024 to 2025, primarily due to (i) a decrease in raw material costs, (ii) a reduction in unit fixed costs as production volume increased, and (iii) an adjustment to our product mix in 2025, with a greater focus on machine-produced products and a reduced proportion of handmade products. In addition, dumplings generally involved a lower level of bundled promotional giveaways and sales discounts compared to wontons, which contributed to a more pronounced improvement in the gross profit margin of dumplings in 2025.

(3) Others primarily include certain trial or testing categories whose sales are non-recurring and irregular in nature. The gross profit margin of others experienced significant fluctuations during the Track Record Period, primarily because such products are not part of our regular sales offerings and mainly comprise customized products and promotional giveaways.

(4) The gross profit margin of our wontons and dumplings under the Yuen Kee Taste (袁記味享) brand increased from the five months ended May 31, 2025 to the five months ended May 31, 2026, primarily due to (i) a decrease in the price of pork, which is one of our principal raw materials, resulting in lower production costs, (ii) our continued expansion of distribution channels, including the addition of new distributors with a relatively higher pricing profile, which improved the overall average selling price of our products, and (iii) a favorable change in channel mix, as our self-operated e-commerce business for wonton products recorded stronger growth and accounted for a larger proportion of sales, thereby contributing to a higher overall gross profit margin.

OUR STORE NETWORK

As of May 31, 2026, our store network encompassed over 4,700 stores, with the majority being franchised stores. During the Track Record Period, more than 90% of our revenue was generated through our store network.

As of May 31, 2026, we have established store presence across 33 provinces, autonomous regions, special administration regions and municipalities in China, including over 250 cities, spanning across different tiers of cities. This extensive geographic reach provides a foundation for further growth compared against some of the regional chains in China. We have also established a growing presence outside of Chinese Mainland, with 89 stores as of May 31, 2026.

The sustained expansion of our franchised store network is driven by an interest-aligned franchise model, a resonant brand with clear value-for-money positioning, and a disciplined operating system designed to support sustainable returns for franchisees. We deliberately prioritize franchising as our primary growth engine because it enables rapid, capital-efficient market entry while preserving product consistency and service standards. Rather than relying on heavy large-scale marketing campaigns, we cultivate franchise demand through the demonstrated strength of our strong store-level performance and consumer demand. This approach creates a steady pipeline of franchisees, supported by an operating playbook that lowers execution risk.

Moreover, the rapid growth of our networks is a result of a highly digitized, end-to-end supply chain that anchors quality and cost discipline at scale and thus empowers replicability. Centralized processing and cold-chain distribution ensure consistency and food safety, while SKU-level demand forecasting and dynamic replenishment reduce stock-outs and waste. Standardized equipment and kitchen workflows simplify training and improve execution reliability. Central procurement of key inputs mitigates commodity price volatility and stabilizes gross margins, which is critical for franchisee confidence and willingness to reinvest.

See "Summary — Our Store Network" for a breakdown of the number of our stores by city tier and the number of our stores by store format.

OUR STORE OPERATIONS AND MANAGEMENT

We primarily expand our store network through a franchise model, and during the Track Record Period, the majority of our revenue came from selling food items to franchisees. The franchisees, in turn, sell freshly hand-wrapped foods to consumers through dine-in, RTE and RTC options in both pick-up and delivery formats. According to CIC, franchising is a common market practice in China and overseas in the Chinese-style QSR industry. As of May 31, 2026, franchised stores accounted for over 90% of our total store count.

During the Track Record Period, we operated a small number of self-owned stores primarily to gain operational insights and enhance our Yuen Kee Dumpling (袁記雲餃) brand awareness. As such, their business model and financial performance are not indicative of our broader franchised store network. Going forward, our growth strategy relies primarily on the franchise model, which has enabled us to expand our footprint and strengthen brand recognition across key markets.

Overview

We work closely with our franchisees across all major facets of store operations to align our core values with their entrepreneurial pursuits. We are responsible for overall brand management, including brand standards, brand image and related guidelines. Franchisees are responsible for the day-to-day operation and management of their stores, including store-level execution of operating procedures, customer service, opening hours and routine store management. Franchisees are required adhere to our comprehensive, standardized operating procedures and brand standards and bear the operational liabilities and costs of their stores. This well-defined roles and responsibilities enable us to focus on brand building, product development and refinement, strengthening supply chain capabilities, scaling the network, and improving store performance across the system.

Set forth below is the sales volume and average selling price of food items we sold to franchised stores during the Track Record Period.

	Year ended December 31						Five Months ended May 31,	
	2023		2024		2025		2026	
	Sales volume (tons)	*ASP (RMB/kg)*	*Sales volume (tons)*	*ASP (RMB/kg)*	*Sales volume (tons)*	*ASP (RMB/kg)*	*Sales volume (tons)*	*ASP (RMB/kg)*
Fillings	44,046	27.5	54,774	26.8	57,597	26.0	24,222	26.5
Wrappers	30,965	8.2	39,558	7.6	41,405	7.8	17,865	8.3

Set forth below is the revenue, gross profit and gross profit margin of the food items and store operations we provided to franchised stores during the Track Record Period.

	Year ended December 31									Five Months ended May 31,					
	2023			2024			2025			2025			2026		
	Revenue	Gross Profit	Gross Profit Margin (%)	Revenue	Gross Profit	Gross Profit Margin (%)	Revenue	Gross Profit	Gross Profit Margin (%)	Revenue	Gross Profit	Gross Profit Margin (%)	Revenue	Gross Profit	Gross Profit Margin (%)
	(RMB in thousands, except for percentage)														
											(Unaudited)				
Food Items															
Fillings	1,209,221	364,193	30.1	1,466,196	388,798	26.5	1,495,600	446,247	29.8	515,342	144,793	28.1	642,673	231,994	36.1
Wrappers[3]	254,433	42,816	16.8	300,789	47,056	15.6	324,269	68,178	21.0	109,413	22,020	20.1	148,178	30,407	20.5
Condiments	148,135	20,921	14.1	217,676	25,524	11.7	246,057	15,006	6.1	83,483	4,116	4.9	122,589	10,423	8.5
Packaging	141,857	10,027	7.1	212,345	20,584	9.7	264,711	21,731	8.2	80,433	6,875	8.6	124,451	14,094	11.3
Others[2]	90,122	7,905	8.8	128,975	11,176	8.7	150,254	11,186	7.4	48,934	2,401	4.9	95,317	6,448	6.8
Store Operations															
Revenue from franchise services	87,847	70,132	79.8	116,601	96,465	82.7	132,455	111,291	84.0	45,212	36,384	80.5	63,431	53,231	83.9
Revenue from self-operated stores	38,083	(2,842)[1]	(7.5)	52,804	(10,365)[1]	(19.6)	61,337	(2,547)[1]	(4.2)	21,634	(2,915)[1]	(13.5)	31,337	(3,158)	(10.1)
Total	**1,969,698**	**513,152**	**26.1**	**2,495,386**	**579,238**	**23.2**	**2,674,683**	**671,092**	**25.1**	**904,451**	**213,674**	**23.6**	**1,227,976**	**343,439**	**28.0**

Notes:

(1) Our self-operated stores recorded gross losses during the Track Record Period primarily because self-operated stores are mainly established to pilot operations in new markets and to build brand presence, rather than for large-scale profit generation. As a result, the number of self-operated stores remained limited, while the level of upfront investment and operating costs was relatively high. (2) Primarily includes various small bites such as beef brisket and pork knuckles, snacks and other miscellanous items. (3) Includes noodles due to being flour-based as well.

The following table sets forth the number and the movements of our franchised stores for the years/periods indicated.

	As of December 31,			As of May 31,
	2023	2024	2025	2026
Number of franchised stores at the beginning of the year/period	1,978	3,123	3,926	4,481
Number of franchised stores opened	1,226	1,057	771	379
Number of franchised stores closed	81	254	216	110
Voluntary closure	69	234	215	110
Required closure	12	20	1	0
Total number of franchised stores at the end of the year/period	**3,123**	**3,926**	**4,481**	**4,750**

During the Track Record Period, closures of franchised stores primarily arose from ordinary commercial and operational factors. The most common reason was the expiry of franchise or lease agreements and the franchisees chose not to renew due to, the increases in rental costs or failure to reach agreement with landlords on revised rental terms, underperformance resulting in prolonged operating losses, intensified competition in surrounding commercial areas leading to declining customer traffic, and unsuccessful relocation attempts following the loss of an existing store location. The slow down of new store opening rate during the Track Record Period was primarily attributable to our more selective expansion approach, including stricter franchisee qualification and site selection criteria. In particular, we introduced standardized written assessments and cross-departmental interviews to assess prospective franchisees' operational knowledge, compliance awareness and commitment to hands-on store management, alongside financial, credit and criminal record checks. We typically disqualify prospective franchisees that only made financial investments and unwilling to participate in day-to-day operations. We also required headquarters approval of new sites, limited further store densification in areas with limited local market demand, shifted our expansion focus towards lower-tier markets and suspended small-format store openings. These measures reflected our increasing emphasis on store quality and operational sustainability over the pace of expansion.

Meanwhile, we seek to attract and retain franchisees through optimized franchise policies, attractive store economics and ongoing operational support. Our key initiatives include transitioning franchise fees, commencing in June 2025, from a one-time payment model to an annual payment model to lessen the financial burden for new franchisees, refining our store investment model to enhance store-level economics, implementing renewal and incentive programs to encourage long-term cooperation, providing store opening assistance, staff training, ongoing operational and marketing support to help franchisees establish and operate their stores, and maintaining regular communication with franchisees to address their operational needs and feedback in a timely manner. Such communication also helps us identify areas where further support may be needed.

The following table sets forth the number and the movements of our franchisees for the years/periods indicated.

	As of December 31,			As of May 31,
	2023	2024	2025	2026
Number of franchisees at the beginning of the year/period	1,257	1,656	1,956	2,161
Number of franchisees joined	468	417	308	184
Number of franchisees who ceased operations	69	117	103	41
Total number of franchisees at the end of the year/period	**1,656**	**1,956**	**2,161**	**2,304**

As of December 31, 2023, 2024, 2025 and May 31, 2026, 499, 594, 707 and 751 franchisees owned two or more franchised stores, respectively. The average number of franchised stores per franchisee amounted to 1.9, 2.0, 2.1 and 2.1 as of December 31, 2023, 2024, 2025 and May 31, 2026, respectively.

Besides the franchisees and their franchised stores, the following table sets forth the number and the movements of our self-operated stores for the years/periods indicated.

	As of December 31,			As of May 31,
	2023	2024	2025	2026
Number of self-operated stores at the beginning of the year/period	12	18	27	21
Number of self-operated stores opened	6	10	5	5
Number of self-operated stores closed or transferred	0	1	11	3
Number of self-operated stores closed	0	1	9	3
Number of self-operated stores transferred	0	0	2	0
Total number of self-operated stores at the end of the year/period	**18**	**27**	**21**	**23**

When entering a new market and assessing the suitability of a specific trade area, we may operate self-operated stores as model stores primarily established for pilot and testing purposes. As such, during the Track Record Period, the number of self-operated stores was limited. Our self-operated stores enable us to directly observe customer preferences, test product offerings and store operation practices, and collect first-hand operational data before expanding through our franchise network. They also enhance our local brand visibility and support our network development and resource allocation decisions. Accordingly, closures and transfers of self-operated stores mainly reflected our internal business decisions and operational adjustments. In particular, we may close a self-operated store where the pilot results do not meet expectations, where the location is assessed to be less suitable after a period of operation, or where we adjust our store network and resource allocation to focus on more suitable areas. Such actions were taken under our control as part of our store rollout and optimization strategy, rather than arising from the broader range of external and personal factors typically seen in franchised stores.

The following table sets forth our revenue by city tier from self-operated stores and sales to franchised stores.

	Year ended December 31			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Yuen Kee Dumpling (袁記雲餃)					
First-tier cities	1,318,818	1,572,411	1,509,460	512,571	627,810
Second-tier cities	393,640	507,331	567,747	192,792	264,875
Third-tier and below	249,798	393,539	538,622	182,902	290,958
Hong Kong, Macau	7,442	21,311	30,481	7,947	14,898
Southeast Asia	–	794	28,373	8,239	29,435
Yuen Kee Taste (袁記味享)	54,435	63,163	96,132	25,422	69,281
Others	1,987	2,568	24,289	4,134	8,265
Total	**2,026,120**	**2,561,117**	**2,795,104**	**934,007**	**1,305,522**

Store Performance

To provide additional context on our store performance, see "Summary — Our Store Operations and Management" for the details of our store order number and store GMV during the Track Record Period. The following table sets forth our offline order numbers and GMV. See "— Arrangement with Online Delivery Platforms — Operating Data with Online Platforms" for order numbers and GMV on online platforms.

	Year ended December 31			Five Months ended May 31,	
	2023	2024	2025	2025	2026
Offline orders *(in millions)*	96.8	124.6	112.7	46.2	48.0
Offline GMV *(RMB in millions)*	3,025.1	3,708.6	3,210.8	1,309.0	1,406.7

Franchise Application

We have established a steady inflow of franchise applications through online and offline promotion and marketing, as well as through our brand recognition and existing franchisees. To make engagement seamless, we prominently disclose franchise consultation contacts at our stores, on product packaging and delivery materials, and across our official digital platforms.

To safeguard brand equity and ensure a consistent consumer experience, we apply rigorous screening standards to franchisee applicants. We apply set of quantifiable eligibility criteria when assessing prospective franchisees. In general, an applicant is expected to be aged between 25 and 50, have start-up capital of RMB250,000 to RMB500,000 and provide liquidity verification of not less than RMB500,000. The applicant should have no overdue records in their credit reports for the most recent three months. We also consider relevant operational capability, including (i) at least one year of catering/food service experience and (ii) an understanding of delivery-based operations. Our review focuses on alignment with our core values, operational capability, and site suitability, with particular emphasis on compliance with our standardized store requirements. Only applicants meeting both operator and site criteria proceed to approval. We do not have a preset approval/disqualification ratio.

We have established a comprehensive franchisee onboarding process and systematically apply it to all franchisee applicants. Specifically, prospective franchisees may contact us through various online and offline channels, following which we provide application forms to obtain information on their background for initial evaluation. Applicants who pass the initial screening are invited to participate in online interviews conducted by our relevant personnel to further assess their qualifications and suitability. Upon approval, applicants are required to attend initial training sessions to familiarize themselves with our operations and franchise network and must successfully complete written examinations upon completion of such training. Applicants who pass the examinations are then invited to enter into an initial memorandum of interest and pay the required deposits, followed by the execution of the franchise agreement. We subsequently guide and assist approved franchisees with site selection, local demographics research, as well as store design and decoration. Based on the approved locations, we allocate appropriate supply chain routes to ensure the fresh delivery of food items. Prior to commencement of operations, we provide training to store employees and ensure that all requisite licenses and certificates are duly obtained and archived for record-keeping purposes.

Franchisee Expenditure

During the Track Record Period, franchisees typically incurred (i) certain upfront fees and initial purchases payable to us and (ii) store set-up costs and capital expenditure payable directly to third parties, primarily comprising design firms, renovation contractors, equipment suppliers and engineering service providers.

Amounts payable to us at store opening generally include the franchise fee, management fee, and deposits. Such upfront fee payable to us usually range around RMB50,000 depending on location and store format.

Amounts payable to third parties typically include design fees, renovation and fit-out costs, equipment purchases, costs incurred for pre-opening staff training, initial staff costs, and local permits and licensing (where applicable). Furniture and utensils (such as tables, chairs, bowls and chopsticks), although procured under our standardized specifications, are typically made by franchisees directly to suppliers. Save as Tebiezhengjing, such third parties were Independent Third Parties and had no other relationship with us. We provide guidance on store design and designate store design suppliers to franchisees, one of which is Tebiezhengjing. Franchisees are responsible for independently engaging contractors and carrying out the design work in accordance with our requirements. See "— Agreements with Franchisees — Franchise Agreements." Tebiezhengjing, with its experience in store design especially in accordance with our uniform store design standards, provides graphic and spatial design services directly to some of the franchised stores. To our knowledge, such services are provided on an arm's length basis.

Store Location

Our site selection prioritizes high-frequency consumption locations suitable for food demand. We concentrate openings in locations with sustained footfall and convenient access, including neighborhood streets and residential clusters. We also deploy in transport hubs, tourist attractions and commercial districts to capture travel and workplace dining demand. This mix balances visibility, accessibility, and rent efficiency, supporting rapid new-store openings and resilient traffic for franchisees.

We conduct rigorous site checks before a franchised store can be opened. While prospective locations are first proposed by franchisee applicants, each site is then evaluated and approved by us through a structured process that combines experienced judgment with data-driven analysis. Our site selection process comprises five key stages. First, we conduct economic assessments to analyze residents' income levels, spending patterns, broader local economic indicators, and consumer profiles. We then evaluate purchasing power by mapping consumer behavior paths and preferences and monitoring satisfaction levels to validate demand for our product categories and brand. Next, we perform an integrated feasibility review, assessing district-level opportunities, defining the project plan, strategy and development direction, and preparing a financial model to estimate investment returns and payback periods. We also measure footfall through periodic fixed-point counts under different operating scenarios to capture traffic flows and assess time-of-day utilization. Finally, we delineate the site by identifying its geographic location and service radius and defining the store format, providing a robust basis for site commitment and execution.

Only a subset of proposals meets our thresholds and proceeds to approval, so that new openings are positioned for sustainable performance and that network expansion remains disciplined. In practice, we also provide franchisees with site selection recommendations based on our experience and data in addition to franchisee's proposals. Franchisees may accept such recommendations and proceed with our proposed location upon mutual agreement, but we do not require franchisees to select store locations exclusively identified by us. We do not compel franchisees to select any specific site. Once a site is agreed upon, the franchisees are responsible for executing the leases and are responsible for obtaining the requisite licenses, permits and certificates essential to operations.

To ensure that the premises selected by franchisees comply with relevant property, zoning, use and fire safety laws and regulations, we require the landlords of the franchised stores to follow our engineering and fit-out condition checklist. The checklist contains, among other things, specifications on water, electrics and heating to ensure the premises remain safe and compliant. Where the premises do not initially meet such requirements, the landlord is required to carry out rectification works, such that the lease agreement will only be executed and construction will only commence after the required conditions are satisfied.

Cannibalization prevention

As we expand our network, we employ a rigorous and data-driven site selection framework to minimize cannibalization between new and existing franchised stores, particularly in districts where our presence is already strong. We generally do not allow two stores to be located within a range of 100 to 500 meters of each other. We impose no additional requirements to motivate each franchisee to operate stores efficiently and compete fairly.

Each proposed location is evaluated through a combination of on-site inspections and advanced analytics to determine its viability, considering factors such as population density, traffic patterns, local demographics, nearby store performance, and competitive presence to model catchment potential and mitigate displacement risk. Centralized procurement and distribution stabilize quality and cost; standardized operating procedures and training preserve service and product consistency, supporting a fair growth environment for all franchisees and their franchised stores.

Store Design and Decorations

We maintain unified standards for store design, layout, and storefront presentation across Yuen Kee to reinforce a consistent brand image and consumer experience. Most stores feature our signature green palette with a clear display of our core brand and product elements. Typical stores are efficient in size, generally around 50 to 60 square meters.

We have three store formats. RTC pick-up stores provide RTC products for pick-up and delivery. Pick-up stores provide RTE and RTC products for pick-up and delivery. Dine-in stores provide RTE and RTC products for pick-up and delivery, as well as RTE meals with seating areas for on-site dining.



RTC pick-up store



Pick-up store



Dine-in store

Store Staffing, Training and Support

Franchisees are responsible for recruiting, employing and managing store staff and for all related employment matters and liabilities.

For newly opened franchised stores, store staff recruited by franchisees are required to complete our initial training and pass the relevant completion requirements before commencement of operations. Attendance and certification are mandatory as before opening, franchisees and their teams complete a centralized training program and must pass assessments to qualify for launch.

After opening, franchisees are responsible for ongoing staff training mainly through a mentorship model, while we provide the training materials, manuals and standard operating procedures. Our operations supervisors and trainers carry out ongoing calibration and guidance. We organize monthly training courses for franchised store managers in different regions, and our trainers provide targeted re-training and calibration for stores as well. The program is standardized and comprehensive, covering core areas of operations such as food preparation, food safety, hygiene, equipment use, consumer service, and daily store management. Attendance and certification are mandatory as before opening, franchisees and their teams complete a centralized training program and must pass assessments to qualify for launch. During the Track Record Period, franchisees and their store employees collectively attended our online and offline trainings sessions over 30,000 times.

Store Monitoring, Compliance and Evaluation

When new stores begin operations, we operate a structured store check-in system to guide day-to-day execution, supervise operational standards, and feed results into performance reviews. We also have supervisors who provide ongoing guidance to franchisees and conduct regular visits to the stores under their supervision. Franchisees are responsible for ensuring that their stores comply with applicable laws and regulations and our standards, and for maintaining relevant compliance records. Franchisees must use the brand strictly in accordance with our requirements and are liable for any breach or misuse at their stores. We conduct network-wide compliance oversight through monitoring and inspection arrangements and require corrective actions where deficiencies are identified.

We also constantly monitor stores' performance. Evaluation centers on (i) food safety and hygiene, (ii) consumer satisfaction where we track complaint volume and severity and hold stores accountable, (iii) compliance as breaches of franchise agreements trigger penalties; serious or repeated violations may lead to closure and (iv) sales results where for underperformers, we diagnose root causes and implement targeted solutions and extra training.

We monitor sales in franchised stores primarily through a unified point-of-sale ("POS") system. Upon store opening, each franchised store is required to connect to the POS system designated by the Group. Online orders generated through third-party platforms are transmitted to the POS system, while offline orders are recorded through QR-code ordering by consumers and the issuance of transaction receipts at the POS. These measures ensure that all sales transactions are captured in the system, enabling us to track and consolidate store-level sales data. In addition, we conduct regular store monitoring and inspections to verify proper system usage and order recording, allowing us to effectively understand and oversee the sales performance of franchised stores.

We operate a "three-tier" monitor and evaluation structure: (i) at the headquarters level, the food safety audit team (with dedicated online and on-site audit teams) conducts nationwide video and on-site audits; (ii) at the regional level, our operations teams, including food safety directors, store supervisors and operations managers conduct on-site checks and daily operational supervision; and (iii) at the store level, each store designates a food safety officer employed by the franchisee to perform daily self-checks and maintain daily food safety records.

For regular inspections, our food safety audit team conducts video audits and on-site audits on a continuous basis. The number of regular video-audit store visits was 4,815 in 2023, 8,570 in 2024, 9,773 in 2025 and 3,202 in the five months ended May 31, 2026, and the number of regular on-site audit store visits was 4,521 in 2023, 6,054 in 2024, 6,713 in 2025 and 2,452 in the five months ended May 31, 2026. Regular audits cover all stores nationwide at least once per year. In

addition, regional operations supervisors conduct routine store visits for the stores under their respective supervision, typically once per month with 100% coverage of the stores under their remit; newly opened stores are visited weekly during the first three months.

For ad hoc inspections, the food safety audit team conducted (including both video and on-site) 770 store visits in 2023, 1,689 store visits in 2024, 2,180 store visits in 2025 and 3,394 store visits in the five months ended May 31, 2026, which were triggered by factors such as customer complaints, risk alerts and major holidays. For stores with identified issues, follow-up re-inspections are typically conducted within seven days.

Stores are evaluated under a scoring-based checklist covering key dimensions such as raw material acceptance, operating procedures, storage management, cleaning and disinfection and staff health. Common findings include, among other things, deficiencies in cleanliness and sanitation, incomplete disinfection execution, and staff hygiene issues. Once issues are identified, we adopt a "audit-rectification-re-inspection-training" mechanism. Findings are recorded in our audit system with specified corrective requirements and timelines; regional supervisors track rectification progress; and auditors verify rectification through online review and, where necessary, on-site re-checks. For stores that fail to meet standards or fail re-inspections, we may require suspension for rectification in serious cases, together with targeted re-training.

Consumer Complaints

To capture and resolve consumer feedback efficiently, we operate dedicated service hotlines and online channels, actively monitor press and social media, and require franchisees under our agreements to promptly report any consumer complaints. Each complaint triggers a work ticket for end-to-end tracking. Our service team diagnoses the issue and assigns the appropriate resolution path, typically engaging the relevant franchised store to take immediate action and report their findings and remedies. Store operations supervisors are notified to supervise and support the process alongside our consumer service team. We verify handling progress with responsible parties, assess response quality, and solicit consumer feedback on outcomes. Complaint records are reviewed regularly by the relevant department to identify patterns and implement corrective measures for any systemic issues.

There had not been any consumer complaints received that would have a material adverse impact on the Group's business operations and financial performance during the Track Record Period and up to the Latest Practicable Date.

Agreements with Franchisees

We sign standardized contracts with every Yuen Kee Dumpling (袁記雲餃) franchisee that govern all core aspects of store operations. Each package generally includes: (i) a franchise agreement setting out the principal terms for operating and managing a Yuen Kee franchised store; and (ii) a procurement agreement setting out how the franchisee purchases approved supplies, ingredients, and equipment from designated channels.

Franchise Agreement

The following table summarizes the salient terms of our standard franchise agreement:

Term and renewal . The franchise agreement generally has a term of three years and is renewable upon expiry. Renewal of our franchise agreements is generally subject to mutual agreement between the relevant franchisee and us.

Fees and deposit . .	Franchisees are generally required to pay: (i) a non-refundable franchise fee for the full three-year term upon execution of the agreement. Commencing in June 2025, we started to charge franchise fees on an annual payment model to lessen the financial burden for new franchisees; (ii) an annual operations management fee payable in advance; (iii) a refundable performance deposit to cover damages and any unpaid amounts, where applicable; and (iv) an online platform management fee calculated as a percentage of online sales amounts, net of platform commissions.
Procurement of materials and equipment	Franchisees are generally required to: (i) purchase selected materials exclusively through our designated ordering system; (ii) procure through us equipment that we source from designated suppliers; (iii) use standardized ingredients without substituting ingredients or altering formulations; and (iv) refrain from reselling materials supplied by us to third parties.
Use of intellectual property	Franchisees are authorized to use our brands, trademarks and other intellectual property rights solely at the designated premises and in accordance with our requirements.
Advertising and promotional activities	We centrally plan brand advertising and promotional activities. Franchisees are generally required to participate in centrally organized promotional activities and obtain our prior written approval for any independent marketing activities, strictly follow the approved content and bear the related costs.
Store design and renovation	We provide guidance on store design and renovation, while franchisees are responsible for engaging contractors and carrying out the renovation work in accordance with our requirements.
Marketing	We are responsible for formulating and implementing overall marketing campaigns and strategies under the franchise agreement.
Termination	We may generally terminate the franchise agreement in the event of any material breach by the franchisee that remains unrectified within the prescribed period.

In 2023, 2024, 2025 and the five months ended May 31, 2026, the renewal rate of franchisee agreements was 89.3%, 86.6%, 88.1% and 84.4%, respectively. Renewal rate is calculated as the number of franchisees who renew their agreements, upon mutual agreement with us, during the period divided by the total number of franchisees whose agreements are due for renewal in the same period. The overall slight decline in renewal rate during the Track Record Period primarily reflected increasingly intense market competition and rising labor costs, food delivery platform fee rates and delivery costs, which compressed some franchisees' profit margins. Amid rapidly changing market conditions, certain franchisees with less capacity to withstand these pressures were unable to sustain their operations and did not renew their agreements. In addition, as our brand evolved and gained greater market recognition, certain landlords increased rents, adding to franchisees' cost pressures and prompting some to forgo renewal. Amid the general trend, the renewal rate increased in 2025 following the introduction of renewal incentives to promote the stability of our franchise network, and subsequently decreased in the five months ended May 31, 2026 following the discontinuation of such incentives. In addition, franchisees are entitled to terminate their franchise agreements prior to expiry in accordance with the terms of the relevant franchise agreements. Excluding franchise agreements that expired at the end of their contractual terms and terminations resulting from contractual breaches, the rates of franchisee-initiated terminations prior to the expiry of the relevant franchise agreements were 1.2%, 3.7%, 3.9% and 1.6% in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively.

For our non-refundable franchise fee, we generally price based on city tier with high store density first-tier cities being the most expensive and third tier and below cities with low store density being the cheapest. The cost ranges from RMB10,000 for three years to RMB80,000 for three years. The non-refundable franchise fee is negotiated upon renewal of franchise agreement near the end of the three-year period. For our annual operations management fee, we generally charge a flat fee of RMB3,600 per store per year and is payable in advance for the first year and then payable on a yearly basis afterwards. For the refundable performance fee, we price based on the number of stores owned by each franchisee with discount granted to franchisees who own multiple franchised stores. The performance deposit generally costs around RMB20,000 per franchised store. For online platform management fee, we generally charge around three percent of franchised stores' revenue through online channels. We also charge online platform service fee of RMB750 per store per year for the first year and RMB550 per store per year in the following years.

Procurement Agreements with Franchisees

The following table summarizes the salient terms of our standard procurement agreements with franchisees:

Term	The term is generally specified in the relevant franchise agreement and aligned with the applicable franchise cooperation period.
Selling prices	We generally supply ingredients to franchised stores at unified selling prices. Our two regional franchisees in Southwestern China and Hong Kong SAR resell ingredients purchased from us to individual franchisees at separately negotiated prices. Prices are predetermined in our designated ordering system and may be adjusted in response to market fluctuations upon prior notice to franchisees.
Suggested retail prices	Franchisees are generally required to follow our standard suggested retail prices for each offering. Such suggested retail prices vary by geographical location, with prices in first-tier cities generally higher than those in second-tier cities, which are in turn generally higher than those in third-tier and lower-tier cities.
Minimum purchase requirements	We generally do not impose any minimum purchase requirements based on monthly purchase amounts or product categories. Franchisees typically place orders of approximately RMB1,000 for food items available through our designated ordering system, although such amount is not a mandatory threshold.
Order and payment	Franchisees are generally required to make full payment before submitting an order, either by bank transfer to our designated account or by deduction from their account balance. We generally issue invoices within 15 working days after receipt of payment.
Overpayment	Any overpayment may be applied towards future orders and, upon termination of the relevant agreement, will generally be refunded within one week.
Delivery	Upon receipt of full payment, we generally arrange delivery to the relevant franchised store within seven days. Transportation costs are borne by the franchisee, and risk and title to the goods generally pass to the franchisee upon delivery.

Quality assurance and inspection . .	We generally warrant that the goods comply with applicable national and industry quality standards and food safety regulations. Franchisees are required to inspect the goods upon delivery and report any defects within the specified period. We generally replace defective goods within two days, provided that defects caused by improper storage by the franchisee are not covered.
Termination	We may terminate the procurement arrangements upon the occurrence of specified events, including: (i) unauthorized procurement from third parties; (ii) breach of confidentiality obligations; (iii) failure or expressed intention not to perform principal obligations; (iv) any material breach that remains uncured within the applicable cure period; or (v) bankruptcy or insolvency of the franchisee.

The principal terms of our franchise agreements and procurement arrangements with overseas franchisees are substantially consistent with those applicable to franchisees in Chinese Mainland. The primary differences relate to franchise fee arrangements and certain localization requirements, including governing law, dispute resolution mechanisms, local regulatory compliance requirements, payment currencies and data protection laws applicable in the relevant jurisdictions. For overseas franchisees, franchise fees are calculated as a percentage of sales rather than charged as a fixed fee payable upfront or annually. This approach aligns with local industry practices in the respective markets, according to CIC, and accommodates the commercial and operational characteristics of the franchise business in the overseas markets where our stores are operated.

During the Track Record Period, for core ingredients critical to product consistency and food safety, including meat fillings, flour wrappers and condiments, franchisees are required to procure from us. Major equipment used in stores is required to be procured through us, with such equipment sourced from approved suppliers and delivered directly from suppliers' warehouses, to ensure standardization, quality and safety. However, certain ancillary equipment and food items, primarily fresh vegetables, may be procured by franchisees outside the Group's designated ordering system. This is mainly because fresh vegetables, in particular leafy vegetables, are highly perishable. For materials procured outside our designated ordering system, we manage cost, safety and quality through standardized requirements and oversight. Those vegetables are the main items that the franchisees procure outside of our system and are used by franchisees as fillings in dumplings and wontons. Franchisees are required to comply with our food safety standards, approved sourcing requirements and pre-opening inspection procedures in the case of ancillary equipment, and such food items are subject to our routine store inspections and food safety audits.

We have adopted a controlled framework for franchisee-procured vegetables to ensure compliance with our quality and food safety standards. Franchisees are required to procure vegetables from formal channels, such as supermarkets, online delivery platforms, or qualified farmers or individual vendors with fixed business premises and identifiable credentials, and are prohibited from sourcing from unqualified mobile vendors. Stores must retain purchase records, supplier credentials and, where available, agricultural product compliance certificates. Upon receipt, food safety personnel at the franchised stores are required to inspect supplier qualifications, delivery records, batch testing, pesticide residue documents and freshness quality, and reject any vegetables with incomplete records or unsatisfactory sensory quality. Once the vegetables enter stores, we require all stores to follow our standardized procedures for vegetable preparations. These standardized procedures prescribe mandatory requirements on soaking, rinsing, sorting, re-inspection and cutting specifications to reduce food safety risks during processing. Compliance is monitored through daily store self-inspections, monthly regional inspections, headquarters' online and on-site audits, ad-hoc inspections and quarterly third-party pesticide residue testing. See "—Food Safety and Quality Control." We also provide store-wide training and annual assessments on vegetable handling standards and agricultural product documentation requirements.

Through these arrangements, we maintain control over product quality and food safety while allowing operational flexibility where centralized procurement is not practical. We have also started our own fresh vegetables supply and delivery system in 2025 in Guangdong province to further strengthen our supply chain.

Remote Channel Stuffing Risks with Franchisees

We consider the risk of channel stuffing with franchised stores to be low given the nature of our franchise model and procurement arrangements. We do not impose mandatory stocking targets, and do not push franchisees to take products beyond their operational needs. Franchisees place orders on a voluntary basis and determine the quantity and product mix by reference to their own store performance, expected sales and inventory levels, and they manage their own inventory balance. In addition, the food items we supply to franchisees, such as meat filling and wrappers, are perishable and require refrigerated or frozen storage. Franchised stores generally have limited on-site cold-storage capacity, which in practice constrains the amount of inventory that can be held at any given time and makes it impractical to stockpile large volumes.

We track the sales and procurement activities of our franchised stores on an ongoing basis and, where the purchase volume of an individual store is significantly higher than its normal sales level, promptly communicate with the relevant franchisee to verify the circumstances. We also refer to each store's historical sales performance when assessing the reasonableness of its order quantity and communicate with the franchised stores. We monitor franchised stores' inventory turnover, require franchisees to follow the first-in, first-out principle and pays attention to near-expiry inventory to avoid accumulation and waste. If any abnormality is identified, the Group has the right to adjust the relevant supply arrangements.

Further, our transactions with franchisees are generally conducted on a prepayment basis, meaning franchisees are required to pay in advance before we fulfill orders. As a result, franchisees generally have no commercial incentive to place orders materially in excess of their foreseeable sales needs, as doing so would tie up their own liquidity. Accordingly, our sales to franchisees are driven by franchisees' store-level demand rather than by our unilateral allocation or shipment of goods.

Account Credits to Franchisees

During the Track Record Period and up to the Latest Practicable Date, we have provided account credits to eligible franchisees. The account credits represent a form of trade credit extended in the ordinary course of business under our commercial cooperation arrangements with franchisees. The account credits allow eligible franchisees to purchase food items we produce, namely, meat fillings, flour wrappers, condiments and other food products, on a sale-on-credit basis through the ordering platform, up to the approved limit of RMB2 million. The account credits may only be used for the purchase of food items produced by us and cannot be used for any other purposes. Once eligible franchisees execute the written agreements with us, their franchised stores may place orders within the approved limit and settle the corresponding payment on a deferred, monthly settlement basis, reflecting a "goods first, payment later" arrangement. Eligible franchisees join the account credits on our invitation basis only. The terms of the account credit agreement between eligible franchisee and us typically stipulate, among other things (1) term of one year with renewal contingent on the minimum number of franchised stores operated, (2) the revolving nature where if the limit of account credits is reached, the franchisee must clear the balance before placing further orders, and (3) acceleration clause where we may require repayment of all account credits if the franchisee experiences material financial changes or has a material default.

During the Track Record Period, the average amount of account credits extended to the eligible franchisees was up to RMB2 million. Each franchisee elects the specific amount allocated to each of his/her franchised stores. The account credits are only extended to franchisees that meet our objective operational criteria, primarily sufficiently large procurement volumes, operation of a

meaningful number of franchised stores, and a clean operating track record with no material non-compliance and breach. In particular, an eligible franchisee is selected based on a combination of quantitative and qualitative factors derived from our internal assessment framework and past operational practices. Quantitatively, we generally require such franchisees to demonstrate proven expansion capability, including opening no fewer than eight new stores within a year under our then-applicable expansion policies. Qualitatively, we prioritize franchisees who have participated in the Group's regional market development and demonstrated sustained execution capability in key regions, where such franchisees have been actively involved in initial market penetration and subsequent network densification. In addition, we typically require these franchisees to have an established operating history across multiple cities, reflecting their ability to manage geographically diversified store networks. These criteria are applied holistically to ensure that only franchisees with demonstrated scale, execution track record and operational stability are invited to such account credits. As of December 31, 2023, 2024, 2025 and May 31, 2026, we have granted account credits to 10, 16, 11 and 10 eligible franchisees, who operated in aggregate 90, 177, 167 and 46 franchised stores, respectively. As of December 31, 2023, 2024, 2025 and May 31, 2026, RMB13.1 million, RMB29.4 million, RMB14.3 million and RMB7.7 million of account credits were outstanding, respectively. As of the Latest Practicable Date, RMB6.8 million, or 88.3% of the account credits as of May 31, 2026, had been settled.

Franchisee Independence

During the Track Record Period, certain of our franchisees were our former employees or then-current employees ("Affiliated Franchisees"). During the Track Record Period and as of December 31, 2023, 2024, 2025 and May 31, 2026, we had 11, 14, 13 and 10 franchisees who were our former employees or our then-current employees, respectively. As of the same date, these Affiliated Franchisees operated 29, 35, 40 and 29 franchised stores. During the Track Record Period, revenue from these franchised stores amounted to RMB16.3 million, RMB19.6 million, RMB19.8 million and RMB8.8 million, respectively. The revenue contribution from these Affiliated Franchisees were immaterial, collectively accounting for 0.8%, 0.7%, 0.7% and 0.7% of our revenue in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively. As of May 31, 2026, no current employee was also our franchisee.

Affiliated Franchisees became our franchisees primarily because they had developed an intention to operate their own business and considered a franchised store to be a practical career transition or supplementary business opportunity, given their familiarity with our offerings, operating standards and store requirements.

The commercial rationale for allowing the Affiliated Franchisees to become a franchisee, notwithstanding that those individuals were still employed by us at the relevant time, was that employee franchisees may help expand the store network with operators who are already familiar with our operating standards and compliance requirements, which may improve execution consistency at store level. We managed the associated governance risks by ensuring the franchise relationship is conducted on a consistent and non-preferential basis. When onboarding these Affiliated Franchisees, we applied the same selection criteria and procedures as those for other franchisees. The franchise agreements that we entered into with these Affiliated Franchisees have the same terms and conditions as those in the franchise agreements with other franchisees. The procurement agreements that we entered into with these Affiliated Franchisees have the same terms and conditions as those in the procurement agreements with other franchisees. We have not granted any pricing, credit or any other favorable advantages to any Affiliated Franchisee that is otherwise not granted to the rest of the franchisees.

Other than three franchisees, which include (i) a franchisee in Sichuan (the "**Southwestern Regional Franchisee**"), (ii) a franchisee in Hong Kong (the "**Hong Kong Franchisee**") (each of (i) and (ii) is also a limited partner on one of our external shareholding platform, Foshan Tanweizhi), and (iii) another franchisee who is Mr. Yuan's cousin (the "**Cousin**"), during the Track Record period and up to the Latest Practicable Date, to the best of our knowledge, our franchisees do not

have any past or present relationships (business, trust, family, financing or otherwise) with the Company or its subsidiaries, their shareholders, directors or senior management, or any of their respective associates. As of the Latest Practicable Date, the shareholders of the Southwestern Regional Franchisee and the shareholders of the Hong Kong Franchisee owned 4.1% and 1.0% in Foshan Tanweizhi, respectively, which in turn owned 8.4% of the Group. During the Track Record Period and as of the Latest Practicable Date, we do not have any financial or ownership interest in any of the franchised stores. The Cousin operated 22 franchised stores as of each of December 31, 2023, 2024 and 2025, and nil franchised stores as of May 31, 2026. In 2023, 2024, 2025 and the five months ended May 31, 2026, revenue from the Cousin's franchised stores contributed 0.9%, 0.7%, 0.5% and 0.5% of our total revenue, respectively. As of December 31, 2023, 2024, 2025 and May 31, 2026, the Southwestern Regional Franchisee had 270, 306, 288 and 299 franchised stores under its network. In 2023, 2024, 2025 and the five months ended May 31, 2026, revenue from the Southwestern Regional Franchisee contributed 5.4%, 5.0%, 4.9% and 4.8% of our total revenue, respectively. See "History, Development and Corporate Structure" for further details on Foshan Tanweizhi and "— Collaboration with Regional Franchisees" for further details on the Southwestern Regional Franchisee.

Collaboration with Regional Franchisees

During the Track Record Period, we collaborated with two regional franchisees, one being the Southwestern Regional Franchisee and the second in Hong Kong SAR (the "SAR Regional Franchisee") to further develop our brand and store network. We enter into a master regional franchise agreement with each regional franchisee pursuant to which the regional franchisee is authorized to develop, manage and support the franchising network within the specified geographic area by introducing additional individual franchisees into that area (the "Ultimate Franchisee").

The key terms of master regional franchise agreement sets forth, among other things, (1) the exclusive right granted to the regional franchisee to use and develop the "Yuen Kee Dumpling (袁記雲餃)" brand in that specific region, (2) the minimum number of franchised stores the regional franchisee must develop within a specific period, (3) the right to procure raw materials produced by us (meat fillings, flour wrappers and condiments) and then resell to individual franchisees subsequently developed, (4) term of four years with renewal subject to mutual consent and renewal request submitted by the regional franchisee three month before initial expiration, (5) franchisee fees, management fees and performance deposit payable to us, (6) confidentiality obligations on all trade secrets and operating know how and (7) compliance with our standards in all material aspects.

Where a regional franchisee introduces and develops an Ultimate Franchisee within that region, we, the regional franchisee and the Ultimate Franchisee enter into a tripartite franchise agreement. The tripartite franchise agreement sets forth, among other things, (1) the franchise fee, the management fee, performance deposit and information system fees payable to the regional franchisee by the Ultimate Franchisee, (2) a term of three years, (3) the procurement structure where the Ultimate Franchisee must sign procurement agreements with the regional franchisee separately and solely use food items sold by regional franchisee without resell to any other third party, (4) brand promotion where the Ultimate Franchisee must implement unified promotional activities approved by us and implemented by the regional franchisee, (5) confidentiality obligations on all trade secrets and operating know how, and (6) compliance with our standards in all material aspects.

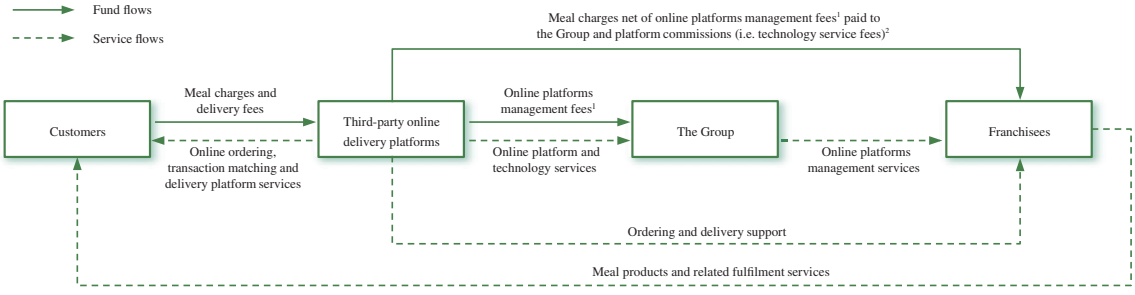
As stipulated by the tripartite franchise agreement, the regional franchisee and the Ultimate Franchisee separately enters into procurement agreement in respect of the supply of raw materials. We are not a party to, nor involved in negotiating or executing, such procurement agreement. The regional franchisee purchases raw materials and products directly from us and makes payment to the Company accordingly. Ultimate Franchisees place purchase orders with, and make payment to, the regional franchisee for the relevant raw materials. We do not receive payments directly from Ultimate Franchisees and does not ship any raw materials directly to those Ultimate Franchisees.

The role of regional franchisees is to act as our regional development and management partners. They are responsible for developing franchisees within their designated regions, providing day-to-day operational support and oversight, coordinating procurement and supply to Ultimate Franchisees, and maintaining the orderly operation of the regional franchising network in accordance with the our standards and requirements. As of December 31, 2023, 2024, 2025 and May 31, 2026, the Southwestern Regional Franchisee had 270, 306, 288 and 299 franchised stores under its network, respectively and the SAR Regional Franchisee had 33, 46, 54 and 56 franchised stores under its network, respectively. In 2023, 2024, 2025 and the five months ended May 31, 2026, revenue from the Southwestern Regional Franchisee contributed 5.4%, 5.0%, 4.9% and 4.8% of our total revenue, respectively and revenue from the SAR Regional Franchisee contributed 1.1%, 1.3%, 1.3% and 1.3% of our total revenue, respectively.

Arrangement with Online Delivery Platforms

We work with third-party online delivery platforms for delivery orders, and enter into master agreement with these platforms for all of our franchisees and self-operated stores. Orders are placed with stores selected by consumers through the delivery platforms, and we do not control the allocation of orders between our self-operated stores and franchised stores. Delivery services are provided by the delivery platforms, which arrange riders and complete the delivery to consumers.

With respect to order processing, upon receipt of an order placed through a delivery platform, the franchised store is responsible for preparing the food. Customer service responsibilities are allocated based on the nature of the issue. Issues relating to delivery, including delivery timing and rider-related matters, are handled by the delivery platforms, while issues relating to food quality and order accuracy are handled by the franchised stores. Refunds are typically initiated through the delivery platforms' systems, with the franchised stores responsible for processing the refunds. The following flowchart illustrates the fund flows among us, our franchisees and third-party online delivery platforms in respect of online orders:



Notes:

1. The online platforms management fee is charged by the Company to franchisees and is generally determined at 3% to 7% of the online sales amount, net of platform commissions. The online sales amount primarily includes meal charges and delivery fees. The platform will directly settle such amount with the Company on behalf of the franchisees.

2. Platform commissions (i.e., technology service fees) are charged by the third-party online delivery platforms to franchisees for ordering and delivery support services and are determined based on factors such as the order value, product pricing, promotional discounts, packaging fees, delivery services and other relevant order-specific considerations, subject to the applicable charging policies of the relevant platforms.

For online orders placed with franchisees, after deducting the technology service fees charged by the online delivery platforms, we retain only online platforms management fees, while the remaining meal charges are remitted to the respective franchisees.

With respect to liability appointment, delivery platforms are responsible for delivery-related liabilities, including issues arising from spillage during delivery, adverse weather conditions or other factors not attributable to the store. Where delivery issues arise due to storerelated reasons, such as delayed food preparation resulting in late dispatch, the franchised store bears the corresponding responsibility. Franchisees are responsible for food safety obligations at the store level.

Salient Terms of Contracts with Online Delivery Platforms

The major online delivery platforms used by us include JD.com, Meituan and Taobao.

On revenue sharing and commission structure, technology service fees are charged by the online platforms based on a percentage of the online sales amount. Contract is valid on a long-term basis unless mutually terminated by both parties. Settlement is made automatically, deducting technology service fees and other applicable charges before remitting the net amount. None of the platforms impose exclusivity. Promotional subsidies, discounts and joint-marketing costs are typically allocated in accordance with the applicable campaign rules, with each platform having discretion to grant fee reductions depending on campaign performance. We are responsible for product quality and platforms are responsible for delivery-side logistics and issues.

Operating Data with Online Delivery Platforms

The following table sets forth our order numbers and GMV online platforms.

	Year ended December 31			Five Months ended May 31,	
	2023	2024	2025	2025	2026
Online orders *(in millions)* . .	85.8	128.3	183.2	51.1	81.8
Online GMV *(RMB in millions)*	1,746.5	2,538.9	3,451.2	1,007.5	1,542.1

OUR DISTRIBUTORS

During the Track Record Period, we sold our Yuen Kee Taste (袁記味享) offerings mostly via distributors, which included trade merchants and supermarkets, and to a lesser extent, via our online self-operated stores on major e-commerce platforms and via direct group catering. In the case of supermarkets, we sell directly to supermarkets first, who in turn sell our Yuen Kee Taste (袁記味享) products to end consumers. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, revenue from Yuen Kee Taste (袁記味享) accounted for 2.7%, 2.5%, 3.4%, 2.7% and 5.3% of our total revenue, respectively. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, revenue generated from distributors accounted for 56.6%, 60.4%, 57.8%, 74.0% and 45.1% of total revenue under Yuen Kee Taste (袁記味享), respectively. Revenue generated from self-operated online stores accounted for 38.7%, 31.2%, 37.8%, 23.6% and 50.8% of total revenue under Yuen Kee Taste (袁記味享), respectively. Revenue generated from others being primarily group catering services accounted for 4.7%, 8.4%, 4.4%, 2.4% and 4.1% of total revenue under Yuen Kee Taste (袁記味享). By partnering with distributors, we are able to (i) leverage local market expertise as our distributors possess in-depth knowledge of regional consumer behavior and retail dynamics; (ii) access established sales and distribution networks as our distributors typically have long-standing relationships with key retail chains and convenience, allowing for faster and broader market penetration; and (iii) accelerate market entry and scale where we can enter new markets more quickly and scale our presence with lower capital investment.

Selection and Management of Distributors

We have a seller-buyer relationship with our distributors whereby the ownership of the products is transferred to our distributors upon collection of the products from our warehouses. We select our distributors based on a number of factors, including their qualifications, scope of operations, business scale, relevant industry experience, local distribution network, and points of sale coverage. The purchase price charged to distributors is determined based on a cost-plus pricing mechanism and prices charged to distributors do not differ materially from prices offered through other sales channels. As of December 31, 2023, 2024, 2025 and May 31, 2026, we had 9, 19, 46 and 57 distributors for our Yuen Kee Taste (袁記味享) offerings.

Major Terms with Our Distributors

We generally enter into distribution agreements with our distributors, which are sales and purchases agreements in nature. While certain commercial terms, such as pricing and the contract term, may vary depending on market conditions and the distributor's capabilities and are therefore negotiated on a case-by-case basis, such agreements largely adhere to our standard distribution template. Typically, the term of these agreements is one year. Distributors are strictly restricted to selling products within pre-negotiated channels and regions, and any sales activities conducted outside such stipulated channels are deemed to constitute a material breach. The distributor purchase price for products is determined based on a pre-negotiated price list. While we provide recommended standard retail prices, distributors are not permitted to adjust selling prices without our prior written consent. We provide advance notice to distributors in the event of any price adjustments resulting from new product launches or changes in market conditions. In general, we do not permit distributors to return products unless there are product quality issues attributable to us. We typically require distributors to make full payment for orders prior to delivery, although we may grant credit terms on a case-by-case basis after considering factors such as the history of cooperation and the distributor's credit standing. Distributors are required to maintain reasonable inventory levels in accordance with our guidelines to avoid stock shortages, and we are entitled to inspect their warehousing and logistics conditions to ensure proper storage of our products. In addition, all distributors are required to comply with the anti-bribery undertakings set out in the distribution agreements, and any violation of such undertakings constitutes a material breach. We reserve the right to terminate the cooperation if a distributor fails to remedy a material breach within the applicable rectification period.

Distributor Independence

To the best knowledge of our Directors, during the Track Record Period and as of the Latest Practicable Date, all our distributors were independent third parties, and none of our distributors was controlled by any of our former or present employees during the Track Record Period. During the Track Record Period and as of the Latest Practicable Date, none of our distributors had any business, employment, family or financing relationships with any of our Directors, Shareholders, senior management or employees.

Remote Channel Stuffing Risk

We believe that our sales correspond to actual consumer demand and therefore our products are at low risk of channel stuffing in our distribution network, because: (i) we closely monitor the inventory level of distributors and require them to report to us regularly on, and to maintain a reasonable level of, their inventory; (ii) we generally require certain prepayment amount before delivering products to distributors and generally do not set minimum purchase requirements as we believe such arrangements encourage distributors order products based on actual sales forecasts; and (iii) we generally do not allow returns of products sold to distributors except for quality issues.

PRICING

We determine supply pricing with reference to market benchmarks from, our procurement and production costs, and relevant logistics and ancillary expenses. During the Track Record Period, we did not experience material inflation-driven volatility in raw materials, labor, or other operating costs. While market pork prices in China experienced fluctuations during the Track Record Period, we did not experience material inflation-driven volatility in its raw material costs primarily because a significant portion of its key pork inputs is procured under pricing arrangements that lock in purchase prices for the relevant supply period, which reduces the extent to which short-term market movements translate into our actual procurement costs. We generally maintain stable retail pricing and adjusts prices prudently based on overall cost movements, competitive conditions and consumer acceptance, rather than responding mechanically to short-term commodity price swings. In addition, we have continued to broaden our product offering by developing and introducing products using other proteins such as seafood, chicken and beef, which reduces our reliance on pork, optimizes our product mix and further mitigates the potential impact of pork price volatility on our overall cost structure and pricing policies. Franchisees are in turn required to sell at our retail prices which may vary based on regions.

OUR SUPPLY CHAIN NETWORK

Anchored by our own manufacturing facilities and self-operated warehousing and logistic solutions, it links large-scale regional factories, warehouses, and stores into a single, tightly coordinated flow. Our plants standardize the most craftsmanship-intensive steps, filling production and dough preparation, under uniform quality controls, then ship chilled components through a mature nationwide cold-chain. Pre-positioned hubs stage and portion daily demand by market, ensuring freshness and load balancing, before last-kilometer delivery to stores. At the store level, teams complete only the final steps, which include defrosting the meat fillings and wrappers, washing the vegetables, mixing the filling and hand wrapping them into dumplings and wontons and in the case of RTE products, cooking them at the store level, so consumers receive freshly hand-wrapped products with consistent flavor. This in turn improved our products' quality and stability. This infrastructure, reinforced by a high-capacity cold-chain that serves more than 4,300 stores as of May 31, 2026, underpins stable quality at scale. With respect to our overseas supply chain, in Singapore, Thailand, Malaysia and the United Kingdom, meat fillings and flour wrappers are produced locally to ensure freshness and compliance with local regulatory requirements. Such meat fillings are processed and seasoned by our approved local suppliers before delivery to stores. Certain standardized items such as compound seasonings for meat fillings and packaging materials, are exported from China. The compound seasonings used in our meat fillings are based on our proprietary recipes and are produced in China to ensure product consistency. Compared with our operations within Chinese Mainland, our overseas stores generally achieve higher gross profit margins due to higher selling prices, while raw materials procurement costs account for a relatively low percentage of sales revenue as procurement costs are maintained at reasonable levels through our centralized supplier selection and pricing arrangements with approved local suppliers.

Procurement

We source raw materials used to make our food products, including flour, pork, condiments, packaging materials and agricultural products, directly from vetted vendors, ensuring stable quality and supply for our production lines. Store equipment and key fixtures are procured from qualified manufacturers to ensure reliability across our network.

Supplier selection and management

Supplier selection is governed by strict food-safety and quality thresholds, with all raw materials sourced from a qualified list of vetted vendors to keep specifications consistent nationwide. We audit and onboard vendors through a controlled procurement workflow, then source

exclusively from this qualified list to maintain standardization across our plants. During the Track Record Period, we did not experience any material incidents of supply interruption, early termination of contractual arrangements with our suppliers or failure to secure sufficient quantities of raw materials.

Our supplier selection and evaluation process typically begins with the identification of potential suppliers. The procurement team sources and refreshes suppliers for existing SKUs, while the product development team identifies partners for new products and flavors. Following an initial screening by the procurement team, candidates are required to submit a formal application and execute our food-safety undertaking. They are then onboarded into our supplier management system by the food safety team for data registration and credential verification.

With product specifications finalized through collaboration between our procurement and development teams, we conduct joint tasting and sample testing to assess product fit and consistency. Candidates are subsequently required to complete a full safety testing panel for the finalized products and submit independent test reports. We first conduct a document-based review of licenses, certifications and traceability records, followed by on-site audits against our inspection checklist where appropriate. For approved suppliers, we conduct scheduled annual audits as well as unannounced spot checks. Upon successfully passing all evaluations, we finalize the bill of materials, commence limited production for trial sales, and subsequently onboard the supplier for regular supply.

Terms of our supply arrangements

Our procurement arrangements with suppliers generally follow a standard framework. The procurement agreements are generally valid for one year and may be automatically extended for an additional three months unless either party objects. Product names, specifications, quantities and prices are subject to the confirmed quotation sheets, and packaging must comply with applicable national standards as well as our requirements, with brand and product information clearly labeled. Settlement prices are typically based on the mutually confirmed quotation sheets, and where market changes require price adjustments, suppliers are required to notify us in advance, with new prices taking effect upon mutual agreement. Suppliers generally deliver goods to our designated addresses, and while we are responsible for unloading and logistics costs, the risk of loss remains with the supplier until actual delivery. We may raise objections within a specified period after delivery, and suppliers are required to replace, repair, supplement or accept returns of defective goods at their own cost. Payment may be made in advance, upon delivery or on a monthly basis as agreed in the relevant orders, and where monthly settlement applies, payment is due within ten days after receipt of the invoice for the previous month. If a supplier is held liable for food safety or quality violations, we may terminate the contract and claim liquidated damages. In addition, the procurement agreements may be unilaterally terminated in circumstances including repeated late delivery, quality issues or overdue payments.

Production Process

Self-production is one of the critical aspects that distinguishes us from most of our peers. Our production is built for scalable and consistent flavor. Automated production lines drive a standardized, automated flow; critical points are measured, controlled, and traceable, which cuts variability at the source. Across all plants and processes, a unified food safety system sets clear limits, monitors compliance in real time, and audits outcomes.

The following diagram sets forth the key steps of our flour wrapper production process.



The following diagram sets forth the key steps of our meat fillings.



Our Factories

We operate six self-built factories across China, totalling more than 42,000 square meters, with automated lines for both wrappers and fillings. Our factories focus primarily on producing wonton and dumpling wrappers, noodles and meat fillings, which form the core components of our products. For our pre-packaged products under Yuen Kee Taste (袁記味享), we also outsource part of production to our connected parties, Huifengyuan, Fanlaizhiwei and Hunan Hufeng, primarily covering frozen dumplings, which represent a key product category under Yuen Kee Taste (袁記味享), as well as certain meat fillings and wrappers used in our pre-packaged products. In 2023, 2024, 2025 and the five months ended May 31, 2026, the amount of outsourcing costs paid to these connected parties amounted to RMB16.5 million, RMB35.3 million, RMB48.6 million and RMB33.9 million, respectively, representing approximately 1.1%, 1.8%, 2.3% and 3.6% of cost of sales for the same periods. During the Track Record Period, these connected parties are subject to the same set of requirements as other independent suppliers. See "Connected Transactions" for details.

Our lines rank among the leading flour-production setups in China, and we rigorously follow GMP and SSOP, with a HACCP system in place to safeguard product quality and food safety. For goods produced by our outsourcing suppliers, we have also implemented systematic control measures to ensure compliance with our quality and food safety standards, including designating responsible departments to oversee procurement, quality control and compliance, establishing prescribed procurement and replenishment cycles of seven to 20 days, maintaining safety stock levels of four to seven days for most materials and approximately three months for pre-packaged products, imposing stringent qualification and admission requirements, and conducting periodic performance assessments. We conduct factory audits before admitting suppliers to our approved supplier list, require first-batch products to pass suppliers' self-inspections, third-party testing or our sampling inspections before the suppliers commencing mass production and supply, and require outsourcing suppliers to provide quality inspection reports for each batch of products supplied to us.

The following table sets forth a summary of our factories.

Factory	Primary function and products	Year established	Total gross floor area
			(in square meters)
Foshan Yuanhong factory	Meat fillings and small bites	2020	12,803
Foshan Hansao factory	Meat fillings and flour wrappers	2019	4,891
Foshan Maideli factory	Flour wrappers and noodles	2021	6,850
Suzhou Yuen Kee factory	Meat fillings, small bites, flour wrappers and noodles	2018	14,642
Foshan Yuanchuang factory	Condiments for meat fillings and flour wrappers	2023	3,000
Chengdu Yuantuo factory	Meat fillings and flour wrappers	2026	5,831

The following table sets forth the production capacity and utilization rate of our factories for the periods indicated.

Factory	Production Capacity[1]				Utilization[2]			
	2023	2024	2025	May 31, 2026	2023	2024	2025	May 31, 2026
Foshan Yuanhong factory	50,000 tons	50,000 tons	55,555 tons	18,341 tons	50%	63%	51%[4]	54%
Foshan Hansao factory	12,290 tons	15,950 tons	17,634.5 tons	7,833 tons	72%	54%[4]	55%	57%
Foshan Maideli factory	6,400 tons	9,705 tons	16,430 tons	5,671 tons	60%	75%	70%	84%

Factory	Production Capacity[1]				Utilization[2]			
	2023	2024	2025	May 31, 2026	2023	2024	2025	May 31, 2026
Suzhou Yuen Kee factory	32,500 tons	48,900 tons	64,975 tons	29,457 tons	85%	63%[4]	62%	57%
Foshan Yuanchuang factory	135,200 boxes	343,200 boxes	405,600 boxes	195,000 boxes	64%[3]	57%[4]	48%[4]	44%
Chengdu Yuantuo factory	–	–	–	6,240 tons	–	–	–	27%

Notes: (1) Production capacity equals the number of equipment multiplied by production capacity per unit and further multiplied by effective working time; (2) Utilization rate equals actual output divided by design capacity multiplied by 100%, and annualized where applicable; (3) Actual production only lasted for six and a half months as the Yuanchuang factory was newly opened in 2023; (4) The utilization rates of our Foshan Yuanhong, Foshan Hansao, Suzhou Yuen Kee and Foshan Yuanchuang factories decreased in 2024 and/or 2025 primarily due to the expansion of production capacity in order to reserve sufficient capacity for business growth and peak-season production. In addition, the Suzhou Yuen Kee factory added new machinery workshops, handbag workshops and ready-to-eat food workshops in 2024 and 2025, which significantly expanded its overall production capacity.

Production Expansion

We regard nationwide expansion in China and overseas expansion as our long-term strategic objectives. Taking into account our current pace of store expansion, we plan to build regionally distributed capacity reserves. In forecasting regional demand, we consider factors such as the number of stores in the area, per-store consumption of raw materials and franchise expansion plans, and select locations based on market clustering, cold-chain coverage and proximity to our logistics hubs.

We have already commenced production at our Chengdu Yuantuo factory since end of February 2026, which enables us to shorten local delivery distances and reduce logistics costs. In addition, we intend to complete the first phase of the Foshan Yuanshun factory to expand production capacity in southern China, leverage port connectivity and provide supply-chain support for our expansion into Southeast Asian markets. Furthermore, we will add a new factory with an integrated warehouse to strengthen regional supply in northern China, and we plan to build an automated, digitalized plant in eastern China to elevate efficiency. In parallel, we will expand into overseas markets, by establishing new international factories and warehouses to localize supply and improve service reliability.

Although such capacity planning may result in temporarily lower capacity utilization at certain stages, a geographically distributed production footprint is expected to reduce logistics, wastage and procurement costs, optimize our cost structure, strengthen quality control and enhance coordination across our store network, which is well aligned with our near-term growth objectives. As store density increases and our overseas expansion progresses, we expect our overall capacity utilization rate to improve over time.

Warehousing and Logistics

As of May 31, 2026, our comprehensive cold chain warehousing and distribution network included 24 warehouses, spanning across China. As of the same date, we self-operate all of our warehouses while collaborating with third parties for the pre-positioned hubs. We had 10 pre-positioned hubs, each typically serving stores within a delivery distance of approximately 200 kilometers, and over 82% of our stores are located within 200 kilometers of one of our warehouses or pre-positioned hubs. The pre-positioned hubs function as intermediate transit and consolidation points between our warehouses and offline stores, enabling faster replenishment, more flexible routing and more efficient last-mile distribution.

Benefiting from efficient network planning, nearly 70% of our stores received deliveries every two days, which is our standard delivery frequency. Orders are fulfilled through optimized routing and monitored cold-chain logistics, with most deliveries conducted overnight. Upon arrival, drivers unpack items into store freezers and upload time-stamped photos as proof of proper handling. Our logistics model keeps core data while leveraging external parties for delivery vehicles, operating across two layers: a trunk network (supplier-to-factory, factory-to-warehouse, and warehouse-to-warehouse) and a distribution network that links each warehouse to its corresponding pre-positioned hubs and covered stores. For the digitalization efforts during this process, see "— Digitalization."

We primarily provide delivery services through partnerships with local delivery service providers, which are integrated into our logistics system and subject to strict quality controls, to reduce costs and improve efficiency. As of May 31, 2026, we commanded a fleet of over 200 multi-temperature zone delivery vehicles sourced from third-party logistic partners, enabling delivery of fresh materials to thousands of stores on a daily basis. These vehicles are owned and operated by the third-party logistics partners.

We enter into service agreements with these logistics partners, pursuant to which they provide transportation services in accordance with our specifications. All vehicles must be reviewed and approved by us prior to deployment, and logistics partners are not permitted to replace approved vehicles without our consent. The vehicles are subject to regular maintenance by the logistics partners. During transportation, any product damage caused by improper temperature control or other vehicle-related defects is borne by the logistics partner. All deployed vehicles are also required to be equipped with GPS tracking systems and temperature- and humidity-monitoring devices, which must remain continuously operational throughout the delivery process, and the corresponding temperature data must be submitted to us upon completion of each delivery.

FOOD SAFETY AND QUALITY CONTROL

We emphasize safety across our network with clear rules, training, monitoring and rapid response. We are responsible for food safety management at the production and supply stage. Franchisees are responsible for food safety at the store level, including storage, handling, preparation and sale of food products, and must comply with our food safety standards and operating requirements. Franchisees are liable for store-level food safety compliance. Our routine visits focus on food safety and hygiene; findings drive immediate corrective actions, including temporary closure when required. We have also formed standardized incident reporting and an emergency response mechanism, including annual drills, to ensure swift, orderly handling of issues. We also operate a comprehensive food safety management system across sourcing, logistics and stores, as evidenced by the below details.

Supply Chain Control. We operate an approved-supplier system for all foods, ingredients, and related raw materials. Prospective vendors are screened through document reviews, on-site audits, and product testing; only those that pass are admitted to our qualified supplier roster. We source exclusively from this list, and each batch must comply with PRC national food safety standards as well as Yuen Kee's own certification and inspection protocols.

Production Process Control. We maintain a professional quality control team in each of our production plants. We conduct real-time inspections at each stage of production. In addition, we have achieved visual monitoring of the entire production process to prevent safety incidents.

Finished Products. Before release, each lot is tested against defined product specifications and cleared only after passing rigorous inspections. For products distributed nationwide, we operate a full-chain traceability and recall system that enables rapid lot identification and backward/forward tracking, allowing us to investigate and resolve consumer-reported quality issues promptly and execute targeted recalls when necessary.

Warehousing and Delivery. Our integrated plants, warehouses, and logistics network give us end-to-end control over quality. Our warehouse and transport management systems, coupled with GPS-enabled temperature monitoring and a broad cold-chain footprint, provide real-time visibility and traceability across storage and distribution, ensuring products remain within specified conditions from dispatch to store delivery.

Store Monitoring. All stores are equipped with video monitoring system covering key work areas, including cashier counters, raw-material processing areas, cooking areas, filling preparation stations, serving/pick-up points and washing areas. The cameras are connected to the network and support remote real-time inspections by headquarters and regional teams, with video records retained for not less than 14 days. Cameras are installed only in operational areas and do not cover privacy-sensitive areas. We have also maintained a dedicated supervisory team to conduct regular and ad-hoc inspections of store operations to ensure food safety. Ad-hoc inspections include unannounced on-site physical inspections as well as remote video-based checks conducted through our centralized video monitoring system. Remote video inspections are carried out on a random basis each month, covering no less than 20% of our total stores, while the frequency of on-site inspections is dynamically adjusted based on risk levels, with higher-risk stores subject to more frequent inspections. The number of ad hoc on-site inspections conducted was 215, 300, 707 and 84 in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively. The scope of inspections covers all key operational stages, including raw material acceptance, storage conditions, processing procedures, cleaning and disinfection of equipment and utensils, pest control, employee health management and the storage and sale of finished products. See "— Our Store Operations and Management — Store Monitoring, Compliance and Evaluation".

In addition, we maintain a strict control system over production and handling time limits, temperature conditions and shelf life for our raw materials to ensure consistent product quality, safety and freshness throughout the supply chain. For example, the key raw material used in Yuen Kee Dumpling (袁記雲餃) is meat fillings, for which we apply differentiated controls based on storage conditions. For Yuen Kee Taste's (袁記味享) pre-packaged dumplings and wontons, products are maintained at -18°C with a shelf life of 270 days.

2024 Food Safety Incident

A franchised store was involved with a food safety incident involving a foreign object found in a product in Haidian District, Beijing, on November 19, 2024. Based on our internal investigation, a customer who placed an order for a fresh meat wonton noodle dish reported that a foreign object was found in the remaining portion of the dish during consumption, and the matter subsequently escalated into broader public attention and media coverage. Following the incident, the franchised store compensated the customer in the amount of RMB500, and the relevant franchised store was fined RMB15,000 by the competent authorities. Our subsequent traceability review confirmed that the incident was attributable to inadequate cleaning and handling of vegetables at the store level, resulting in the foreign object being mixed into the food. The incident also showed deficiencies in store-level execution and management (including staff's failure to follow hygiene procedures and insufficient supervision by the store manager), as well as gaps in our early-stage complaint handling, escalation, and public-opinion monitoring and response. Notwithstanding the foregoing, the incident did not have a material and adverse impact on our operations or overall business performance. During the Track Record Period and after the incident, our business continued to grow steadily, with our revenue increasing from RMB2,026.1 million in 2023 to RMB2,561.1 million in 2024 and further to RMB2,795.1 million in 2025. Our revenue further increased from RMB934.0 million in the five months ended May 31, 2025 to RMB1,305.5 million in the five months ended May 31, 2026.

Following the incident, we took remedial actions to address both the store-level issue and the underlying control weaknesses. These included suspending operations of the relevant store for rectification, strengthening store-level food safety requirements and training, enhancing inspection and calibration measures around key handling steps (in particular, vegetable acceptance and

cleaning procedures), and improving our complaint handling and escalation process by setting clearer time requirements for initial response and resolution and by strengthening internal coordination among operations, quality management and customer service teams. During the Track Record Period and up to the Latest Practicable Date, except for the incident described above, there had been no material food safety or product quality incidents involving our self-operated or franchised stores.

We also implemented broader remedial measures to address the root causes and strengthen our franchise network controls. First, we launched a nationwide special food inspection focused on vegetable cleaning, staff operating discipline and pest control, using a combination of remote video monitoring and on-site inspections, with written rectification notices issued to stores specifying corrective actions and deadlines, and verification conducted store by store after completion. Second, we upgraded our vegetable handling and sourcing controls by (i) standardizing the vegetable cleaning process into a four-step procedure (soaking, two rounds of rinsing, drying and re-check), and (ii) strengthening acceptance requirements for store-procured vegetables. Third, we strengthened physical controls by installing pest-prevention facilities across stores, including insect-proof curtains at raw food preparation areas and insect screens at service windows, to reduce pest ingress pathways. Fourth, we enhanced governance and response mechanisms by adopting a more transparent and timely public opinion response and communication mechanism, together with strengthened customer complaint handling and escalation arrangements to ensure faster response, clearer ownership and closed-loop resolution.

During the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material investigation by any government authority nor material administrative penalties related to product quality or food hygiene and safety. Franchisees are responsible for incidents they cause at the store level, while if an issue stems from products we supply, consumers may seek recourse from the franchisee or, where applicable, from us. Our franchise agreements stipulate that store-level food safety or quality incidents may constitute a breach and can lead to penalties, including suspension or termination.

We have also established a comprehensive process for handling complaints and product returns. When a store encounters a complaint or return, it submits a work order through our internal system, which automatically forms a dedicated working group for follow-up by our customer service team. For complaints, the customer service team first verifies the issue and then addresses it based on the request. For returns, the team confirms the reason and determines the appropriate resolution. For example, where a return results from an incorrect order placed by a store, the returned materials are assessed against resale standards before a decision is made on acceptance. In 2023, 2024, 2025 and the five months ended May 31, 2026, the volume of product returns amounted to 6,090, 9,435, 10,130 and 4,194 orders, respectively. In 2023, 2024, 2025 and the five months ended May 31, 2026, the return rates were 0.07%, 0.08%, 0.08% and 0.11%, respectively, calculated as the value of returned products in a given year/period divided by the total value of products delivered during the same year/period. These returns were primarily attributable to packaging damage, order errors or excess orders, rather than product quality issues. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, there were no actual or pending legal proceedings against us relating to food safety or product quality, and our Directors confirm there were no incidents, recalls/returns, or complaints, that had a material adverse impact on our overall business.

DIGITALIZATION

Our digital infrastructure encompasses a suite of IT systems tailored to our specific business needs, supporting various key aspects of our business, including consumer outreach and engagement, store operation and management, and supply chain.

Digitalization on Consumer Outreach and Engagement

We have implemented a membership management system that leverages digital technologies to manage the membership engagement and improve members' experience. As of May 31, 2026, we had more than 49 million members.

Digitalization on Store Operation and Management

The in-house store order system digitizes issue reporting and resolution through a collaborative, and closed-loop process. Our master data management system for store management and operation serves as the foundation for store lifecycle management, from site acquisition and contract signing to opening and ongoing operations, ensuring accuracy and consistency of store information for reliable decision-making. Our headquarters monitoring system also enables real-time remote inspections, sales forecasting, and food safety traceability, enhancing oversight and risk control across all stores.

Digitalization on Supply Chain

We have established a fully digital supply chain system that connects front-end ordering with back-end production, warehousing and logistics for efficient coordination. Our MES manages production-related processes, including production planning, production execution and production process data, enhancing production visibility and operational management. Our SRM supports procurement management and connects with sales forecasting, intelligent procurement and production planning processes to enhance supply chain coordination and procurement efficiency. The store ordering system processes around 2,500 orders from our stores to us daily with an average handling time of under one hour. Our WMS manages warehousing operations and integrates with ERP and transport systems to maintain high inventory accuracy and improve operational efficiency, while our TMS supports transportation dispatch, route management and transportation visualization, achieving on-time delivery.

PRODUCT RESEARCH AND DEVELOPMENT

Our competitive edge lies in prioritizing product development and innovation led by experts with knowledge in culinary research and development. By leveraging a strong understanding of consumer preferences, we consistently upgrade our offerings through the creation of unique flavors and complementary ingredients. During the Track Record Period, we launched over 200 new SKUs, spanning across wontons, dumplings and noodles, which further underscores our commitment to proactive innovation and continuous improvement.

Our typical product development cycle consists of four key stages. We begin with concept development and product planning, during which we conduct market research and analyze consumer behavior to define product positioning, identify target customers and formulate market strategies tailored to different regions and cities. This is followed by the sampling and testing stage, where we work closely with suppliers to communicate product concepts and requirements, conduct rigorous testing to ensure quality, taste and presentation meet our standards, and finalize detailed product specifications, including production guidelines, weight, flavor profile and appearance. We then proceed to trial sales, typically through a 15-day regional trial across selected stores, during which we monitor performance and assess market acceptance. Based on the trial results, we either advance to small-scale production and further regional testing or conduct additional reviews and adjustments before retesting. Products that successfully pass regional trials are subsequently evaluated for national readiness and launched nationwide, followed by ongoing monthly, quarterly and semi-annual performance reviews.

SUPPLIERS

Our suppliers primarily comprise meat providers, flour producers and other raw materials to support our production. In 2023, 2024, 2025 and the five months ended May 31, 2026, purchases from our five largest suppliers accounted for 42.5%, 38.7%, 30.8% and 32.1% of total purchases for the respective period. During the same periods, purchases from our largest supplier accounted for 12.8%, 13.1%, 10.0% and 10.6% of total purchases, respectively.

The following table sets forth details of our five largest suppliers by purchase amount for the respective period.

Year ended December 31, 2023

Supplier	Place	Transaction amount	Percentage of purchase	Products supplied	Years of business relationship	Background
		(in RMB thousands)				
Bayan Wanrun . .	Heilongjiang, the PRC	180,234	12.8%	Pork	Since 2017	A private company engaged in meat processing and specialized in agricultural product sales services, serving as a key supplier in the regional food industry.
Supplier B	Shandong, Beijing, Liaoning, Hebei, the PRC	141,352	10.1%	Pork	Since 2020	A company listed on Shenzhen Stock exchange engaged in diversified agribusiness operations and specialized in agricultural product sales and related services, leveraging the group's extensive supply chain network.
Supplier C	Shandong, Heilongjiang, the PRC	97,727	7.0%	Pork	Since 2019	A company listed on Shenzhen Stock exchange engaged in meat food processing and specialized in agricultural product sales services, with a strong presence in the domestic meat supply market.
Supplier D	Henan, Jilin, the PRC	95,970	6.8%	Pork	Since 2021	A private company engaged in agricultural product trading and specialized in supply chain services, supporting large-scale distribution across multiple regions.
Supplier E.	Guangdong, the PRC	81,975	5.8%	Packaging materials	Since 2019	A private company engaged in the production and specialized in sales of packaging materials, providing solutions for food and consumer goods industries.
Total		**597,258**	**42.5%**			

Year ended December 31, 2024

Supplier	Place	Transaction amount	Percentage of purchase	Products supplied	Years of business relationship	Background
		(in RMB thousands)				
Bayan Wanrun . .	Heilongjiang, the PRC	244,667	13.1%	Pork	Since 2017	A private company engaged in meat processing and specialized in agricultural product sales services, serving as a key supplier in the regional food industry.
Supplier B	Shandong, Beijing, Liaoning, Hebei, the PRC	168,627	9.0%	Pork	Since 2020	A company listed on Shenzhen Stock exchange engaged in diversified agribusiness operations and specialized in agricultural product sales and related services, leveraging the group's extensive supply chain network.
Supplier C	Shandong, Heilongjiang, the PRC	117,334	6.3%	Pork	Since 2019	A company listed on Shenzhen Stock exchange engaged in meat food processing and specialized in agricultural product sales services, with a strong presence in the domestic meat supply market.
Supplier D	Henan, Jilin, the PRC	103,499	5.5%	Pork	Since 2021	A private company engaged in agricultural product trading and specialized in supply chain services, supporting large-scale distribution across multiple regions.
Supplier E.	Guangdong, the PRC	90,067	4.8%	Packaging materials	Since 2019	A private company engaged in the production and specialized in sales of packaging materials, providing solutions for food and consumer goods industries.
Total		**724,194**	**38.7%**			

Year ended December 31, 2025

Supplier	Place	Transaction amount	Percentage of purchase	Products supplied	Years of business relationship	Background
		(in RMB thousands)				
Bayan Wanrun . .	Heilongjiang, the PRC	198,538	10.0%	Pork	Since 2017	A private company engaged in meat processing and specialized in agricultural product sales services, serving as a key supplier in the regional food industry.

Supplier	Place	Transaction amount	Percentage of purchase	Products supplied	Years of business relationship	Background
		(in RMB thousands)				
Supplier B	Shandong, Beijing, Liaoning, Hebei, the PRC	166,029	8.3%	Pork	Since 2020	A company listed on Shenzhen Stock exchange engaged in diversified agribusiness operations and specialized in agricultural product sales and related services, leveraging the group's extensive supply chain network.
Supplier C	Shandong, Heilongjiang, the PRC	107,285	5.4%	Pork	Since 2019	A company listed on Shenzhen Stock exchange engaged in meat food processing and specialized in agricultural product sales services, with a strong presence in the domestic meat supply market.
Supplier D	Henan, Jilin, the PRC	74,544	3.7%	Pork	Since 2021	A private company engaged in agricultural product trading and specialized in supply chain services, supporting large-scale distribution across multiple regions.
Supplier F	Guangdong, the PRC	68,562	3.4%	Packaging materials	Since 2023	A private company engaged in the production and specialized in sales of packaging materials, providing solutions for food and consumer goods industries.
Total		**614,958**	**30.8%**			

Five Months ended May 31, 2026

Supplier	Place	Transaction amount	Percentage of purchase	Products supplied	Years of business relationship	Background
		(in RMB thousands)				
Bayan Wanrun. . .	Heilongjiang, the PRC	82,039	10.6%	Pork	Since 2017	A private company engaged in meat processing and specialized in agricultural product sales services, serving as a key supplier in the regional food industry.
Supplier B	Shandong, Beijing, Liaoning, Hebei, the PRC	49,652	6.4%	Pork	Since 2020	A company listed on Shenzhen Stock exchange engaged in diversified agribusiness operations and specialized in agricultural product sales and related services, leveraging the group's extensive supply chain network.

Supplier	Place	Transaction amount	Percentage of purchase	Products supplied	Years of business relationship	Background
		(in RMB thousands)				
Supplier C	Shandong, Heilongjiang, the PRC	44,595	5.8%	Pork	Since 2019	A company listed on Shenzhen Stock exchange engaged in meat food processing and specialized in agricultural product sales services, with a strong presence in the domestic meat supply market.
Supplier G	Guangdong, the PRC	40,752	5.3%	Seafood	Since 2022	A private company engaged in aquatic product processing and specialized in seafood sales and distribution, with integrated procurement, processing and cold-chain warehousing capabilities.
Supplier F.	Guangdong, the PRC	31,221	4.0%	Packaging materials	Since 2023	A private company engaged in the production and specialized in sales of packaging materials, providing solutions for food and consumer goods industries.
Total		**248,259**	**32.1%**			

During the Track Record Period and up to the Latest Practicable Date, to the knowledge of our Directors, none of our Directors and their respective close associates or any of our Shareholders who held more than 5% of our issued share capital had any interest in our five largest suppliers for each year/period during the Track Record Period.

CUSTOMERS

Our customers primarily comprise the franchisees who operate franchised stores pursuant to the franchise agreements with us. We generated a substantial portion of our revenue from the sale of food items to franchised stores, and fees associated with the franchise management services we provided to our franchisees. To a much lesser extent, we also sell our products directly to retail customers through self-operated stores.

All of our five largest customers during the Track Record Period were our franchisees and distributors. Revenue generated from our largest customer in 2023, 2024, 2025 and the five months ended May 31, 2026 accounted for 5.4%, 5.0%, 4.9% and 4.8%, respectively, of our revenue for the respective period. Revenue generated from our five largest customers in each year/period during the Track Record Period accounted for 10.2%, 9.3%, 9.2% and 8.7%, respectively, of our revenue for the respective period.

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

Third-party Payment Arrangements

Background for the third-party payment arrangements

Historically, some of our franchisees (individually or collectively, the "**Relevant Franchisees**") settled their payments with our Group through accounts of third-party payors designated by these Relevant Franchisees at their requests (the "**Third-Party Payment Arrangements**"). During the Track Record Period, third-party payors designated by the Relevant Franchisees primarily included their employees, friends, and non-immediate family members. Our Directors have confirmed that none of the third-party payors designated by the Relevant Franchisees during the Track Record Period is a connected person of our Group and such designated third-party payors are independent from any of our Group's Directors, senior management and Shareholders. Furthermore, during the Track Record Period, neither the Relevant Franchisees nor their designated third-party payors had any other past or present relationship (whether business, employment, family, trust, fund flow, financing or otherwise) with us, our subsidiaries, or any of our shareholders, directors or senior management, or their respective associates. For additional information, see also "Risk Factors — Risks Relating to Our Business and Industry — We face risks in connection with third-party payment arrangements."

In 2023, 2024 and 2025, a total number of 767, 379 and 284 Relevant Franchisees utilized the Third-Party Payment Arrangements to settle payments with us, respectively. During the same periods, the aggregate amount of payments from their designated third-party payors was RMB437.8 million, RMB245.5 million and RMB153.2 million, respectively, representing 21.6%, 9.6% and 5.5% of our total revenue in each respective year/period. Throughout the Track Record Period, no individual Relevant Franchisee made material contribution to our Group's revenue.

As of December 1, 2025, our Group had ceased all the Third-Party Payment Arrangements.

Reasons for the third-party payment arrangements

To the best of our knowledge, the Relevant Franchisees requested to utilize the Third-Party Payment Arrangements to settle payments with us for convenience and flexibility. Specifically, certain Relevant Franchisees operated multiple stores with frequent payment cycles, and the use of third-party payors facilitated timely settlement where such franchisees had limited capacity to handle repeated payments. This was particularly the case in circumstances where franchisees encountered temporary banking constraints, including transaction limits or temporary unavailability due to travel. In such circumstances, the Relevant Franchisees commonly opted for settlements through personal accounts held by designated third-party payors, such as their employees and other family members, friends, and business partners. As confirmed by CIC, it is not uncommon for franchisees to use third-party payors to settle corporate transactions with their suppliers due to convenience and flexibility.

Our Directors confirm that, during the Track Record Period, (i) the Third-Party Payment Arrangements were initiated by the Relevant Franchisees, rather than our Group for the purpose of circumventing any applicable laws and regulations, (ii) our Group did not participate in any other forms of such arrangement, (iii) our Group did not provide any discount, commission, rebate or other benefits to any of the Relevant Franchisees to facilitate or encourage the Third-Party Payment Arrangements, (iv) the pricing and payment terms of the agreements we entered into with the Relevant Franchisees were in line with those of franchisees not involved in the Third-Party Payment Arrangements, (v) all payments received under the Third-Party Payment Arrangements were appropriately recorded following accounting procedures and policies, and (vi) our Group had not been subject to any actual or pending disputes or administrative penalties related to the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

Implications of third-party payment arrangements

During the Track Record Period and up to the Latest Practicable Date, we did not provide any discount, commission, rebate or other benefits to any of the Relevant Franchisees or the designated third-party payors to facilitate or incentivize the Third-Party Payment Arrangements. During the Track Record Period, we did not initiate any Third-Party Payment Arrangements, and the Third-Party Payment Arrangements were arranged based on the Relevant Franchisees' requests. To the best of our knowledge, during the Track Record Period, the relevant payments were based on bona fide underlying transactions and valid contractual relationships. The pricing and payment terms we provided to the Relevant Franchisees were in line with those customers not involved in the Third-Party Payment Arrangements. We believe that the cessation of Third-party Payment Arrangements did not and will not have a material adverse effect on our business. No franchisees terminated their relationships with us as a result of the cessation of Third-party Payment Arrangement. To the best of our knowledge, during the Track Record Period and up to the Latest Practicable Date, we were not aware of any commercial bribery, money laundering, tax evasion or existing or potential disputes under the Third-party Payment Arrangements, and were not subject to any administrative notice, investigation or penalty related to the Third-party Payment Arrangements. In addition, we had not encountered any refund requests, actual or pending dispute or disagreement due to Third-Party Payment Arrangements or any material claims against us in relation to the Third-Party Payment Arrangements during the Track Record Period and up to the Latest Practicable Date.

Legal consequences for the third-party payment arrangements

In consideration of the above, as advised by our PRC Legal Advisor, (i) the Third-Party Payment Arrangements in China are not prohibited by the Civil Code of the People's Republic of China or other pertinent laws or regulations in China, and the Third-party Payment Arrangement is not in breach of mandatory requirements of current applicable laws and regulations in China; (ii) the risks that we would be deemed as committing the crime of money laundering and be subject to relevant criminal liability thereto are remote; and (iii) the risks of such arrangement being deemed as circumventing relevant mandatory provisions of PRC laws and regulations or that we would be deemed to have committed any act for the purposes of covering up or concealing the source and nature of illegally obtained proceeds or gains under Article 191 of the Criminal Law are remote. In light of the above, our Directors concur with the PRC Legal Advisor's view.

Our rectification for the third-party payment arrangements

We have enhanced our internal control to manage the risks associated with the Third-Party Payment Arrangements, including the following.

(i) requiring all of our existing franchisees to settle payments with us through their own bank accounts, and no third-party payors would be allowed;

(ii) contractually mandating settlement through franchisees' own bank accounts, which is applicable to any new franchisees or franchise renewals in China and overseas in the future;

(iii) developing and maintaining a whitelist of permitted bank accounts, which includes only the bank accounts belonging to individual franchisees, as applicable, who executed the franchise agreements, upon review by our dedicated finance and internal control teams. In the event a distributor initiates a payment request, the payment will go through only if the paying account is on our whitelist of permitted bank accounts; and

(iv) implementing internal control measures to ensure franchisees compliance with our payment settlement requirements such as requiring franchisees to confirm the use of their own bank accounts for payment settlement for each order placed in our system by franchisees, and assigning dedicated employees to conduct periodic inspections to assess the effectiveness of our internal control system, including rectification of Third-Party Payment Arrangements.

Based on the follow-up review of the implementation of these measures, our Directors are of the view that these measures are effective and adequate in preventing unauthorized Third-Party Payment Arrangements and the associated risks. Our Directors consider that the rectification of the Third-Party Payment Arrangements and the implementation of the rectification measures did not have, nor will have, any material adverse effect on the Group, taking into account the relationship with our customers, business operation and financial performance, as (i) all of the Relevant Franchisees had cooperated with our rectification process; and (ii) the rectification of Third-Party Payment Arrangements did not affect the payment settlement arrangement from our Relevant Franchisees to us, under which we typically require our Relevant Franchisees to settle payments before we provide the products. Going forward, our Directors will continue to oversee the effectiveness of the aforementioned enhanced internal control on the Third-Party Payment Arrangements.

BRANDING AND MARKETING

We place great emphasis on brand-building and adopt flexible and diversified marketing strategies to access our consumer base. In 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, our selling and marketing expenses amounted to RMB77.0 million, RMB125.9 million, RMB136.9 million, RMB42.1 million and RMB66.0 million, respectively, representing 3.8%, 4.9%, 4.9%, 4.5% and 5.1% of our total revenue in each respective year/period.

We pursue an integrated marketing communications strategy anchored in digital channels and supported by targeted offline campaigns. Centered on the consumer journey, we deliver valuable content and interactions at each key touchpoint to drive conversion and loyalty.

COMPETITION

Chinese-style QSR industry is highly competitive and is the largest segment within China's QSR industry, growing from RMB529.6 billion in 2020 to RMB867.9 billion in 2025, according to CIC. Looking ahead, the market is expected to reach RMB1,329.6 billion by 2030, indicating a CAGR of 8.9% from 2025 to 2030.

The value chain of Chinese-style QSR includes ingredient obtaining, processing, and food service. Market drivers include, among other things, (i) rising dining-out rate, (ii) increasing standardization of products and processes, (iii) rising chain penetration, (iv) enhancement of supply chain infrastructure, (v) strengthening digital channels and online delivery penetration. Despite the potential opportunities and involving market drivers, the entry barriers require, among other things, (i) strong brand influence, quality perception and consumer trust, (ii) integrated supply chain and production capabilities, (iii) scalable, standardized and efficient operating model and (iv) multi-channel coverage and multi-scenario consumer reach, (v) brand globalization and overseas expansion capability.

The Chinese-style QSR industry comprises a wide range of brands that differ significantly in store scale, operational models and geographic coverage. Store count has become a key indicator of a brand's ability to execute standardized operations, build supply chain density and expand across regions. Among global Chinese-style QSR companies, only a small number of brands have built networks of over several thousand stores, reflecting the operational capabilities required to

achieve such scale. We are faced with intense competition with other leading players in various aspects of our business, including innovation, safety, quality, consumer experience as well as consumer acquisition and retention. "Industry Overview."

If we fail to effectively compete with, or are out-competed by, the other leading players, we may experience a material and adverse impact on our results of operations, financial conditions and business prospects. See "Risk Factors — Risks relating to Our Business and Industry — We are faced with increasingly intense competition with other leading players within the industry. Any failure to compete effectively may negatively impact our market share and profitability."

SEASONALITY

Our business is subject to seasonal fluctuations because of several factors including holidays, weather and other factors. However, generally there was no distinguishable seasonality for us.

DATA PRIVACY AND SECURITY

In the ordinary course of business, we may from time to time collect, store and use certain personal information, such as the personal information of consumers and franchisees. For example, (i) for consumers who use our mini programs and opt to become our members, we may collect their phone number and membership card number for registration and membership service; (ii) for franchisees, during the franchisee onboarding process, we may collect their basic information such as names, phone numbers, ID numbers and email address. As of May 31, 2026, we had more than 49 million registered members on our mini-programs. With respect to such members on our mini programs, we inform them of the scenarios and purposes for collecting their personal information through our privacy policy, and obtain their consent on such privacy policy through the user interaction interface of our mini programs. During the Track Record Period and up to the Latest Practicable Date, we had obtained prior consent from consumers within Chinese Mainland and franchisees for the collection of their personal information. As we do not operate any overseas membership system, we do not collect any consumer personal information overseas and are not involved in any cross-border transfer of such data. During the Track Record Period and up to the Latest Practicable Date, all overseas franchisees joined our franchise network through corporate entities rather than in their individual capacities. As such, the collection of personal information from such franchisees was generally not applicable.

In terms of the personal information of consumers, our franchisees only have access to such information of their respective consumers. We may provide such franchisees with their respective consumers' information, such as necessary order details and relevant contact information, for the purpose of the processing of transactions and provision of services by the franchisees. For our self-operated stores overseas, we only have temporary access to limited consumer information necessary for order fulfillment and delivery services. Such access ceases upon completion of the relevant services and, accordingly, we do not collect or retain such information. We also make efforts in cooperation with our franchisees to strengthen the protection of consumers' personal information. For example, we have agreements (or provisions) with our franchisees requiring them to fulfill personal information protection obligations, including without limitation, implementing effective management, technical, and physical measures to ensure that the personal information they process is maintained with a reasonable level of security, and the franchisees are subject to liability in case of breach of such agreements (or provisions).

To ensure proper and sufficient protection for user privacy and data security, we have implemented internal data security and protection protocols which provide data management responsibilities, data protection and confidentiality procedures, which include among others:

- ***Data Collection.*** For personal information directly collected by us, we notify relevant consumers and franchisees and obtain consent from them about how we collect and use their personal data. In respect of the transaction data sourced from third-party business platforms such as food delivery platforms, such data is generally already encrypted or anonymized prior to our access.

- ***Data Processing.*** We process personal information of relevant consumers and franchisees in a manner that protects the legitimate rights of data subjects. We process such personal information for a specific and reasonable purpose and limit our personal information processing activities to the minimum scope for achieving such purpose.

- ***Data Usage.*** We have established access control mechanisms with strict least-privilege access policy enforced, allowing employees to access only data within their authorized scope and prohibiting unauthorised access to our database.

- ***Data storage:*** All consumer personal information collected during our daily business operations within Chinese Mainland is stored in Chinese Mainland, with no cross-border transmission of any consumers' personal information to any third party outside mainland China. We do not share with, transfer or disclose consumers' personal information to any third party except under certain limited circumstances, including for example when it is expressly authorized by consumers, necessary to fulfill our main services to consumers, or in compliance with the applicable laws and regulations. We in the meantime implement comprehensive personal information and data protection procedures such as data backup procedures and security emergency plans.

We are committed to protecting personal information and complying with applicable laws in relation to personal information protection and we continuously improve our practices by internal inspections, supervision, review and other measures to ensure effective protection of personal information. Therefore, in addition to the above-mentioned data security and protection protocols, we have various technical and managerial internal measures in place for data protection purpose, which include: (1) we have appointed our Digital Decision Center as the internal department responsible for cybersecurity, data security, and personal information protection of us; (2) we have established comprehensive internal data security and protection policies and procedures, such as the Data Security Management Measures, Data Confidentiality Management Measures, Data Backup and Disaster Recovery Management Measures, and Personal Information Protection Measures; (3) we have implemented a series of technical measures such as anti-virus and anti-cyberattack measures, data storage and transmission encryption and data backup mechanisms, and control over data access; and (4) our relevant information system has attained Classified Protection of Information Security Level III ("信息系統安全等級保護三級") certified by the local branch of the MPS of the PRC, which demonstrates our data security capability. Internally, employees are subject to comprehensive relevant internal policies and provided with relevant trainings. For details on our risks associated with the protection of personal information, see "Risk Factors — Risks Relating to Our Business and Industry — Any failure to comply with data security, cybersecurity and personal information protection laws could damage our reputation and we could suffer a loss of revenue, incur substantial additional costs and become subject to litigation and regulatory scrutiny." Based on the consultations conducted by our PRC legal advisor with the China Cybersecurity Review, Certification and Market Regulation Big Data Center (formerly known as the China Cybersecurity Review Technology and Certification Center), the competent institution entrusted by the CAC to set up cybersecurity review consultation hotlines, the listing in Hong Kong does not fall within the definition of a listing in a foreign country, and therefore the obligation to proactively apply for a cybersecurity review by an entity seeking listing in a foreign country shall not be applicable to us.

During the Track Record Period and up to the Latest Practicable Date, we complied with applicable PRC laws and regulations relating to user privacy and data security in material aspects. Given that legislation and law enforcement in the PRC on user privacy and data security are still evolving, we will closely monitor further regulatory developments and take appropriate measures in a timely manner.

INTELLECTUAL PROPERTY

As of May 31, 2026, we had registered 36 patents, 98 copyrights and 11 domain names in China, and we had registered 634 trademarks in China that were material to our operations. For details, see "Appendix VI — Statutory and General Information".

We have implemented measures to prevent the infringement of the "Yuen Kee Dumpling (袁記雲餃)" and "Yuen Kee Taste (袁記味享)" intellectual property rights. These measures include maintaining centralized ownership and management of trademarks and other core IPs, conducting regular monitoring of market use and brand representations, and setting clear internal policies on the use of our brand, trademarks and related materials by employees, business partners, franchisees and other third parties. We also require store-level compliance with standardized branding guidelines. During the Track Record Period and up to the Latest Practicable Date, we did not have any outstanding material proceedings in connection with infringement of intellectual property rights sued by any third party. We were not aware of any threatened material proceedings or claims relating to intellectual property rights against us. However, despite our best efforts, we cannot be certain that third parties will not infringe or misappropriate our intellectual property rights or that we will not be sued for intellectual property infringement. See "Risk Factors — Risks Relating to Our Business and Industry — If we are not able to adequately protect our intellectual properties, or if we are not able to maintain the popularity of our IPs, our business will be materially and adversely affected" for details.

EMPLOYEES

As of May 31, 2026, we had a total number of 1,635 full-time employees in Chinese Mainland and 112 full-time employees outside of Chinese Mainland. The following tables set forth our full-time employees by functions:

Function	Number of employees	Percentage
		(%)
Production	641	39.2
Offline store operation and management	414	25.3
Product supply[(1)]	214	13.1
Online business	162	9.9
Finance	59	3.6
Digitalization	40	2.5
Human Resources and Administration	48	2.9
Others[(2)]	57	3.5
Total	**1,635**	**100**

Notes: (1) Product supply primarily includes supply chain, procurement, R&D, and quality management; and (2) Others primarily include investment center, compliance center, and board of directors.

We believe that our success, to a considerable extent, depends upon our ability to attract, motivate and retain qualified employees. We enter into individual employment contracts and confidentiality agreements with our employees. The employment contracts cover matters such as wages, benefits and grounds for termination.

We provide our employees with opportunities to develop their knowledge and skills. For store managers, we offer standardized process guidance, on-the-job mentoring, and training in marketing strategies. In addition, we are currently enhancing our store manager training manual and certification framework. For new employees, mentors are assigned by their respective departments, and we also conduct monthly onboarding training sessions that cover a wide range of topics, including corporate culture, administrative procedures, usage guidelines for the Yuen Kee learning app, financial reimbursement processes, and compliance and anti-corruption awareness. For existing employees, training is delivered through talent development programs, rotational assignments, external courses, and internal workshops. These initiatives are tailored to departmental needs and individual career development plans, ensuring a targeted approach to employee growth and alignment with organizational objectives.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, there were no material labor disputes or strikes that would have a material and adverse effect on our business, financial conditions or results of operations.

INSURANCE

Our primary insurance policies include: (i) property insurances covering major business interruptions and accidental loss for our fixed assets and inventories, (ii) employer liability insurance, (iii) personal accident insurance and health insurance for our key employees, and (iv) food safety liability and public liability insurance. Our Directors believe that our insurance coverage is in line with industry practice and standard business practices of relevant countries. For risks associated with the insurance coverage, see "Risk Factors — Risks Relating to Our Business and Industry — The insurance policies we have might not offer sufficient coverage for all risks related to our business operations".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We regard environmental, social and governance ("ESG") considerations as an integral part of our operations. We attach great importance to ESG affairs and are committed to integrating ESG management into the company's operational processes.

Governance

ESG Governance

Our Board of Directors assumes ultimate responsibility for ESG matters, including the oversight of ESG-related affairs and the approval of our overall ESG strategy, policy framework, major resource allocations and annual targets. The Board also conducts regular reviews of ESG performance and its alignment with business development to ensure that ESG objectives contribute to long-term value creation.

Following our [**REDACTED**], we plan to establish a three-tier ESG governance structure comprising the "Board of Directors — ESG Committee — ESG Working Group". The ESG Committee will be responsible for coordinating ESG management, including the formulation and cascading of annual ESG targets, as well as the oversight of ESG-related risks. The ESG Working Group will serve as the executive arm to implement ESG policies and specific initiatives across business units, and will report progress to the ESG Committee and the Board on a regular basis.

Corporate Governance

We are committed to achieving high-level decision-making through the integration of professional skills, knowledge and experience by maintaining a clear and effective governance structure and fostering a diverse board of directors.

ESG Risk Identification and Assessment

We maintain transparent and efficient communication channels with stakeholders — including shareholders, employees, customers, suppliers, franchisees, regulators, communities, and the public — through various online and offline means. We actively solicit their feedback on our ESG management and continuously improve our practices to meet their expectations.

Based on our business characteristics and stakeholder concerns, we have identified the following material ESG issues and take targeted actions to manage associated risks and opportunities, as detailed in subsequent sections:

- ***Environment Section***: Environmental Management, Climate Change Response, Packaging Materials Management.

- ***Social Section***: Product Quality & Safety (Food Safety), Supply Chain Management, Franchisee Management, Employee Management, Social Welfare.

Business Ethics

The Company has established policies and systems to prevent bribery, extortion, fraud and money laundering, and strictly regulates employee conduct through internal systems. Meanwhile, we screen for adverse records such as commercial bribery and false advertising, and require partners to sign a Supplier Integrity Pledge. We regularly conduct anti-corruption training, distribute anti-bribery and anti-corruption cases, and conduct regular or irregular employee interviews and special matter declarations.

We have set up a reporting email and a reporting portal on the WeChat official account, encourage all employees and partners to report violations, protect whistleblowers, and strictly prohibit any form of retaliation.

Environment

Environmental Management

- *Environmental Objectives*

Our key objectives include: zero discharge of untreated industrial wastewater; SO_2 emissions not exceeding 20 mg/m^3; 100% execution rate for environmental impact assessments; 100% pass rate for cleaner production audits; 100% implementation of environmental emergency plans; energy conservation and consumption reduction meeting national standards; and workplace dust and noise levels complying with national standards.

- *Energy Management*

We treat energy management as core approach to sustainable operations, promoting energy-saving measures and optimization daily by defining office/production energy standards and setting lighting/air-conditioning rules. We implement initiatives like power-off when unused, optimized air-conditioning temperatures, replacing old high-energy equipment, and process refinement to boost efficiency.

		As of December 31,			As of May 31,
Indicators	**unit**	**2023**	**2024**	**2025**	**2026**
Direct energy consumption . . .	megawatt-hours	1,346.89	2,383.27	1,931.07	1,438.69

Indicators	unit	As of December 31, 2023	2024	2025	As of May 31, 2026
Direct energy consumption intensity	MWh/10,000 RMB operating income	0.01	0.01	0.01	0.01
Indirect energy consumption	megawatt-hours	14,286.37	14,269.79	18,077.18	7,821.57
Indirect energy consumption intensity	MWh/10,000 RMB operating income	0.07	0.06	0.06	0.06
Total energy consumption	megawatt-hours	15,633.26	16,653.06	20,008.25	9,260.26
Energy consumption intensity	MWh/10,000 RMB operating income	0.08	0.07	0.07[1]	0.07

- *Water Resource Management*

In production, we optimize water flows based on factory processes, adjust key steps like cleaning/soaking (e.g., switching from continuous to intermittent flow) to cut water use per unit. Daily inspections flag issues like continuous flow, with responsible units assessed per internal rules to reduce waste. In offices, we advocate water conservation, guiding employees to save water via prompts and concept promotion.

Indicators	unit	As of December 31, 2023	2024	2025	As of May 31, 2026
Total water consumption	tons	147,743.6	152,932.5	184,750	88,855
Water consumption intensity	tons/10,000 RMB operating income	0.73	0.60	0.66	0.68

- *Waste Management*

We strictly comply with relevant laws and regulations, and standardize the whole process of waste collection, temporary storage, transfer and disposal by establishing internal management systems. We set phased targets for waste, ensuring 100% compliance of wastewater and exhaust gas discharge, and 100% compliant and safe disposal of hazardous waste and general solid waste.

We control solid waste through comprehensive utilization technology of industrial waste residue; we preliminarily identify that the hazardous waste generated from the mining and processing of each factory mainly comes from the sludge produced in the process wastewater treatment, and we store it in classified temporary storage in accordance with regulations and entrust qualified units for harmless disposal.

Addressing Climate Change

We actively identify climate risks that have a potential impact on our business operations and development, and formulate targeted counter-measures.

Risk type	Risk Name	Risk description	Countermeasures
Physical risk	The severity of extreme weather events has increased	The frequency and intensity of extreme weather events such as typhoons, heavy rains, floods, and heat waves have increased, which may affect the supply of raw materials, store foot traffic and distribution services	Ensure operational continuity by diversifying supply chains and strengthening weather warning and emergency response mechanisms
	The risk of high temperature and high humidity environment is intensified	Rising temperatures and increased humidity can affect food production and storage, leading to product quality risks	Strengthen cold chain logistics, optimize the production environment, and formulate emergency plans to deal with hot weather to ensure stable food quality and supply
Transformation risk	Policy and legal changes	Compliance costs are increasing, addressing existing and emerging climate-related policies and trends	Regularly monitor policy trends on climate change to ensure appropriate measures are in place to address change
	Increased energy costs	Rising energy costs can lead to increased production costs, affecting profitability	optimize energy use and promote energy conservation and emission reduction in stores and production facilities; Optimize logistics efficiency and reduce energy consumption during transportation
	Stakeholder concerns about sustainability	Increased consumer and stakeholder concerns about sustainability can impact brand reputation	Strengthen sustainability measures, enhance brand image, and respond to consumers' concerns about environmental protection and social responsibility

We identify potential opportunities and are committed to creating a more low-carbon operating model to win the favor of brand partners and consumers.

The following table lists the greenhouse gas (GHG) emissions for the periods indicated:

		As of December 31,			As of May 31,
Indicators	**unit**	**2023**	**2024**	**2025**	**2026**
Total GHG emissions (Scope 1 and Scope 2).[1]	tons of carbon dioxide equivalent	7,989.42	8,230.93	10,166.28	4,544.43
GHG emission intensity (Scope 1 and Scope 2)	ton carbon dioxide equivalent/ 10,000 RMB operating income	0.04	0.03	0.04	0.03
Scope 1 emissions	tons of carbon dioxide equivalent	323.36	573.76	466.07	347.37

[1] Scope 1 and 2 GHG emission data are calculated with reference to the *General Principles for Comprehensive Energy Consumption Calculation (GB2589-2020)* and *Provincial Greenhouse Gas Inventory Guidelines (Trial)*.

Indicators	unit	As of December 31, 2023	2024	2025	As of May 31, 2026
Scope 2 emissions	tons of carbon dioxide equivalent	7,666.07	7,657.17	9,700.21	4,197.05
Scope 3 emissions[2]	tons of carbon dioxide equivalent	108.77	846.57	928.82	434.75

Packaging Material Management

Adhering to the "reduction and conservation" concept, we implemented packaging label and material management rules, promoted streamlined packaging design, encouraged single-material and recyclable materials to reduce over-packaging. We also prioritize recyclable, degradable single-material eco-packaging (e.g., standard paper-based materials like corrugated/honeycomb cardboard, biodegradable plastics), promote low-gram-weight, high-strength functional materials, and build a packaging recycling system.

Society

Product Quality & Safety (Food Safety)

We strictly comply with relevant laws and regulations, formulate internal systems, and build a food safety management system covering raw material procurement, production, warehousing, transportation and sales to strengthen management and prevent risks. We conduct regular compliance checks on stores (covering food processing, personnel hygiene, material/equipment use, cleaning/disinfection, and storage conditions), issue rectification requirements, track progress, and assess non-compliant stores to ensure stable and controllable products and processes. For quality abnormalities, we perform hierarchical assessment, traceability, recall and disposal to timely control risks and prevent problematic products from entering the market. No major food safety incidents or product recalls occurred during the Track Record Period.

We place a strong emphasis on the health and nutritional aspects of our products and continue to expand our range of relevant offerings. Under our procurement management policy, nutritional content is incorporated into the quality verification process for food product samples, alongside assessments of sensory attributes, taste and other relevant criteria. Where issues are identified, we require the relevant suppliers to refine the product formulation and resubmit samples for further verification. Throughout product development and management, we also consider product positioning and consumer market trends when reviewing product formulations and nutritional profiles, and develop lower-fat options such as kale, shrimp and chicken dumplings to provide consumers with a broader range of healthier and more nutritious choices.

In order to effectively protect health and rights of consumers, we have established a clear customer complaint handling process to respond to customer feedback promptly via diversified channels and continuously optimize service experience; and we attach great importance to information security and privacy protection, formulate internal rules to standardize customer personal information management, and strengthen data security through digital means. Additionally, we have developed internal measures to clarify the management processes for intellectual property rights such as trademarks, patents and copyrights, so as to safeguard the legitimate rights and interests of our own brands and technological achievements.

[2] Scope 3 GHG emissions are calculated with reference to the GHG accounting system. Scope 3 data includes waste generated from C6 business travel and C5 operations. Among them, the carbon emission scenario for C6 business travel in 2023 only includes hotel accommodation.

Supply chain management

We formulate internal policies and a full-process supplier management mechanism (access, review, evaluation, cooperation, exit) to ensure procurement quality and reduce supply chain risks. We enforce strict access audits (qualification checks + on-site evaluations), track performance, and implement closed-loop rectification for non-compliant suppliers. To drive supply chain sustainability, we integrate ESG into supplier evaluations: environmentally, we require compliant "three wastes" handling, verify annual environmental documents, and demand rectification or terminate cooperation for non-compliance; socially and in governance, we include labor rights, work safety, etc., monitoring performance via self-inspection and our verification. In annual assessments, ESG, product quality and supply capacity guide cooperation adjustments. We build long-term partnerships by understanding supplier needs and resolving issues promptly.

In sustainable supply chain management, particular emphasis is placed on the sustainability of the upstream agricultural supply chain. Through the procurement management policy and sustainability-related provisions in procurement contracts, we implement relevant sustainability requirements for agricultural raw materials including vegetables and meat, as well as for their upstream production processes. For crop-based agricultural products such as vegetables, we focus on key aspects including soil quality, the use of agricultural inputs such as pesticides and fertilizers, irrigation water, and pesticide residues. We require suppliers to maintain farming records documenting fertilization, pesticide application, irrigation, and pest and disease management. We also encourage suppliers to adopt environmentally friendly pest management practices, including physical and biological control methods, to reduce reliance on chemical pesticides. For livestock-derived raw materials such as pork, we set clear requirements for veterinary drug residue limits, testing methods, and testing frequency in accordance with applicable national standards. Suppliers are required to conduct testing either independently or through qualified third-party laboratories as prescribed, thereby strengthening sustainability management across livestock farming operations.

Franchisee management

We regard franchisees as key partners, and have formulated policies to standardize franchise system operations. We monitor franchised stores' product quality, safety and customer service via daily inspections, ad hoc store audit, special audits and third-party testing, while conducting multi-dimensional assessments covering food safety, service quality and operational compliance. Additionally, we empower franchisees to enhance ESG management through training — including corporate culture, food safety and customer-friendly service — requiring them to pass assessments and sign commitment letters to ensure job skills and product knowledge meet standards.

Employee management

- *Employee rights and interests protection*

We comply with labor laws, standardize recruitment to eliminate discrimination, underage labor, forced labor and other illegal practices. For career development, we provide clear promotion paths with transparent processes, and build a comprehensive training system (internal, external, independent learning) plus pre-job training and mentoring for new hires. In remuneration and benefits, we offer basic pay, performance incentives, social insurance, welfare allowances, paid holidays, holiday condolences and team building to create a stable, attractive work environment.

- *Occupational safety and health*

We continue to improve our occupational health and safety management, formulate internal regulations, clarify the safety responsibilities of each position and each link, regularly organize risk identification and safety inspections, and promptly rectify the identified problems and follow up on their implementation.

We implement a systematic safety training system, and carry out safety training for all employees on an annual, monthly and weekly basis. We have also established an incident emergency management system, improved various emergency plans, and organized fire drills at least once a year to enhance the emergency response capabilities of our employees.

We continue to strengthen occupational health management, equip employees with labor protection equipment, inform employees of possible occupational hazards in the workplace, and effectively protect employees' health.

Social Welfare

We continuously carry out multi-level public welfare actions around natural disasters, public health events and daily livelihood needs, providing support to society in areas such as education, materials and emergency response capabilities.

During the Track Record Period, we donated RMB500,000 to the Yiyang Heshan District Education Foundation, to improve the teaching conditions of local schools and support student development-related projects. We also jointly launched the "Vibrant Childhood, Yuan Dream Set Sail" public welfare program with One Foundation, raising 120,000 yuan through 450 stores in the South China region to build sports fields for rural primary schools. In addition, during the flood disasters in Huaiji, Guangdong, Rongjiang and Guizhou we donated emergency communication relay stations to the Foshan Nanshi Rescue Team to assist in the construction of temporary emergency communication networks, ensure on-site instruction transmission and information communication, and improve rescue response efficiency.

PROPERTIES

Our headquarters are located in Guangdong, China. We occupy certain properties in China and overseas in connection with our business operations.

As of May 31, 2026, we had no single property with a carrying amount of 15% or more of our total assets, and on this basis, we are not required by Rule 5.01A of the Listing Rules to include in this document any valuation report. Pursuant to section 6(2) of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempted from compliance with the requirements of section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 34(2) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, which requires a valuation report with respect to all of our interests in land or buildings.

Owned Properties

As of May 31, 2026, we owned properties with an aggregate floor area of approximately 4,891 square meters, and land area of 60,004 square meters, which are primarily used for production and warehousing spaces in China.

Leased Properties

As of May 31, 2026, we leased 48 properties in China with an aggregate floor area of approximately 78,978.34 square meters from third parties, mainly for office spaces, production and warehousing purposes.

As of May 31, 2026, the lessors for 13 properties with an aggregate area of 4,584.64 square meters mainly used as our office spaces, warehousing facilities and self-operated stores had not provided us with title certificates or authorizations from the property owners for the lessors to sublease the properties. These 13 lease agreements have not been registered and filed with the relevant government authorities in the PRC. As advised by our PRC Legal Advisor, as the tenants,

we would not be subject to any administrative penalties pursuant to the relevant laws and regulations. However, if any of these leases is terminated as a result of challenges by third parties, we may not be able to continue to use the properties.

As of May 31, 2026, the lease agreements for 29 leased properties with an aggregate area of 16,196.05 square meters mainly used as our office spaces, warehousing facilities and self-operated stores have not been registered and filed with the relevant government authorities in the PRC, mainly due to the difficulty of procuring the relevant landlords' cooperation to register their leases. Our PRC Legal Advisor has advised us that the failure to complete the registration of lease agreements will not affect the validity of the lease agreement; however, the relevant PRC authorities may require us to complete the registration, and if we still fail to do so, we may be imposed a fine ranging from RMB1,000 to RMB10,000 for each of such lease agreements.

As of May 31, 2026, the lease agreements for five leased properties with an aggregate area of 328.52 square meters used for self-operated stores had usage inconsistencies against the titles' indicated usage, where the title ownership certificates indicated residential, office or other general use as the intended use. Our PRC Legal Advisor has advised us that the relevant PRC authorities may impose a fine up to RMB30,000 for each of such lease agreements on the lessors.

Our Directors believe that the foregoing issues, individually or in aggregate, do not have a material adverse impact on our business operations or financial condition, given that (i) during the Track Record Period and up to the Latest Practicable Date, our leases for the leased properties with title defects were not challenged by third parties or relevant authorities that had resulted in any material disputes, lawsuits or claims in connection with the rights to lease and use such properties occupied by us; (ii) the lack of registration of the leased properties does not affect the validity of the respective lease agreements; (iii) some of our lease agreements provide for breach liability if the lessor fails to perform under the lease or if there are defects in the properties; if the lessor fails to perform under the lease or causes loss to us due to defects in the leased property, the lessor is liable for damages or penalties, allowing us to seek remedies under these provisions; (iv) the Company leased the title-usage inconsistent properties for food and beverage operations with a relatively small proportion of leased area with an immaterial revenue contribution during the Track Record Period; and (v) there is a sufficient supply of similar properties and do not expect any impediments to our promptly obtaining alternative properties on equivalent terms.

LICENSES, APPROVALS AND PERMITS

In accordance with the laws and regulations in the jurisdictions in which we operate, we are required to obtain various licenses and regulatory approvals to operate our business, such as Food Business License (食品經營許可證) and the Single purpose Commercial Prepaid Cards filing (單用途預付卡備案). See "Regulatory Overview."

During the Track Record Period and up to the Latest Practicable Date, we had obtained all necessary licenses that are material to our business operations from the relevant government authorities. All of our licenses are valid and subsisting. Our Directors do not expect any impediment in the renewal of our licenses.

INTERNAL CONTROL AND RISK MANAGEMENT

Our internal control system is established based on the Internal Control Policy Framework and covers our entire business chain. It comprises approximately 200 implemented policies and procedures spanning integrated governance, business operations and functional support, forming a structured and comprehensive internal control environment.

Our risk management framework combines source-level oversight by business units with coordinated support from inspection and control functions. All employees are responsible for reporting risks identified at their respective levels, and business units serve as the primary reporting

parties for incidents. The inspection department oversees risk execution and fraud prevention and receives reports through multiple channels, including telephone, email and an anonymous OA portal. The compliance and internal control department leads risk identification and assessment and formulates the internal control framework, while the internal audit department independently evaluates the effectiveness of risk controls and corrective actions.

We have also established a comprehensive set of anti-corruption policies and procedures, including quality control, supply chain management and franchisee management. Disciplinary and anti-fraud matters are led by the inspection department, which is responsible for reviewing leads, conducting investigations internally or through external agencies, and reporting findings to the compliance and internal control department or the Chairman. A whistle-blower mechanism is in place to encourage the reporting of suspected misconduct, supported by a structured incentive system.

AWARDS AND ACCOLADES

Due to our recognition within the industry and among customers, we have received a number of awards and accolades during the Track Record Period. Major awards include the *Industry Contribution Unit awarded by China Food Safety Newspaper* in 2025, the *National Enterprise of Integrity in Product and Service Quality Commitment* awarded by the *China Quality Inspection Association* in 2025, the inclusion in the *2024 China Top 100 Catering Franchise Brands* jointly awarded by *Meituan* and *the China Chain Store & Franchise Association* and the *2023 China Top 100 Catering Enterprises by the China Cuisine Association*.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business involving employment, copyrights, contract disputes and other matters. Our Directors, as advised by our PRC Legal Advisor, confirm that during the Track Record Period and up to the Latest Practicable Date, we had not been and were not a party to any material legal, arbitral, administrative proceedings or non-compliance incidents that led to fines, enforcement actions or other penalties against us, which could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. Our Directors are of the view that, we had complied, in all material respects, with all relevant laws and regulations in the PRC during the Track Record Period and up to the Latest Practicable Date.

Social Insurance and Housing Provident Funds

According to relevant PRC laws and regulations, we are required to make contributions to the social insurance and housing provident funds for the benefit of our employees in China. During the Track Record Period, we had not made adequate contributions to the social insurance and housing provident funds with respect to our employees as required by the relevant PRC laws and regulations. In 2023, 2024, 2025 and the five months ended May 31, 2026, our shortfall for social insurance and housing provident fund amounted to RMB41.6 million, RMB36.0 million, RMB31.6 million, and RMB11.4 million, respectively.

As advised by our PRC Legal Advisor, pursuant to applicable PRC laws and regulations, if an employer fails to make social insurance contributions in full, the relevant authorities could order the employer to pay, within a prescribed time limit, the outstanding amount with an additional late payment penalty at the daily rate of 0.05% and if the employer fails to make the overdue contributions within such time limit, a fine equal to one to three times the outstanding amount may be imposed. Additionally, pursuant to applicable PRC laws and regulations, if an employer is overdue in the payment and deposit of, or underpays, the housing provident fund, the relevant authority could order the employer to make the payment and deposit within a prescribed time limit and, failing which, an application may be made to a court in China for compulsory enforcement. Notwithstanding the above-mentioned shortfall amount, The General Office of the State Taxation

Administration issued the Circular on Conducting the Collection and Administration of Social Insurance Premiums in a Steady and Orderly Manner (《國家税務總局辦公廳關於穩妥有序做好社會保險費徵管有關工作的通知》) on September 13, 2018, which requires the tax bureaus of all provinces to properly address the issue of historical arrears in accordance with the principle of clarifying and taking over the accounts of historical arrears and prohibits them from independently initiating arrears recovery efforts. It further stipulates that enforcement inspections must be standardized and that they are prohibited from independently conducting investigations into arrears from previous years.

During the Track Record Period and up to the Latest Practicable Date, we had not received any notification from the relevant PRC authorities requiring us to pay for the shortfalls in a centralized way with respect to social insurance and housing provident funds or imposing any administrative penalties on us with respect to our social insurance and housing provident fund contributions, nor were we aware of any material employee complaints or involved in any material labor disputes with our employees with respect to social insurance and housing provident funds. We have also obtained the compliance certificates from the local authorities in charge of social insurance and housing provident funds, which sets out that no administrative penalties had been imposed on us in connection with the non-compliant incidents of social insurance and housing provident funds during the Track Record Period. As a result, we had not made any provision for the shortfall in our social insurance and housing provident fund contributions during the Track Record Period and up to the Latest Practicable Date. If the relevant authorities order us to pay the outstanding social insurance and/or housing provident funds or take rectification measures in accordance with applicable laws and regulations, we will make such payments or make such rectification measures promptly as soon as practicable.

Considering the relevant regulatory policies, regulatory confirmations, interviews and the facts as mentioned above, our PRC Legal Advisor is of the view that on the premise that no significant changes of the current policies and regulations, as well as implementation and supervision requirements of the local governments, the likelihood that we would be required by relevant authorities to pay the shortfall for social insurance and housing provident fund contributions or being subject to material administrative penalties due to our failure to provide full social insurance and housing provident fund contributions within the stipulated period for our all employees is remote.

Our Directors believe that the incident described above would not have a material adverse effect on our business, financial condition and results of operations, considering that during the Track Record Period and up to the Latest Practicable Date, (i) we did not receive any notification from the relevant authorities requiring us to pay for the shortfalls in a centralized way with respect to social insurance and housing provident funds, nor did we receive any material employee complaint or have any material disputes with employees concerning their payment of social insurance and housing provident funds; (ii) as confirmed in the compliance certificates by the competent government authorities in charge of social insurance and housing provident funds, no administrative penalties was imposed on us with respect to the payment of social insurance and housing provident funds during the Track Record Period and up to the Latest Practicable Date; and (iii) if we receive a notice from relevant authorities requiring us to rectify, pay or make up social insurance and housing provident funds within a specified period, we will promptly comply with the requirements of such notice.

We have taken the following internal control measures to prevent future occurrences of such non-compliance: (i) enhancing our human resources management policies, which require social insurance and housing provident fund contributions to be made in accordance with applicable local requirements; (ii) strengthening the training of our personnel, including training on various compliance-related topics for our employees; (iii) regularly keeping abreast of the latest developments in PRC laws and regulations relating to social insurance and housing provident funds; and (iv) actively communicating with relevant social insurance and housing fund local authorities to ensure we have the most updated information about the relevant laws and regulations concerning social insurance and housing provident fund.

BOARD OF DIRECTORS

Upon [**REDACTED**], our Board will consist of eight Directors, including five executive Directors and three independent non-executive Directors.

The following table sets forth information regarding our Directors:

Name	Age	Position	Date of joining our Group	Date of appointment as Director	Principal roles and responsibilities	Relationship with other Directors and senior management
Mr. Yuan Lianghong (袁亮宏)	36	Founder, executive Director, chairman of the Board and general manager	April 11, 2017	December 30, 2022	Responsible for the Group's overall strategic planning, business operations and product research and development	None
Mr. Tian Wei (田偉)	35	Executive Director and deputy general manager	April 11, 2017	June 11, 2025	Responsible for the Group's overseas operations	None
Mr. Xu Le (徐樂)	39	Executive Director and deputy general manager	April 11, 2017	June 11, 2025	Responsible for the Group's production management	None
Mr. Zhang Liangliang (張亮亮)	43	Executive Director and deputy general manager	January 18, 2022	June 11, 2025	Responsible for the Group's production supply chain	None
Mr. Yuan Yongbo (袁永波)	45	Executive Director, employee representative Director and the head of Southwestern China Business Division	December 22, 2022	June 11, 2025	Responsible for franchisee management and store management of Southwestern China Business Division	None
Mr. Yin Qiang (尹強)	52	Independent non-executive Director	June 11, 2025	June 11, 2025	Responsible for supervising and offering independent judgment to the Board	None
Ms. Yu Fang Jing (郁昉瑾)	48	Independent non-executive Director	June 11, 2025	June 11, 2025	Responsible for supervising and offering independent judgment to the Board	None
Mr. Huang Ching-Shuan (黃進栓)	64	Independent non-executive Director	December 23, 2025	December 23, 2025	Responsible for supervising and offering independent judgment to the Board	None

Executive Directors

Mr. Yuan Lianghong (袁亮宏), aged 36, is our founder, executive Director, chairman of the Board and general manager.

Mr. Yuan has over 12 years of experience in the food industry, with a commitment to driving industry development through the adoption of advanced processing technologies, supply chain optimization and brand upgrade. Mr. Yuan has been responsible for the Group's overall operations since April 2017.

Mr. Yuan obtained a bachelor's degree in physical education from Xiaoxiang College of Hunan University of Science and Technology (湖南科技大學瀟湘學院) in the PRC in June 2013. Mr. Yuan was awarded the titles of "Top 10 Innovative Figures in China's Catering Industry" (2022中國餐飲金饕獎十大創新人物) and "Top 10 Young Innovation and Entrepreneurship Pioneers" (2022年裡水鎮十大"青創先鋒"創新創業) in Lishui Town in July 2022. Mr. Yuan was selected as one of the "Most Influential Figures in Private Economy" of the year 2025 (2025年度民營經濟最具影響力人物), an "Outstanding Private Entrepreneur" of the year 2025 (2025年度優秀民營企業家) and was also awarded the titles of "May Forth Award of Foshan Youth" (佛山青年五四獎章) by the Foshan Municipal Committee of the Communist Party of China in May 2025.

Mr. Tian Wei (田偉), aged 35, is our executive Director and deputy general manager.

Mr. Tian joined the Group in April 2017 and served as a deputy general manager ever since. Prior to joining our Group, Mr. Tian served as a senior manager at Shenzhen Deppon Express Co., Ltd. (深圳市德邦物流有限公司) from November 2014 to March 2017, where he was responsible for the express delivery business in Shenzhen.

Mr. Tian obtained a bachelor's degree in physical education from Xiaoxiang College of Hunan University of Science and Technology (湖南科技大學瀟湘學院) in the PRC in June 2013.

Mr. Xu Le (徐樂), aged 39, is our executive Director and deputy general manager.

Mr. Xu joined the Group in April 2017 and served as the production director. Prior to joining our Group, Mr. Xu served as the after-sales service manager at Shenzhen Huazhengyuan CNC Electromechanical Equipment Co., Ltd. (深圳華正源數控機電設備有限公司) from August 2009 to September 2013, where he was responsible for the company's after-sales operations.

Mr. Xu obtained a college degree in engineering machinery operation and maintenance from Hunan Vocational College of Traffic Technology (湖南交通職業技術學院) in the PRC in June 2009.

Mr. Zhang Liangliang (張亮亮), aged 43, is our executive Director and deputy general manager.

Mr. Zhang joined the Group in January 2022 and served as the director of supply chain of the Company. Prior to joining our Group, Mr. Zhang worked at Shenzhen Branch of Shunxinhui (Guangzhou) Supply Chain Management Services Co., Ltd. (順新暉(廣州)供應鏈管理服務有限公司深圳分公司) from February 2011 to July 2015. From September 2015 to January 2017, Mr. Zhang worked at SF Express Co., Ltd. (順豐速運有限公司). From December 2017 to January 2021, Mr. Zhang served as deputy director of supply chain at Shenzhen Pindao Supply Chain Management Co., Ltd. (深圳市品道供應鏈管理有限公司). Mr. Zhang also served as deputy general manager of supply chain at Hunan Zheyouji Supply Chain Management Co., Ltd. (湖南喆友記供應鏈管理有限公司) from January 2021 to January 2022.

Mr. Zhang graduated in human resource management major (through the Higher Education Self-study Examination) from Chengdu University of Information Technology (成都信息工程大學) in the PRC in June 2025.

Mr. Yuan Yongbo (袁永波), aged 45, is our executive Director, employee representative Director and the head of Southwestern China Business Division.

Mr. Yuan Yongbo joined the Group in December 2022 as the head of South China Business Division of the Company. Prior to joining our Group, Mr. Yuan Yongbo engaged in food operation industry since March 2008. Mr. Yuan Yongbo served as an operations director at Jiangsu Wuxiangju Food Co., Ltd. (江蘇五香居食品有限公司) from December 2014 to June 2020. He served as an operations director at Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)股份有限公司) from August 2020 to January 2021, a company listed on the Stock Exchange (stock code: 02517.HK), where he was responsible for franchisee and store operations.

Mr. Yuan Yongbo graduated from art design from Sichuan Arts Institute (四川美術學院) in the PRC in July 2007.

Independent non-executive Directors

Mr. Yin Qiang (尹強), aged 52, is our independent non-executive Director.

Mr. Yin began his professional career at PricewaterhouseCoopers (普華永道會計師事務所), where he worked as an auditor from August 1996 to February 2001. Mr. Yin served as finance Director and vice president at New Oriental Education & Technology Group Inc. (北京新東方教育科技集團), a company listed on the New York Stock Exchange (stock code: EDU), from August 2005 to December 2015. Since January 2016, Mr. Yin has been serving as the chief financial officer and an executive Director of East Buy Holding Limited (東方甄選控股有限公司), a company listed on the Stock Exchange (stock code: 01797.HK).

Mr. Yin majored in public finance and obtained a bachelor's degree in economics from the Capital University of Economics and Business (首都經濟貿易大學) in July 1996 and obtained a master degree of business administration from Peking University (北京大學) in July 2008. He was granted the qualification of Certified Public Accountant in the PRC by the Beijing Institute of Certified Public Accountants on October 30, 2001.

Ms. Yu Fang Jing (郁昉瑾) , aged 48, is our independent non-executive Director.

Ms. Yu has gained extensive experience in corporate governance through her professional legal career in Hong Kong capital markets and her service as an independent non-executive director for companies listed in Hong Kong. She began her legal career working at Hong Kong and Beijing offices in Freshfields Bruckhaus Deringer, where she worked from August 2003 to October 2010 with her last position as Associate. She then worked in the Beijing and Shanghai Offices in Clifford Chance from February 2011 to April 2018, with her last position during the above period as a partner. She served as a partner in the Hong Kong Office of William Ji & Co. LLP in association with Tian Yuan Law Firm from September 2019 to February 2021 and as a partner in the Hong Kong Office of Paul Hastings LLP from March 2021 to November 2022. From December 2022 to March 2024, Ms. Yu worked in Mont Avenir Capital Limited (未來金融有限公司) with her last position as the head of legal department and managing director.

Currently, Ms. Yu has been serving as an independent non-executive director for companies listed in Hong Kong: Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)股份有限公司, stock code: 2517.HK) since January 2023, China Oriental Group Company Limited (中國東方集團控股有限公司, stock code: 0581.HK) since June 2024 and Auntea Jenny (Shanghai) Industrial Co., Ltd. (滬上阿姨(上海)實業股份有限公司, stock code: 2589.HK) since May 2025.

Ms. Yu obtained a bachelor of Law from the University of New South Wales in Australia in May 2002. She has been a member of the Law Society of Hong Kong since 2006.

Mr. Huang Ching-Shuan (黃進栓), aged 64, is our independent non-executive Director.

Mr. Huang served as chief operating officer of Taiwan Branch from March 2000 to September 2000, and the general manager of Taiwan Branch and the vice president of Greater China Region from September 2000 to October 2006 of Capgemini Asia Pacific Pte. Ltd. He also has worked for Yum China, a subsidiary of Yum! Brands, Inc. listed on the New York Stock Exchange (ticker: YUM) , from October 2006 to October 2016 serving as senior director, vice president of information technology, chief information officer, chief information and marketing support officer. Mr Huang also served as the chief information and marketing support officer, the general manager of KFC China, chief customer officer, senior advisor from October 2016 to June 2024 of Yum China Holdings, Inc., a company listed on the New York Stock Exchange (ticker: YUMC) and the Hong Kong Stock Exchange (stock code: 9987.HK).

Currently, Mr. Huang has been serving as an independent non-executive director of ZJLD Group Inc (珍酒李渡集團有限公司), a company listed on the Hong Kong Stock Exchange (stock code: 6979.HK) since June 2024, a senior digital advisor to the Group Chief Executive of DFI Retail Group Holdings Limited, a company listed on the Singapore Exchange (stock code: D01.SI) since January 2025, an operating partner of CPE Advisors (Hong Kong) Limited since November 2025, a director since January 2026 and the chairman since February 2026 at Pangaea Foods (China) Holdings, Ltd, a consultant at EQT AB since April 2026, and the executive partner of Shanghai Qiji Management Consulting Partnership Enterprise (Limited Partnership)(上海奇機管理諮詢合夥企業(有限合夥)).

Mr. Huang obtained a bachelor's degree in industrial management from National Taiwan University of Science and Technology（國立台灣科技大學）in Taiwan in June 1987 and a master's degree in business administration from the University of Tennessee, in Knoxville, USA in December 2002.

SENIOR MANAGEMENT

The following table sets forth certain information regarding the members of senior management of our Company:

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Principal roles and responsibilities	Relationship with other Directors and senior management
Mr. Yuan Lianghong (袁亮宏) . .	36	Founder, executive Director, chairman of the Board and general manager	April 11, 2017	December 30, 2022	Responsible for the Group's overall strategic planning, business operations and product research and development	None
Mr. Tian Wei (田偉). . . .	35	Executive Director and deputy general manager	April 11, 2017	June 11, 2025	Responsible for the Group's overseas operations	None
Mr. Xu Le (徐樂). . . .	39	Executive Director and deputy general manager	April 11, 2017	June 11, 2025	Responsible for the Group's production management	None
Mr. Zhang Liangliang (張亮亮) . .	43	Executive Director and deputy general manager	January 18, 2022	June 11, 2025	Responsible for the Group's production supply chain	None

Name	Age	Position	Date of joining our Group	Date of appointment as senior management	Principal roles and responsibilities	Relationship with other Directors and senior management
Mr. Xia Ni (夏霓). . . .	55	Chief financial officer	March 10, 2025	June 11, 2025	Responsible for managing the Group's financial, legal and internal audit	None
Mr. Zheng Boqi (鄭伯奇) . .	38	Deputy general manager	October 11, 2021	July 21, 2025	Responsible for the business of Yuen Kee Taste (袁記味享) and online business	None
Mr. Liu Yong (劉勇). . . .	38	Deputy general manager	December 12, 2024	June 11, 2025	Responsible for the Group's public relations and compliance matters	None
Ms. Cao Shan (曹彡). . . .	37	Board secretary	April 1, 2019	June 11, 2025	Responsible for corporate governance, information disclosure and investor relationship management of our Group	None

Mr. Yuan Lianghong (袁亮宏) is our founder, executive Director, chairman of the Board and general manager. See "— Executive Directors" for the biographical details of Mr. Yuan.

Mr. Tian Wei (田偉) is our executive Director and deputy general manager. See "— Executive Directors" for the biographical details of Mr. Tian.

Mr. Xu Le (徐樂) is our executive Director and deputy general manager. See "— Executive Directors" for the biographical details of Mr. Xu.

Mr. Zhang Liangliang (張亮亮) is our executive Director and deputy general manager. See "— Executive Directors" for the biographical details of Mr. Zhang.

Mr. Xia Ni (夏霓), aged 55, is our chief financial officer.

Prior to joining our Group, Mr. Xia worked in Hong Kong Sun Hung Kai Investment Services Co., Ltd. Shanghai Representative Office (香港新鴻基投資服務有限公司上海代表處) as an analyst from January 1994. Mr. Xia worked in United Overseas Bank Limited (Shanghai branch) (新加坡大華銀行上海分行) from April 2000 to May 2001. From August 2005 to August 2007, Mr. Xia worked as a business director of investment department in Kheng Leong (Shanghai) Investment Management Co., Ltd. (慶隆(上海)投資管理有限公司). Mr. Xia joined Hebei Sifang Communication Equipment Co., Ltd. (河北四方通信設備有限公司) in August 2009 and served as the chairman assistant. He worked as the vice president (from September 2010 to March 2012) and executive director (from April 2012 to June 2017) in China Fiber Optic Network System Group Ltd. (中國光纖網絡系統集團有限公司), a company listed on the Stock Exchange in July 2011 under the stock code "3777" and delisted from the Hong Kong Stock Exchange in February 2019. From January 2018 to December 2021, Mr. Xia worked as the general manager assistant in HLA Group Corp., Ltd. (海瀾之家集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock

code: 600398.SH). From January 2022 to January 2024, Mr. Xia served as the chief financial officer at Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)股份有限公司), a company listed on the Stock Exchange (stock code: 02517.HK). From February 2024 to February 2025, he served as chief financial officer and board secretary of Shanghai Chando Group Co., Ltd. (上海自然堂集團有限公司). Mr. Xia has served as an independent director of HLA Group Corp., Ltd. since October 2025.

Mr. Xia obtained a bachelor's degree in automobile engineering from Shanghai University of Engineering Science (上海工程技術大學) in the PRC in October 1993, and a master's degree in management from Shanghai University of Finance and Economics (上海財經大學) in June 1998. Mr. Xia completed Columbia's Chief Financial Officer Program from Columbia Business School in the United States in November 2022.

Mr. Zheng Boqi (鄭伯奇), aged 38, is our deputy general manager.

Prior to joining our Group, Mr. Zheng founded Qixia (Shanghai) Catering Management Co., Ltd. (奇匣(上海)餐飲管理有限公司) in 2016. Between April 2019 and October 2021, Mr. Zheng served as the head of the O2O (Online to Offline) business division at Guangzhou Liuhe Catering Management Co., Ltd. (廣州六禾餐飲管理有限公司), where he was responsible for the online business of stores in the Guangzhou region and the O2O business division.

Mr. Zheng obtained a master's degree in science in money, banking and finance from the University of Birmingham in the United Kingdom in December 2011, and a bachelor's degree in financial engineering from the University of International Business and Economics (對外經濟貿易大學) in the PRC in July 2010.

Mr. Liu Yong (劉勇), aged 38, is our deputy general manager.

Prior to joining our Group, Mr. Liu worked at Guangzhou Zhujiang Branch of Bank of China (中國銀行廣州珠江支行) from January 2014 to July 2015. From September 2015 to October 2017, he worked at Guangzhou Branch of China Guangfa Bank (廣發銀行廣州分行). He also worked at Guangzhou Branch of Changsha Bank (長沙銀行廣州分行) from December 2018 to December 2019, and at Guangzhou Branch of Huaxing Bank (華興銀行廣州分行) from January 2020 to September 2020. Mr. Liu also served as Senior Vice President of the headquarters direct center at SDIC Securities Co., Ltd. (國投證券總部直屬中心) from September 2020 to November 2024, where he was primarily responsible for institutional business sales and internal management.

Mr. Liu obtained a bachelor's degree in management from Hunan Agricultural University (湖南農業大學) in the PRC in December 2010.

Ms. Cao Shan (曹彭), aged 37, is our board secretary.

Ms. Cao joined the Group in April 2019 and served as the finance manager of the Company. Prior to joining our Group, Ms. Cao served as the finance supervisor at CNLIGHT CO., LTD. (廣東星光發展股份有限公司) from April 2013 to September 2017, a company listed on the Shenzhen Stock Exchange (stock code: 002076.SZ).

Ms. Cao obtained bachelor's degrees in labor and social insurance and finance (double major) from Shanxi University of Finance and Economics (山西財經大學) in the PRC in July 2013.

JOINT COMPANY SECRETARIES

Ms. Cao Shan (曹彭) has been appointed as the joint company secretary of the Company. See "— Senior Management" above for her biography.

Mr. Yau Tsz Lun (游子麟) was appointed as the joint company secretary on December 15, 2025 with effect from December 15, 2025. Mr. Yau is a corporate secretarial service manager of Tricor Investor Services Limited with over 6 years of experience in the corporate secretarial field. He has been providing professional corporate services to Hong Kong listed companies as well as multinational, private and offshore companies.

Mr. Yau is a Chartered Secretary, a Chartered Governance Professional and an Associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Mr. Yau holds a master's degree in professional accounting and corporate governance from City University of Hong Kong in July 2021.

BOARD COMMITTEES

Our Company has established three Board Committees in accordance with the relevant PRC laws and regulations, the Articles and the corporate governance practice under the Listing Rules, namely the Audit Committee, the Remuneration Committee, and the Nomination Committee.

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Audit Committee consists of three members, namely, Mr.Yin Qiang, Ms. Yu Fang Jing and Mr. Huang Ching-Shuan. Mr. Yin Qiang is the chairman of the Audit Committee. The primary responsibilities of the Audit Committee are, among others, to review the financial controls and the internal control and risk management systems of our Group, monitor the integrity of the Company's financial statements, review and monitor the external auditor's independence and objectivity and effectiveness of the audit process, and perform other duties and responsibilities as assigned by our Board.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Remuneration Committee consists of three Directors, including Mr. Huang Ching-Shuan, Mr. Yin Qiang and Mr. Tian Wei. Mr. Huang Ching-Shuan is the chairman of the Remuneration Committee. The primary responsibilities of the Remuneration Committee are, among others, to establish and review the policy and structure of the remuneration for our Directors and senior management, and make recommendations on remuneration packages of individual executive Directors and senior management.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of Part 2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules. The Nomination Committee consists of three members, namely Mr. Yuan, Ms. Yu Fang Jing and Mr. Yin Qiang. Mr. Yuan is the chairman of the Nomination Committee. The primary responsibilities of the Nomination Committee are, among others, to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, assist the Board in maintaining a Board skills matrix, and make recommendations on any proposed changes to the Board to complement our Company's corporate strategy.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

As of the Latest Practicable Date, none of our Directors (other than our independent non-executive Directors) had interests in any business, which competes or is likely to compete, either directly or indirectly, with our business that would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on December 15, 2025, and (ii) understands his or her obligations as a director of a [**REDACTED**] under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors confirms (i) his or her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (ii) that he or she has no past or present financial or other interest in the business of the Company or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his or her appointment.

REMUNERATION OF DIRECTORS

The aggregate amount of remuneration paid to our Directors (including directors' fee, salaries and other benefits, discretionary bonus, retirement benefit scheme contributions and equity-settled share-based payments) for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026 were RMB2.0 million, RMB2.8 million, RMB9.0 million and RMB5.8 million, respectively. Further information on the remuneration of each Director during the Track Record Period is set out in Appendix I to this document.

For the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026, the aggregate amount of directors' fee, salaries and other benefits, discretionary bonus, retirement benefit scheme contributions and equity-settled share-based payments of the five highest-paid individuals of our Group were RMB6.5 million, RMB10.8 million, RMB15.6 million and RMB7.1 million, respectively.

During the Track Record Period, no remuneration was paid or payable by our Company to our Directors or the five highest-paid individuals as an inducement to join or upon joining our Company. During the Track Record Period, no compensation was paid or payable by our Company to our Directors, former Directors or the five highest-paid individuals for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

During the Track Record Period, none of our Directors has waived or agreed to waive any remuneration or benefits in kind. Save as disclosed above, no other payments were paid or payable by our Company or any of our subsidiaries to our Directors or the five highest-paid individuals during the Track Record Period.

Under the arrangement currently in force, the aggregate amount of remuneration payable by our Company to our Directors for the year ending December 31, 2026 is to be approximately RMB14.0 million.

DIRECTORS' INTEREST

Save as disclosed in this document, none of our Directors (i) held any other positions in our Company or any other members of our Group as of the Latest Practicable Date; (ii) had any other relationship with any Directors, senior management or Controlling Shareholder of our Company as of the Latest Practicable Date; and (iii) held any directorship in any other [**REDACTED**] companies in the three years immediately prior to the date of this document.

BOARD DIVERSITY POLICY

In order to enhance the effectiveness of our Board and to maintain high standard of corporate governance, the Board has adopted a board diversity policy (the "**Board Diversity Policy**"). The Board Diversity Policy sets out the criteria in selecting candidates to our Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Upon [**REDACTED**], our Board will consist of seven male members and one female member, with five executive Directors and three independent non-executive Directors at diverse age ranges. The members of our Board obtained degrees in various majors including but not limited to sports, mechanical engineering, human resources management, arts, economics, law, and business administration. We consider that our Board has a balanced mix of skillset including but not limited to corporate, business, law and financial management, among others experience, expertise, and diversity which enhances decision-making capability and the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value. We consider that our Board satisfies our Board Diversity Policy.

The Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. After the [**REDACTED**], the Nomination Committee will monitor and evaluate the implementation of the Board Diversity Policy from time to time to ensure its continued effectiveness, and when necessary, make any revisions that may be required and recommend any such revisions to our Board for consideration and approval. The Nomination Committee will also include in successive annual reports a summary of the Board Diversity Policy, including any measurable objectives set for implementing the Board Diversity Policy and the progress on achieving these objectives.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

We are committed to achieving high standards of corporate governance which are crucial to our development and safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the corporate governance requirements under the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules after the [**REDACTED**].

Our Directors recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group to achieve effective accountability. Our Company intends to comply with all code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules after the [**REDACTED**] except for Code Provision C.2.1 of Part 2 of the Corporate Governance Code, which provides that the roles of chairman of the board and general manager should be separate and should not be performed by the same individual.

The roles of chairman of the Board and general manager of the Company are currently performed by Mr. Yuan. In view of Mr. Yuan's substantial contribution to our Group since our establishment and his extensive experience, we consider that having Mr. Yuan acting as both our chairman and general manager will provide strong and consistent leadership to our Group and

facilitate the efficient execution of our business strategies. We consider it is appropriate and beneficial to our business development and prospects that Mr. Yuan continues to act as both our chairman and general manager after the [**REDACTED**], and therefore currently do not propose to separate the functions of chairman and general manager.

While this would constitute a deviation from Code Provision C.2.1 of Part 2 of the Corporate Governance Code, the Board believes that this arrangement will not impair the balance of power and authority between the Board and the management of our Company, given that: (i) there are sufficient checks and balances in the Board, as a decision to be made by our Board requires approval by at least a majority of our Directors, and our Board comprises three independent non-executive Directors, which is in compliance with the requirement under the Hong Kong Listing Rules; (ii) Mr. Yuan and other Directors are aware of and undertake to fulfill their fiduciary duties as Directors, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and will make decisions for our Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of our Company. Moreover, the overall strategic and other key business, financial, and operational policies of our Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of chairman of the Board and general manager is necessary.

COMPLIANCE ADVISOR

We have appointed Maxa Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules, we must consult with and, if necessary, seek advice from our compliance advisor on a timely basis in the following circumstances:

- before the publication of any regulatory announcement, circular or financial report;
- where a transaction, which might be a notifiable transaction under Chapter 14 or connected transaction under Chapter 14A of the Listing Rules, is contemplated including but not limited to share issues, sales or transfers of treasury shares and share repurchases;
- where our Company proposes to use the [**REDACTED**] of the [**REDACTED**] in a manner different from that detailed in this document, or where the business activities, developments or results of our Group deviate from any forecast, estimate or other information in this document; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual movements in the price or [**REDACTED**] volume of our [**REDACTED**] securities, the possible development of a false market in our securities, or any other matters under Rule 13.10 of the Listing Rules.

Our compliance advisor will, in a timely manner, inform us of any amendments or supplements to the Listing Rules and any new or amended law, regulation or code in Hong Kong applicable to our Group. The term of the appointment will commence on the [**REDACTED**] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [**REDACTED**].

OUR GROUP OF CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Mr. Yuan was directly interested in 22.23% of the issued share capital of our Company, and was also able to control the exercise of the voting rights attached to 21.21% of the issued share capital held by Foshan Tanweizhi, Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan as each of its general partner. In addition, Yuen Kee Investment, which was owned as to 99% by Mr. Yuan and 1% by Mr. Yuan Jianjun, the father of Mr. Yuan, held 39.10% of the issued share capital of our Company. In light of the above, Mr. Yuan, by himself and through Foshan Tanweizhi, Foshan Yueshanhe, Foshan Yuanyunjiao, Foshan Xinxiangyuan and Yuen Kee Investment, was able to control the exercise of 82.54% of the voting rights at the general meetings of our Company as of the Latest Practicable Date and of [**REDACTED**]% immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). As such, Mr. Yuan, Mr. Yuan Jianjun, Yuen Kee Investment, Foshan Tanweizhi, Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan constitute our Group of Controlling Shareholders.

NO COMPETITION

Save and except for the interest in our Company, each of our Group of Controlling Shareholders confirms that as of the Latest Practicable Date, they did not have any interest in any business which competes or is likely to compete, directly or indirectly, with our business and would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR GROUP OF CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Group of Controlling Shareholders and their respective close associates upon [**REDACTED**].

Management Independence

Our Directors consider that we are able to carry on our business independently from our Group of Controlling Shareholders from a management perspective for the following reasons:

(a) our daily management and operations are carried out by a senior management team, all of whom have substantial experience in the industry in which our Company is engaged, and will therefore be able to make business decisions that are in the best interests of our Group. For details of the industry experience of our senior management team, please refer to the section headed "Directors and Senior Management" in this document;

(b) each Director is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as our Director and his/her personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and a Director and/or his/her associate, he/she is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions and the interested Director, and shall abstain from voting and shall not be counted towards the quorum for the voting;

(c) our Board has a balanced composition of five executive Directors and three independent non-executive Directors which ensures the independence of our Board in making decisions affecting our Company. Specifically, (i) our independent non-executive Directors are not associated with our Group of Controlling Shareholders or each of their close associates; (ii) our independent non-executive Directors account for more than one-third of the Board; and (iii) our independent non-executive Directors individually

and collectively possess the requisite knowledge and experience as independent directors of [**REDACTED**] companies and will be able to provide professional advice to our Company. In conclusion, our Directors believe that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interest of our Company and our Shareholders as a whole; and

(d) We will establish corporate governance measures and adopt sufficient and effective control mechanisms to manage potential conflicts of interest, if any, between our Group and our Group of Controlling Shareholders, which would support our independent management. For details, please see "— Corporate Governance" in this section.

Based on the above, our Directors believe that our Board as a whole and together with our senior management are able to perform the managerial role in our Group independently from our Group of Controlling Shareholders and their respective close associates after the [**REDACTED**].

Operational Independence

Our Group does not rely on our Group of Controlling Shareholders and their respective close associates for our business development, staffing, administration, finance, internal audit, information technology, sales and marketing, or company secretarial functions. We have our own departments specializing in these respective areas which have been in operation and are expected to continue to operate separately and independently from our Group of Controlling Shareholders and their respective close associates. In addition, we have our own headcount of employees for our operations and management for human resources.

Our Group has independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We are also in possession of all relevant licenses, certificates, facilities and intellectual property rights necessary to carry on and operate our principal businesses and we have sufficient operational capacity in terms of capital and employees to operate independently.

We have entered into certain continuing connected transactions with the associates of our Group of Controlling Shareholders in relation to procurement of products and/or services by our Group. Such transactions are and will be conducted on an arm's length basis and on normal commercial terms in the ordinary and usual course of business of our Company. See the section headed "Connected Transactions."

Based on the above, our Directors believe that we are able to operate independently of our Group of Controlling Shareholders and their respective close associates.

Financial Independence

Our Group has an independent financial system and makes financial decisions according to our own business needs. We have internal control and accounting systems and an independent finance department in charge of our treasury function. We do not expect to rely on our Group of Controlling Shareholders and their respective close associates for financing after [**REDACTED**] as we expect that our working capital will be funded by cash, cash equivalents on hand as well as the estimated [**REDACTED**] from the [**REDACTED**]. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently of our Group of Controlling Shareholders and their respective close associates.

In addition, we are capable of obtaining financing from independent third parties without relying on any guarantee or security provided by our Group of Controlling Shareholders and their respective close associates. As of the Latest Practicable Date, there was no outstanding loan or guarantee provided by our Group of Controlling Shareholders and their respective close associates.

Based on the above, our Directors believe that we are capable of carrying on our business independently of, and do not place undue reliance on our Group of Controlling Shareholders and their respective close associates upon [**REDACTED**].

CORPORATE GOVERNANCE

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. Our Company would adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Group of Controlling Shareholders:

(a) where a Shareholders' meeting is to be held for considering proposed transactions in which any Shareholders or any of their respective associates has a material interest, the interested Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;

(b) as part of our preparation for the [**REDACTED**], we have amended our Articles of Association to comply with the Listing Rules which will become effective upon [**REDACTED**]. In particular, our Articles of Association provide that, a Director shall be abstain from voting on any resolution approving any contract, transaction or arrangement in which such Director or any of his/her close associates has a material interest nor shall such Director be counted in the quorum present at the Board meeting;

(c) our Company has established internal control mechanisms to identify connected transactions. Upon the [**REDACTED**], if our Company enters into connected transactions with our Group of Controlling Shareholders and their respective close associates, our Company will comply with the applicable Listing Rules;

(d) we are committed that our Board shall include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors). We have appointed three independent non-executive Directors, and we believe our independent non-executive Directors (i) possess sufficient experiences, (ii) are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment, and (iii) will be able to review whether there is any conflict of interests between our Group and our Group of Controlling Shareholders and provide an impartial and external opinion to protect the interests of our Shareholders as a whole. For details of the independent non-executive Directors, see the section headed "Directors and Senior Management" in this document;

(e) where our Directors reasonably request the advice of independent professionals, such as financial advisors, the appointment of such independent professionals will be made at our Company's expenses; and

(f) we have appointed Maxa Capital Limited as our Compliance Advisor to provide advice and guidance to us in respect of compliance with the Listing Rules, including various requirements relating to corporate governance.

Based on the above, our Directors are satisfied that the corporate governance measures are sufficient to manage conflicts of interest that may arise between our Group and our Group of Controlling Shareholders, and to protect our minority Shareholders' interests after the [**REDACTED**].

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.
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 Co., Ltd. (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.

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	32	36	41
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 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	8	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
Procurement of graphic and spatial design services from Tebiezhengjing	14A.35 14A.36, 14A.105	Announcement, circular and independent Shareholders' approval requirements	3.2	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 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.

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 profit margin, 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 has sought and received, and will continue to seek quote from Independent Third Parties regularly, generally on a quarterly basis, and review prevailing market prices in assessing the fairness of the transaction terms. 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 Fanlaizhiwei Procurement Framework Agreement for the years ending December 31, 2026, 2027 and 2028 are RMB32 million, RMB36 million and RMB41 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.

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

Parties: Huifengyuan and our Company

Principal terms

On [●], we 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 for transactions between our Group and 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 (袁記味享). 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 profit margin, 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 has sought and received, and will continue to seek quote from Independent Third Parties regularly, generally on a quarterly basis, and review prevailing market prices in assessing the fairness of the transaction terms. 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.

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, following the launch of Yuen Kee Taste (袁記味享), which provided branded pre-packaged retail products including dumplings and wontons, 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 (袁記味享), we have experienced substantial growth ever since, and the revenue of Yuen Kee Taste (袁記味享) increased by 52% for the year ended December 31, 2025. It is anticipated that our revenue from Yuen Kee Taste (袁記味享) will continue to bloom in the upcoming years. We procured pre-packaged dumplings and wontons offered under Yuen Kee Taste (袁記味享) 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 wonton wrappers manufacturing equipment and maintenance services by our Group from Heshun

Parties: Heshun and our Company

Principal terms

On [●], we 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 equipment, 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.

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 profit margin, 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 has sought and received, and will continue to seek quote from Independent Third Parties regularly, generally on a quarterly basis, and review prevailing market prices in assessing the fairness of the transaction terms. 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 RMB8 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 equipment 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

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

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

Parties: Left-Right Color and our Company

Principal terms

On [●], we 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 physical 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. 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. Leveraging Left-Right Color's existing samples and production materials for advertising and promotional materials, as well as its experience in working with the Group, the Group considers it more cost-effective and efficient to place repeat purchase orders with Left-Right Color than to procure such materials from other suppliers.

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 material cost, the profit margin and the amount of our purchase, but in any event shall not be higher than the prices of similar physical advertising and promotional materials 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 has sought and received, and will continue to seek quote from Independent Third Parties regularly, generally on a quarterly basis, and review prevailing market prices in assessing the fairness of the transaction terms. 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.

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.

5. Procurement of graphic and spatial design services from Tebiezhengjing

Parties: Tebiezhengjing and our Company

Principal terms

On [●], we 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 and promotional activities, as well as design for our Yuen Kee Taste (袁記味享) 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 for transactions between our Group and 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 advertising and promotional activities from time to time. We have established long-standing business relationship with Tebiezhengjing since December 2021. Tebiezhengjing is familiar with our design philosophy and specific design requirements through its previous engagements with us and can therefore maintain smooth communication with us and cater to our business needs and internal requirements efficiently. Tebiezhengjing is primarily engaged in cultural and artistic planning and design services. During the Track Record Period, we also procured the same or similar design services from other service providers which are Independent Third Parties. 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. Therefore, the Group considers it more efficient to outsource a portion of its design and promotional work to external service providers, considering the limited resources of our in-house design team.

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 profit margin, 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 has sought and received, and will continue to seek quote from Independent Third Parties regularly, generally on a quarterly basis, and review prevailing market prices in assessing the fairness of the transaction terms. 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 RMB3.2 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, Heshun Procurement Framework Agreement, Left-Right Color Procurement Framework Agreement and Tebiezhengjing Services 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, materials and/or services 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 Agreement, Heshun Procurement Framework Agreement, Left-Right Color Procurement Framework Agreement and Tebiezhengjing Services 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.

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 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, Heshun Procurement Framework Agreement, Left-Right Color Procurement Framework Agreement and 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.

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.

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] and the Conversion of Domestic [**REDACTED**] Shares into H Shares, and assuming the [**REDACTED**] is not exercised, the following persons are expected to have an interest in the Shares or underlying Shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company:

Name of shareholder	Nature of interest	Number and Class of Shares	Approximate percentage of shareholding in the total share capital of our Company as of the Latest Practicable Date	Approximate percentage of shareholding in the total share capital of our Company immediately after the [REDACTED]	Approximate percentage of shareholding in the relevant class of Shares immediately after the [REDACTED]
Mr. Yuan[(1)]	Beneficial interest	[**REDACTED**]	22.23%	[**REDACTED**]%	[**REDACTED**]%
	Interest in controlled corporations	[**REDACTED**]	30.00%	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**]	30.31%	[**REDACTED**]%	[**REDACTED**]%
Yuen Kee Investment[(1)]	Beneficial interest	[**REDACTED**]	30.00%	[**REDACTED**]%	[**REDACTED**]%
		[**REDACTED**]	9.10%	[**REDACTED**]%	[**REDACTED**]%
Foshan Tanweizhi[(2)]	Beneficial interest	[**REDACTED**]	8.43%	[**REDACTED**]%	[**REDACTED**]%
Foshan Yueshanhe[(2)]	Beneficial interest	[**REDACTED**]	4.26%	[**REDACTED**]%	[**REDACTED**]%
Foshan Yuanyunjiao[(2)]	Beneficial interest	[**REDACTED**]	4.26%	[**REDACTED**]%	[**REDACTED**]%
Foshan Xinxiangyuan[(2)]	Beneficial interest	[**REDACTED**]	4.26%	[**REDACTED**]%	[**REDACTED**]%
Xiamen Black Ant No. 3[(3)]	Beneficial interest	[**REDACTED**]	1.30%	[**REDACTED**]%	[**REDACTED**]%
Shanghai Yiyong[(3)]	Beneficial interest	[**REDACTED**]	2.38%	[**REDACTED**]%	[**REDACTED**]%
PSHK[(3)]	Beneficial interest	[**REDACTED**]	2.38%	[**REDACTED**]%	[**REDACTED**]%
Xinghan Chuangxiang[(4)]	Beneficial interest	[**REDACTED**]	4.20%	[**REDACTED**]%	[**REDACTED**]%

Notes:

1. As of the Latest Practicable Date, Yuen Kee Investment was interested in approximately 39.10% of the shareholding interests in our Company. Yuen Kee Investment was held as to 99% by Mr. Yuan. As such, Mr. Yuan is deemed to be interested in the Shares of the Company held by Yuen Kee Investment under the SFO.

2. Mr. Yuan is the general partner of Foshan Tanweizhi, Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan. As such, Mr. Yuan is deemed to be interested in the Shares of the Company held by Foshan Tanweizhi, Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan under the SFO.

3. Each of Xiamen Black Ant No.3, Shanghai Yiyong and PSHK is ultimately controlled by Mr. He Yu. As such, Mr. He Yu is deemed to be interested in the Shares of the Company held by each of Xiamen Black Ant No.3, Shanghai Yiyong and PSHK under the SFO.

4. As of the Latest Practicable Date, the general partner of Xinghan Chuangxiang was Suzhou Chengqi Weixin Investment Management Partnership (Limited Partnership) (蘇州承啟維新投資管理合夥企業(有限合夥)) ("**Suzhou Chengqi Weixin**"), holding 0.1% partnership interests therein. Zhangjiagang Xinghan Qicheng Investment Partnership (Limited Partnership) (張家港星翰啟承投資合夥企業(有限合夥)) ("**Xinghan Qicheng**") is a limited partner holding 83% partnership interest in Xinghan Chuangxiang, the general partner of which is Suzhou Chengqi Weixin. Suzhou Chengqi Weixin is in turn ultimately controlled by Mr. Chang Bin (常斌). Therefore, by virtue of the SFO, each of Suzhou Chengqi Weixin, Xinghan Qicheng and Mr. Chang Bin is deemed to be interested in the Shares held by Xinghan Chuangxiang.

OUR SHARE CAPITAL

Immediately before the [REDACTED]

As of the Latest Practicable Date, the registered share capital of our Company was RMB117,394,590 comprising 117,394,590 Shares with a nominal value of RMB1.00 each.

Upon the Completion of the [REDACTED]

Immediately after the [**REDACTED**] and Conversion of Domestic [**REDACTED**] Shares into H Shares, assuming that the [**REDACTED**] is not exercised, the share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
Domestic [**REDACTED**] Shares	[**REDACTED**]	[**REDACTED**]%
H Shares converted from Domestic [**REDACTED**] Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	100%

The Conversion of Domestic [**REDACTED**] Shares into H Shares will involve an aggregate of [**REDACTED**] Domestic [**REDACTED**] Shares held by 20 out of 20 existing Shareholders, representing approximately [**REDACTED**]% of total issued Shares of the Company upon completion of the Conversion of Domestic [**REDACTED**] Shares into H Shares and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised). Set out below are such Shares held by our existing Shareholders and their respective shareholding upon completion of the Conversion of Domestic [**REDACTED**] Shares into H Shares and the [**REDACTED**] (assuming the [**REDACTED**] is not exercised).

		Shares immediately after [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Domestic [REDACTED] Shares into H Shares				
	Shareholders	Number of Shares Held	H Shares to be converted from Domestic [REDACTED] Shares	Shareholding in the total issued share capital	Domestic [REDACTED] Shares Held	Shareholding in the total issued share capital
1.	Yuen Kee Investment	45,905,001	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
2.	Mr. Yuan	26,094,999	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
3.	Foshan Tanweizhi	9,900,000	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
4.	Foshan Xinxiangyuan	5,000,000	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
5.	Foshan Yueshanhe	5,000,000	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
6.	Foshan Yuanyunjiao	5,000,000	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
7.	Foshan Yuziji	3,100,000	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
8.	Xinghan Chuangxiang	4,927,218	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
9.	Shanghai Yiyong	2,799,022	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
10.	PSHK	2,799,022	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
11.	Xiamen Black Ant No. 3	1,522,843	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
12.	Xiamen Jianfa	1,006,240	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
13.	Shanghai Bird Nest	864,024	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
14.	Hainan Silverpine	864,024	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%

	Shareholders	Shares immediately after [REDACTED] (assuming the [REDACTED] is not exercised) and the Conversion of Domestic [REDACTED] Shares into H Shares				
		Number of Shares Held	H Shares to be converted from Domestic [REDACTED] Shares	Shareholding in the total issued share capital	Domestic [REDACTED] Shares Held	Shareholding in the total issued share capital
15.	Beijing Desai	670,826	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
16.	Yihai Kerry	503,120	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
17.	Lingyue Flavor	432,012	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
18.	Ms. Yang Yongyin	335,413	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
19.	Mr. Zhang Luyong	335,413	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
20.	Mr. Dai Xiongwei	335,413	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%
	Total	**117,394,590**	[REDACTED]	[REDACTED]%	[REDACTED]	[REDACTED]%

Immediately after the [**REDACTED**] and Conversion of Domestic [**REDACTED**] Shares into H Shares, assuming that the [**REDACTED**] is fully exercised, the share capital of the Company will be as follows:

Description of Shares	Number of Shares	Approximate % of the enlarged issued share capital after the [REDACTED]
Domestic [**REDACTED**] Shares	[**REDACTED**]	[**REDACTED**]%
H Shares converted from Domestic [**REDACTED**] Shares	[**REDACTED**]	[**REDACTED**]%
H Shares to be issued pursuant to the [**REDACTED**]	[**REDACTED**]	[**REDACTED**]%
Total	[**REDACTED**]	100%

DOMESTIC [REDACTED] SHARES AND H SHARES

Upon the completion of the [**REDACTED**], the Shares will consist of Domestic [**REDACTED**] Shares and H Shares. Domestic [**REDACTED**] Shares and H Shares are all ordinary Shares in the share capital of our Company.

Our H Shares may only be [**REDACTED**] for and [**REDACTED**] in Hong Kong dollars. Our Domestic [**REDACTED**] Shares, on the other hand, may only be [**REDACTED**] for and [**REDACTED**] in RMB. Apart from certain qualified domestic institutional investors in the PRC, the qualified PRC investors under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and other persons who are entitled to hold our H Shares pursuant to relevant PRC laws and regulations or upon approvals of any competent authorities (such as our certain existing shareholders the Domestic [**REDACTED**] Shares held by whom will be converted into H Shares according to the filing information of the CSRC), H Shares generally cannot be [**REDACTED**] for by or [**REDACTED**] between legal or natural PRC persons.

Domestic [**REDACTED**] Shares and H Shares shall rank *pari passu* with each other in all respects and, in particular, will rank equally for dividends or distributions declared, paid or made. All dividends for H Shares will be denominated and declared in Renminbi, and paid in Hong Kong dollars or Renminbi, whereas all dividends for Domestic [**REDACTED**] Shares will be paid in Renminbi. Other than cash, dividends could also be paid in the form of shares.

CONVERSION OF OUR DOMESTIC [REDACTED] SHARES INTO H SHARES

If any of the Domestic [**REDACTED**] Shares are to be converted, [**REDACTED**] and [**REDACTED**] as H Shares on the Hong Kong Stock Exchange, such conversion, [**REDACTED**] and [**REDACTED**] will need the filing of the relevant PRC regulatory authorities, including the CSRC, and the approval of the Hong Kong Stock Exchange.

File with the CSRC for Full Circulation

In accordance with the Overseas Listing Trial Measures and related guidelines, H-share [**REDACTED**] companies shall file with the CSRC for the conversion of Domestic [**REDACTED**] Shares into H shares for [**REDACTED**] and circulation on the Hong Kong Stock Exchange. An [**REDACTED**] domestic joint stock company may file for "full circulation" when applying for an overseas [**REDACTED**].

We have filed with the CSRC for the conversion of [**REDACTED**] Domestic [**REDACTED**] Shares into H Shares on a one-for-one basis ("**Conversion of Domestic [REDACTED] Shares into H Shares**") upon the completion of the [**REDACTED**] ("**Full Circulation Filing of the Company**") and CSRC issued the filing notice in respect of the [**REDACTED**] dated June 27, 2026.

[REDACTED] Approval by the Hong Kong Stock Exchange

We have applied to the [**REDACTED**] of the Hong Kong Stock Exchange for the granting of [**REDACTED**] of, and permission to [**REDACTED**], our H Shares to be issued pursuant to the [**REDACTED**] (including any H Shares which may be issued pursuant to the exercise of the [**REDACTED**]), and the H Shares to be converted from [**REDACTED**] Domestic [**REDACTED**] Shares.

We will perform the following procedures for the conversion of the relevant Domestic [**REDACTED**] Shares into H Shares after receiving the approval of the Hong Kong Stock Exchange: (1) giving instructions to our [**REDACTED**] regarding the credit of the converted H Shares via the [**REDACTED**]'s [**REDACTED**]; and (2) enabling the converted H Shares to be accepted as eligible securities by [**REDACTED**] for deposit, clearance and settlement in the [**REDACTED**].

RESTRICTION ON TRANSFER OF SHARES ISSUED PRIOR TO THE [REDACTED]

In accordance with Article 160 of the PRC Company Law, the shares issued prior to any [**REDACTED**] of shares by a company cannot be transferred within one year from the date on which such publicly [**REDACTED**] shares are [**REDACTED**] and [**REDACTED**] on the relevant stock exchange. As such, the Shares issued by the Company prior to the [**REDACTED**] will be subject to such statutory restriction on transfer within a period of one year from the [**REDACTED**]. See "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments".

GENERAL MANDATE TO ISSUE SHARES AND REPURCHASE MANDATE

Subject to the [**REDACTED**] becoming unconditional, our Directors have been granted general mandates to issue our Shares and repurchase our H Shares. For further details, see "Appendix VI — Statutory and General Information — A. Further Information about our Group — 4. Resolutions of our Shareholders".

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the PRC Company Law and the terms of the Articles of Association, our Company may from time to time by special resolution of shareholders, among others, increase its capital or decrease its capital or repurchase of shares. See "Appendix V — Summary of the Articles of Association" in this document.

SHAREHOLDERS' APPROVAL FOR THE [REDACTED]

Approval from holders of the Shares is required for the Company to issue H Shares and seek the [**REDACTED**] of H Shares on the Hong Kong Stock Exchange. The Company has obtained such approval at the Shareholders' general meeting held on December 22, 2025.

*You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountants' Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the International Financial Reporting Standards ("**IFRS**").*

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed in "Risk Factors" and "Forward-Looking Statements" and elsewhere in this document.

OVERVIEW

We are the largest Chinese-style QSR company in China by number of stores, according to CIC, as of December 31, 2025. Anchored by Yuen Kee Dumpling (袁記雲餃), our restaurant brand, we position freshly hand-wrapped, freshly cooked as a core operational framework, while serving dumplings, wontons and related products in both RTE and RTC formats. In addition, we expand our business coverage through Yuen Kee Taste (袁記味享), our retail brand, offering pre-packaged dumplings and wontons through various sales channels. Together with our Yuen Kee Dumpling (袁記雲餃) brand, this structure broadens our growth opportunities and compounds brand impact across catering and retail consumers, which in turn reflects our integrated restaurant and retail business model.

During the Track Record Period, we generated revenue from sale of goods and provision of franchising services. The majority of our revenue during the Track Record Period was generated from the sale of goods to our franchisees. Our revenue increased by 26.4% from RMB2,026.1 million in 2023 to RMB2,561.1 million in 2024, and further increased by 9.1% to RMB2,795.1 million in 2025. Our revenue increased by 39.8% from RMB934.0 million in the five months ended May 31, 2025 to RMB1,305.5 million in the five months ended May 31, 2026. Our adjusted net profit (non-IFRS measure) remained relatively stable at RMB178.6 million in 2023 and RMB180.0 million in 2024, and further increased by 45.8% to RMB262.4 million in 2025. Our adjusted net profit (non-IFRS measure) significantly increased from RMB70.0 million in the five months ended May 31, 2025 to RMB184.6 million in the five months ended May 31, 2026.

BASIS OF PREPARATION

In anticipation of the [**REDACTED**], the redemption rights of ordinary shares issued to Pre-[**REDACTED**] investor has been irrecoverably terminated and shall be void ab initio as described in Note 30 of the Accountants' Report in Appendix I. Having taking into account the legal and regulatory framework of our Company's jurisdiction and the governing law of the related agreements, our Directors considered that it is appropriate to present the Pre-[**REDACTED**] Investments as equity throughout the Track Record Period. For the details of financial impacts, see Note 30 of the Accountants' Report in Appendix I to this document.

The historical financial information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "**IASB**").

All IFRS Accounting Standards effective for the accounting period commencing from January 1, 2026, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the Historical Financial Information and the Interim Comparative Financial Information.

The historical financial information has been prepared under the historical cost convention, except for financial investments at fair value through profit or loss which have been measured at fair value.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial position have been and are expected to be, continuously and materially affected by a number of factors, including the following:

General Factors

Our business and results of operations are impacted by general factors affecting the development of our industry, which include: (i) macroeconomic conditions in China and globally; (ii) growth and competition environment of the Chinese-style QSR industry in China; (iii) relevant laws and regulations, governmental policies and initiatives affecting the Chinese-style QSR industry in China; and (iv) occurrence of force majeure events, outbreak of pandemics or epidemics, acts of war, social and economic chaos and natural disasters. Unfavorable changes and any challenges in any of these general industry conditions could affect the demand for our services and hence our results of operations.

Company-specific Factors

In addition to the above-mentioned general factors, we recognize that the following specific factors, although offering significant opportunities for our business, present challenges that we must effectively address to sustain our growth and improve our results of operations:

Consumer Demands for Chinese-style QSR

Our results of operations have been and will continue to be dependent on customer demand for Chinese-style QSR. According to CIC, China's Chinese- style QSR market was RMB867.9 billion in 2025 and is projected to grow at a CAGR of 8.9% to reach RMB1,329.6 billion by 2030. China's dumpling and wonton industry reached RMB189.3 billion in 2025 and is projected to grow at a CAGR of 9.4% to reach RMB296.3 billion by 2030, driven by continuous consumption upgrade and category innovation. We are expected to continue benefiting from the rising customer demand for Chinese-style QSR alongside China's continuous macroeconomic growth. Customer demand is shifting towards freshness, convenience and broader geographic coverage. As the largest Chinese-style QSR company in China by number of stores as of December 31, 2025, according to CIC, we believe that our distinctive "restaurant + retail" integration model, innovating product matrix, robust and resilient supply chain, end-to-end digital operating system and experienced leadership team as well as a mature talent engine well-position us to capture the opportunities in China's Chinese-style QSR industry.

Store Network Expansion and Management

Our revenue is primarily driven by the scale of our store network. Our future revenue growth depends on our ability to expand our store network and improve the performance of stores. From January 1, 2023 to May 31, 2026, our total number of stores increased from 1,990 to 4,773. We have achieved nationwide coverage while maintaining localized operational strategies tailored to different regions. As of May 31, 2026, we covered 33 provinces, autonomous regions, special administration regions and municipalities in China, spanning more than 250 cities. In parallel, we opened our first overseas store in Singapore at the end of 2024 and have continued to expand

overseas in 2026. The expansion of our store network to a large extent drove the increase in our revenue by 26.4% from RMB2,026.1 million in 2023 to RMB2,561.1 million in 2024, and further by 9.1% to RMB2,795.1 million in 2025. Our revenue also increased by 39.8% from RMB934.0 million in the five months ended May 31, 2025 to RMB1,305.5 million in the five months ended May 31, 2026.

We value store management. We primarily expand our store network through a franchise model and also operated a small number of self-operated stores during the Track Record Period. Our total number of franchisees increased from 1,257 as of January 1, 2023 to 2,304 as of May 31, 2026. We work closely with our franchisees across all major facets of store operations to align our core values with their entrepreneurial pursuits. Franchisees benefit from our brand equity, operating know-how and shared resources. Meanwhile, with day-to-day store management carried out by franchisees in strict accordance with our standard operating procedures, we can focus on brand building, product development and refinement, strengthening supply chain capabilities, scaling the network, and improving store performance across the system.

We believe our ability to further expand our store network and manage our stores leads to more sustainable demands from franchisees and consumers, driving future growth in our revenue.

Our Product Portfolio Which Enhance Our Competitiveness

Our product offerings are critical to our results of operations. We have developed a diversified product portfolio under our major brand Yuen Kee Dumpling (袁記雲餃), and pre-packaged food products which we subsequently introduced under our Yuen Kee Taste (袁記味享) brand. Yuen Kee Dumpling (袁記雲餃) offers a diversified product portfolio across five core categories: dumplings, wontons, noodles, small bites and beverages, comprising more than 350 SKUs nationwide as of May 31, 2026. During the Track Record Period, we introduced over 200 new SKUs. Yuen Kee Taste (袁記味享) offered 22 SKUs nationwide, as of May 31, 2026. These products are sold across supermarket and retail chains across China. We also strive to continually design new products to meet the evolving consumer demands. We believe that our sustainable growth depends on our capability of continuously optimizing and enriching our product portfolio with quality product selection that caters to evolving consumer needs.

Our Supply Chain Capabilities

We believe our long-term growth depends in part on our ability to continue efficiently managing the supply chain. A majority of our cost of sales is cost of raw materials. Our costs of raw materials accounted for 86.4%, 85.9%, 86.3%, 83.6% and 83.0% of our total cost of sales in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. We are exposed to risk arising from the increase in the cost of ingredients used in our products. See "Risk Factors — Risks Related to Our Business and Industry — We rely on third-party suppliers and other business partners to provide raw materials and services to us." Our ability to maintain a stable and efficient supply chain and our ability to purchase raw materials at competitive prices are essential for our cost control, profitability and cash flow.

The following table sets forth the sensitivity analysis of hypothetical fluctuation in the prices of raw materials during the Track Record Period, assuming all other factors remain unchanged:

	Increase/decrease in the prices of raw materials					
	+10%	**-10%**	**+20%**	**-20%**	**+30%**	**-30%**
	(RMB in millions)					
Increase/(decrease) in profit before tax						
FY2023	(93.8)	93.8	(187.7)	187.7	(281.5)	281.5

	Increase/decrease in the prices of raw materials					
	+10%	-10%	+20%	-20%	+30%	-30%
	(RMB in millions)					
FY2024	(111.8)	111.8	(223.6)	223.6	(335.3)	335.3
FY2025	(124.4)	124.4	(248.8)	248.8	(373.3)	373.3
Five months ended May 31, 2026	(56.4)	56.4	(112.8)	112.8	(169.2)	169.2

MATERIAL ACCOUNTING POLICY INFORMATION

We have identified certain accounting policies that are significant to the preparation of our financial statements. Material accounting policies that are significant for understanding our financial condition and results of operations are set forth in detail in Note 2.4 of the Accountants' Report in Appendix I to this document. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Actual results could differ from those estimates. We continually evaluate these estimates and assumptions based on the most recently available information, our own historical experience and other factors that we believe to be relevant under the circumstances. Our management has discussed the development, selection and disclosure of these estimates with our Board of Directors. Since our financial reporting process inherently relies on the use of estimates and assumptions, actual results may differ from these estimates under different assumptions or conditions. When reviewing our financial statements, you should consider (i) our selection of key accounting policies, (ii) the judgment and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions. We believe that the material accounting policy information and estimates such as basis of consolidation, revenue from contracts with customers, and leases as detailed in Note 2.4 of the Accountants' Report in Appendix I to this document are critical and involve the most important estimates and judgments we used in preparing our financial statements.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of profit or loss for the years/periods indicated:

	Year ended December 31,			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Revenue	2,026,120	2,561,117	2,795,104	934,007	1,305,522
Cost of sales	(1,500,958)	(1,973,318)	(2,098,263)	(717,028)	(934,619)
Gross profit	**525,162**	**587,799**	**696,841**	**216,979**	**370,903**
Other income and gains	6,916	8,942	21,653	6,956	32,795
Selling and marketing expenses	(76,960)	(125,888)	(136,917)	(42,143)	(65,977)
Administrative expenses	(199,222)	(239,444)	(279,295)	(91,092)	(120,350)
(Impairment loss)/reversal of impairment loss on financial assets, net	(15,116)	(832)	(1,857)	38	(2,308)

	Year ended December 31,			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Other expenses	(7,086)	(8,787)	(10,749)	(4,732)	(3,329)
Finance costs	(4,182)	(6,778)	(7,939)	(3,651)	(2,435)
Share of profits and losses of associates	1,427	342	7,685	552	7,128
Share of loss of a joint venture	–	–	(209)	–	(125)
Profit before tax	**230,939**	**215,354**	**289,213**	**82,907**	**216,302**
Income tax expense	(63,833)	(73,397)	(90,473)	(25,831)	(58,997)
Profit for the year/period	167,106	141,957	198,740	57,076	157,305

For details on the accounting treatment of redemption rights of Pre-[**REDACTED**] investments, see Note 30 to the Accountants' Report set out in Appendix I to this document.

NON-IFRS FINANCIAL MEASURE

To supplement our consolidated financial statements, which are presented in accordance with IFRS, we also use adjusted net profit (non-IFRS measure) as an additional financial measure, which is not required by, or presented in accordance with IFRS. We believe this non-IFRS measure facilitates comparisons of operating performance from year to year and company to company by eliminating potential impacts of certain items. We believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-IFRS financial measure we presented may not be directly comparable to similar measures presented by other companies. The use of this non-IFRS measure should not be considered as substitute for analysis of, our results of operations or financial condition as reported under IFRS.

We define adjusted net profit (non-IFRS measure) as profit for the year adding back (i) share-based payments and (ii) [**REDACTED**] expenses. The following table reconciles our adjusted net profit (non-IFRS measure) with profit for the year/period which is presented in accordance with IFRS:

	Year ended December 31,			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Profit for the year/period	167,106	141,957	198,740	57,076	157,305
Add:					
– Share-based payments[(1)(2)]	11,446	38,088	56,520	12,894	17,357
– [**REDACTED**] expenses	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Adjusted net profit (*non-IFRS measure*)	**178,552**	**180,045**	**262,353**	**69,970**	**184,552**

Notes:

(1) Includes (i) share-based payment expenses included in operating expenses and (ii) share-based payments recognized as a deduction from revenue. Both are non-cash in nature and are not expected to result in future cash payments. These arrangements were established to compensate certain eligible employees for their services through the grant of our equity instruments and to foster long-term, mutually beneficial collaboration with certain eligible business partners. See "History, Development and Corporate Structure — Corporate Structure Immediately Before Completion of the [**REDACTED**]."

(2) The business partners mentioned in note (1) above that relates specifically to grants made during the Track Record Period included one franchisee, certain suppliers and other industry participants who may provide insights and industry resources that could support our future business expansion. Share incentives were granted to this one franchisee that relates specifically to grants made during the Track Record Period, primarily in recognition of its market resources, ability to develop local markets and contributions to the expansion of our franchised store network. Share-based payments granted to this franchisee that relates specifically to grants made during the Track Record Period are recognized as a deduction from revenue and measured with reference to IFRS 2 and IFRS 15, as they constitute consideration payable to a customer without our Group receiving a distinct good or service in exchange. Accordingly, the economic benefits granted under these arrangements are accounted for as consideration payable to a customer and offset against revenue.

Our adjusted net profit (non-IFRS measure) remained relatively stable at RMB178.6 million in 2023 and RMB180.0 million in 2024. Our adjusted net profit (non-IFRS measure) increased by 45.8% from RMB180.0 million in 2024 to RMB262.4 million in 2025. Such increase was primarily due to an increase in our profit for the year, an increase in share-based payments included in operating expenses and an increase in [**REDACTED**] expenses. Our adjusted net profit (non-IFRS measure) significantly increased from RMB70.0 million in the five months ended May 31, 2025 to RMB184.6 million in the five months ended May 31, 2026. Such increase was primarily due to an increase in our profit for the period and an increase in share-based payments included in operating expenses and [**REDACTED**] expenses. See "— Period-to-Period Comparison of Results of Operations."

PRE-[REDACTED] INVESTMENTS AND SHARE CAPITAL

We have completed series rounds of Pre-[**REDACTED**] Investments. For further details of the identity and background of the Pre-[**REDACTED**] Investors and the principal terms of the Pre-[**REDACTED**] Investments, please see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments" in this document.

Pursuant to the shareholders' agreement (the "**Supplemental Agreement**") entered into on June 6, 2023, if any redemption events occur in respect of the specified company, the investor shall have the right to require our Company, the controlling shareholders, or the de facto controller to repurchase their equity interests. As agreed by all parties through negotiation, pursuant to the Supplemental Agreement, the provisions in the Supplemental Agreement regarding our Company's obligation to redeem shares are deemed void ab initio (i.e, null and void on February 28, 2025, the base date of our Company's conversion into a joint stock company). At the same time, it is stipulated that the redemption obligation of the Company shall not be reinstated. In anticipation of the [**REDACTED**], the redemption rights have been irrecoverably terminated and shall be void ab initio.

Had the redemption rights granted by our Company to the Series A Pre-[**REDACTED**] Investor been accounted for as financial liabilities measured at present value of the redemption amount before our Company's application for share reform on February 28, 2025 (the date which our Company determined the audit base date), (i) the redemption financial liabilities, total current liabilities, net current assets and net assets would have been, and (ii) the finance costs associated with the redemption financial liabilities, the net profit attributable to owners of the parent for the Track Record Period and the five months ended 31 May 2025, and basic and diluted earnings per share would have been:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption financial liabilities	31,220	33,811	–	–
Total current liabilities	380,287	491,471	–	–
Net current assets	65,975	50,038	–	–
Net assets	224,794	407,226	–	–

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Finance costs associated with the redemption financial liabilities	1,220	2,591	452	452	–
Total net profit attributable to owners of the parent	166,010	141,635	197,833	56,553	–
Basic and diluted earnings per share	1.73	1.40	1.90	0.56	–

For details on the accounting treatment of redemption rights of Pre-[**REDACTED**] investments, see Note 30 to the Accountants' Report set out in Appendix I to this document.

DESCRIPTION OF MAJOR COMPONENTS OF OUR RESULTS OF OPERATIONS

Revenue

Our revenue was primarily derived from (i) sales of goods, mainly consisting of sales through our franchise network and sales through other channels, such as online platforms, self-operated stores, and distributors; and (ii) provision of franchising services, primarily representing brand licensing and authorization, and management services provided to our franchisees.

The following table sets forth our revenue breakdown by business line, in absolute amount and as a percentage of our total revenue, for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)						*(Unaudited)*			
Sale of goods	1,937,809	95.6	2,429,378	94.9	2,656,629	95.1	886,353	94.9	1,241,163	95.0
Provision of franchising services	87,847	4.3	116,601	4.6	132,455	4.7	45,212	4.8	63,431	4.9
Others[(1)]	464	0.0	15,138	0.6	6,020	0.2	2,442	0.3	928	0.1
Total	**2,026,120**	**100.0**	**2,561,117**	**100.0**	**2,795,104**	**100.0**	**934,007**	**100.0**	**1,305,522**	**100.0**

Note:

(1) Mainly include sales of scraps and rebate from e-commerce platforms for meeting certain thresholds of sales amount.

The following table sets forth our revenue from sales of goods and others by ingredients sold to franchisees, food sold at self-operated stores, and pre-packaged foods sold to end-customers (namely our Yuen Kee Taste (袁記味享) business), in absolute amount and as a percentage of our total revenue, for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Ingredients sold to franchisees										
Fillings	1,209,221	59.7	1,466,196	57.2	1,495,600	53.5	515,342	55.2	642,673	49.2
Wrappers	254,433	12.6	300,789	11.7	324,269	11.6	109,413	11.7	148,178	11.4
Condiments	148,135	7.3	217,676	8.5	246,057	8.8	83,483	9.0	122,589	9.4
Packaging	141,857	7.0	212,345	8.3	264,711	9.5	80,433	8.6	124,451	9.5
Others	92,109	4.5	131,543	5.1	174,543	6.3	53,068	5.7	103,582	7.9
Food sold at self-operated stores	**38,083**	**1.9**	**52,804**	**2.1**	**61,337**	**2.2**	**21,634**	**2.3**	**31,337**	**2.4**
Pre-packaged foods sold to end-customers	**54,435**	**2.7**	**63,163**	**2.5**	**96,132**	**3.4**	**25,422**	**2.7**	**69,281**	**5.3**
Total[(1)]	**1,938,273**	**95.7**	**2,444,516**	**95.4**	**2,662,649**	**95.3**	**888,795**	**95.2**	**1,242,091**	**95.1**

Note:

(1) Represent the total of sales of goods and others from the table above.

Cost of Sales

Our cost of sales primarily consisted of (i) material cost, mainly representing procurement costs for meat, flour and other raw materials, (ii) transportation cost, (iii) labor cost, (iv) depreciation and amortization, and (v) franchise management and service cost.

The following table sets forth the breakdown of our cost of sales by nature, in absolute amount and as a percentage of our total cost of sales, for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Material cost	1,296,754	86.4	1,695,705	85.9	1,810,585	86.3	598,847	83.6	775,343	83.0
Transportation cost	73,138	4.9	95,626	4.8	98,117	4.7	36,091	5.0	47,726	5.1
Labor cost	41,504	2.8	50,092	2.5	57,863	2.8	29,158	4.1	40,975	4.4

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Depreciation and amortization	29,498	2.0	45,770	2.3	46,598	2.2	19,481	2.7	21,940	2.3
Franchise management and service cost	17,715	1.2	20,136	1.0	21,164	1.0	8,828	1.2	10,200	1.1
Others	42,349	2.7	65,989	3.5	63,936	3.0	24,623	3.4	38,435	4.1
Total	**1,500,958**	**100.0**	**1,973,318**	**100.0**	**2,098,263**	**100.0**	**717,028**	**100.0**	**934,619**	**100.0**

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales, and our gross margin represents gross profit divided by our revenue, expressed as a percentage.

The following table sets forth the gross profit and gross profit margin by business line for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Sale of goods	454,866	23.5	477,159	19.6	580,558	21.9	178,381	20.1	317,084	25.5
Provision of franchising services	70,132	79.8	96,465	82.7	111,291	84.0	36,384	80.5	53,231	83.9
Others	164	35.3	14,175	93.6	4,992	82.9	2,214	90.7	588	63.4
Total	**525,162**	**25.9**	**587,799**	**23.0**	**696,841**	**24.9**	**216,979**	**23.2**	**370,903**	**28.4**

The following table sets forth our gross profit and gross profit margin from sales of goods and others by ingredients sold to franchisees, food sold at self-operated stores, and prepackaged foods sold to end-customers (namely our Yuen Kee Taste (袁記味享) business) for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Ingredients sold to franchisees										
Fillings	364,193	30.1	388,798	26.5	446,247	29.8	144,793	28.1	231,994	36.1
Wrappers	42,816	16.8	47,056	15.6	68,178	21.0	22,020	20.1	30,407	20.5
Condiments	20,921	14.1	25,524	11.7	15,006	6.1	4,116	4.9	10,423	8.5

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Packaging	10,027	7.1	20,584	9.7	21,731	8.2	6,875	8.5	14,094	11.3
Others	8,155	8.9	11,346	8.6	14,331	8.2	3,049	5.7	8,198	7.9
Food sold at self-operated stores	**(2,842)**	**(7.5)**	**(10,365)**	**(19.6)**	**(2,547)**	**(4.2)**	**(2,915)**	**(13.5)**	**(3,158)**	**(10.1)**
Pre-packaged foods sold to end-customers	**11,760**	**21.6**	**8,391**	**13.3**	**22,604**	**23.5**	**2,657**	**10.5**	**25,714**	**37.1**
Total/Sum	**455,030**	**23.5**	**491,334**	**20.1**	**585,550**	**22.0**	**180,595**	**20.3**	**317,672**	**25.6**

Other Income and Gains

Our other income and gains primarily included (i) interest income, mainly representing interest income from bank deposits; (ii) government grants, mainly representing subsidies from the local government to support and encourage technological upgrades for local businesses. These government grants are unconditional and of non-recurring nature; (iii) realized fair value gains on disposal of financial assets at fair value through profit or loss, mainly representing the realized gains of wealth management products. See discussions of current and non-current financial investments at fair value through profit or loss in "— Discussion of Key Items of Consolidated Statements of Financial Position;" (iv) unrealized fair value gains on financial assets at fair value through profit or loss, mainly unlisted investments and wealth management products. See discussions of current and non-current financial investments at fair value through profit or loss in "— Discussion of Key Items of Consolidated Statements of Financial Position;" and (v) compensation received from franchisees, mainly representing penalties collected from franchisees for non-compliance with our food safety, product quality and operational standards identified through our routine monitoring and supervision of franchised stores. Such penalties were imposed in accordance with our internal penalty policies, which were intended to strengthen quality control, ensure food safety and standardize store operations. Our other income and gains amounted to RMB6.9 million, RMB8.9 million, RMB21.7 million, RMB7.0 million and RMB32.8 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. See Note 6 to the Accountants' Report set out in Appendix I to this document.

Selling and Marketing Expenses

Our selling and marketing expenses primarily included (i) advertising and promotion expenses, (ii) employee compensation, (iii) warehousing and logistic expenses, (iv) share-based payments, (v) transportation and travel expenses, and (vi) depreciation and amortization.

The following table sets forth a breakdown of our selling and marketing expenses, in absolute amount and as a percentage of our total selling and marketing expenses, for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Advertising and promotion expenses	17,194	22.3	45,054	35.7	55,173	40.3	11,896	28.2	23,422	35.5
Employee compensation	31,470	40.9	35,245	28.0	36,056	26.3	13,668	32.4	18,791	28.5
Warehousing and logistic expenses	16,595	21.6	23,175	18.4	25,338	18.5	9,128	21.7	11,562	17.6
Share-based payments	166	0.2	5,527	4.4	4,630	3.4	1,653	3.9	2,101	3.2
Transportation and travel expenses	2,440	3.2	3,600	2.9	3,512	2.6	901	2.1	1,899	2.9
Depreciation and amortization	1,181	1.5	3,503	2.8	3,974	2.9	1,752	4.2	1,625	2.5
Others[(1)]	7,914	10.3	9,784	7.8	8,234	6.0	3,145	7.5	6,577	9.8
Total	**76,960**	**100.0**	**125,888**	**100.0**	**136,917**	**100.0**	**42,143**	**100.0**	**65,977**	**100.0**

Note:

(1) Others primarily include lease expenses and energy consumption expenses.

Administrative Expenses

Our administrative expenses primarily included (i) employee compensation, (ii) share-based payments, (iii) transportation, travel and office expenses, (iv) depreciation and amortization, (v) technical service fee, (vi) professional service fee, and (vii) research and development expenditure.

The following table sets forth a breakdown of our administrative expenses, in absolute amount and as a percentage of our total administrative expenses, for the years/periods indicated:

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Employee compensation	126,488	63.5	133,460	55.7	144,814	51.9	55,285	60.7	62,575	52.0
Share-based payments	8,140	4.1	32,561	13.6	48,189	17.3	11,241	12.3	15,256	12.7
Transportation, travel and office expenses	18,557	9.3	22,532	9.4	24,718	8.9	6,865	7.5	9,627	7.9
Depreciation and amortization	11,912	6.0	15,693	6.6	17,139	6.1	6,980	7.7	7,126	5.9

	Year ended December 31,						Five Months ended May 31,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(RMB in thousands, except for percentage)									
							(Unaudited)			
Technical service fee	9,044	4.5	7,816	3.3	8,718	3.1	1,726	1.9	2,973	2.5
Professional service fee	7,925	4.0	7,634	3.2	7,353	2.6	1,245	1.4	3,039	2.5
Research and development expenditure	3,958	2.0	3,370	1.4	6,181	2.2	2,120	2.3	3,193	2.7
[**REDACTED**] expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others[(1)]	13,198	6.6	16,378	6.8	15,090	5.4	5,630	6.2	6,671	5.6
Total	**199,222**	**100.0**	**239,444**	**100.0**	**279,295**	**100.0**	**91,092**	**100.0**	**120,350**	**100.0**

Note:

(i) Others primarily include lease expenses, energy consumption expenses, conference expenses and recruitment expenses.

(Impairment Loss)/Reversal of Impairment Loss on Financial Assets, Net

Our impairment loss/reversal of impairment loss on financial assets, net, primarily represented the expected credit losses or reversal of the expected credit losses on our trade and other receivables and prepayments, other receivables and other assets. Our impairment loss on financial assets, net, amounted to RMB15.1 million, RMB0.8 million, RMB1.9 million, and RMB2.3 million in 2023, 2024, 2025 and the five months ended May 31, 2026, respectively. We recorded net reversal of RMB0.04 million in the five months ended May 31, 2025.

Other Expenses

Our other expenses primarily represented (i) donations to local charities, (ii) asset disposal expenses, (iii) store closure expenses, and (iv) impairment of Investments in associates. Our other expenses amounted to RMB7.1 million, RMB8.8 million, RMB10.7 million, RMB4.7 million and RMB3.3 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively.

Finance Costs

Our finance costs primarily included (i) interest on bank borrowings, and (ii) interest on lease liabilities. Our finance costs amounted to RMB4.2 million, RMB6.8 million, RMB7.9 million, RMB3.7 million and RMB2.4 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively.

Share of Profits and Losses of Associates

We invested in associates, which were primarily engaged in (i) restaurant management, (ii) packaging materials, (iii) meat processing, and (iv) other relevant industries. Our share of profits associates amounted to RMB1.4 million, RMB0.3 million, RMB7.7 million, RMB0.6 million and RMB7.1 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Investments in Associates."

Share of Loss of A Joint Venture

We established a joint venture with our business partner in Thailand in 2025 to expand our local market presence. Our share of losses of a joint venture was nil, nil, RMB0.2 million, nil and RMB0.1 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. As we were at the initial stage of business expansion in Thailand, this joint venture was still at a loss-making stage in 2025.

Income Tax Expense

Our income tax expenses amounted to RMB63.8 million, RMB73.4 million, RMB90.5 million, RMB25.8 million and RMB59.0 million in 2023, 2024, 2025 and the five months ended May 31, 2025 and 2026, respectively. We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our Group are domiciled and operate.

Under the Law of the PRC on Enterprise Income Tax ("**EIT Law**") and Implementation Regulation of the EIT Law, the EIT rate of our PRC subsidiaries is 25%. Certain of our PRC subsidiaries are qualified as small and micro enterprises by the relevant tax authorities and were entitled to a preferential EIT rate of 5% for the taxable income during the Track Record Period. The statutory rate of Hong Kong profits tax was 16.5% for the Track Record Period on the estimated assessable profits arising in Hong Kong. See Note 11 of the Accountants' Report in Appendix I to this document.

During the Track Record Period and up to the Latest Practicable Date, we did not have any material dispute with any tax authority.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Five Months Ended May 31, 2026 Compared with Five Months Ended May 31, 2025

Revenue

Our total revenue increased by 39.8% from RMB934.0 million in the five months ended May 31, 2025 to RMB1,305.5 million in the five months ended May 31, 2026, primarily due to an increase in revenue from sales of goods.

Our revenue from sales of goods increased by 40.0% from RMB886.4 million in the five months ended May 31, 2025 to RMB1,241.2 million in the five months ended May 31, 2026, primarily due to an increase in the number of our franchised stores to 4,750 as of May 31, 2026. In addition to products sold to franchisees, the growth of revenue from pre-packaged foods sold to end-customers also contributed to our overall revenue growth, driven by successful expansion of sales through online platforms and through distributors as a result of our marketing efforts and heightened brand awareness.

Our revenue from provision of franchising services increased by 40.3% from RMB45.2 million in the five months ended May 31, 2025 to RMB63.4 million in the five months ended May 31, 2026, primarily in line with the expansion of our franchise network.

Cost of Sales

Our cost of sales increased by 30.3% from RMB717.0 million in the five months ended May 31, 2025 to RMB934.6 million in the five months ended May 31, 2026, which is generally in line with our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 70.9% from RMB217.0 million in the five months ended May 31, 2025 to RMB370.9 million in the five months ended May 31, 2026. Our gross profit margin increased from 23.2% in the five months ended May 31, 2025 to 28.4% in the five months ended May 31, 2026, primarily attributable to an increase in gross profit margin of our sale of goods.

The gross profit of our sale of goods increased by 77.7% from RMB178.4 million in the five months ended May 31, 2025 to RMB317.1 million in the five months ended May 31, 2026. The gross profit margin of our sale of goods increased from 20.1% in the five months ended May 31, 2025 to 25.5% in the five months ended May 31, 2026, primarily due to (i) a decrease in unit raw material cost as a result of decreased market prices of various raw materials, such as pork, as confirmed by CIC, as well as our continual efforts to optimize procurement prices; and (ii) a decrease in per unit labor cost due to our higher production volume that diluted fixed costs per unit and the improvements in our production process that reduced production-related labor costs per unit. These factors led to the overall gross profit margin increase. In addition, the significant increase in gross profit margin of pre-packaged foods sold to end-customers from 10.5% for the five months ended May 31, 2025 to 37.1% for the five months ended May 31, 2026 was also because of the increased revenue contribution from self-operated online stores. Sales through these channels generally carry higher margins because we operate them directly, allowing us to retain a larger share of the sales economics.

The gross profit of our provision of franchise and related services increased by 46.2% from RMB36.4 million in the five months ended May 31, 2025 to RMB53.2 million in the five months ended May 31, 2026. The gross profit margin of our provision of franchise and related services remained relatively stable at 80.5% in the five months ended May 31, 2025 and 83.9% in the five months ended May 31, 2026.

Other Income and Gains

Our other income and gains significantly increased from RMB7.0 million in the five months ended May 31, 2025 to RMB32.8 million in the five months ended May 31, 2026, primarily due to an increase in fair value gain as a result of (i) the increase in fair value of our investments in unlisted companies measured at fair value; and (ii) an increase in gains on financial assets, mainly wealth management products. See discussions of current and non-current financial investments at fair value through profit or loss in "— Discussion of Key Items of Consolidated Statements of Financial Position."

Selling and Marketing Expenses

Our selling and marketing expenses increased by 56.8% from RMB42.1 million in the five months ended May 31, 2025 to RMB66.0 million in the five months ended May 31, 2026, primarily due to an increase in advertising and promotion expenses and employee compensation to support our business growth.

Administrative Expenses

Our administrative expenses increased by 32.2% from RMB91.1 million in the five months ended May 31, 2025 to RMB120.4 million in the five months ended May 31, 2026, primarily due to an increase in employee compensation and share-based payments to support our business growth, as well as an increase in [**REDACTED**] expenses in relation to the [**REDACTED**].

(Impairment Loss)/Reversal of Impairment Loss on Financial Assets, Net

Our impairment loss/reversal of impairment loss on financial assets, net, changed from a net reversal of RMB0.04 million in the five months ended May 31, 2025 to a net impairment loss of RMB2.3 million in the five months ended May 31, 2026, primarily due to the operating performance of two associates to which we made loans, falling short of expectations. In accordance with the principle of prudence, we conducted impairment assessments on the loans to associates, determined that there was recoverability risk in respect of these assets, and made impairment provisions accordingly. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Prepayments, Other Receivables and Other Assets (Current)."

Other Expenses

Our other expenses decreased by 29.8% from RMB4.7 million in the five months ended May 31, 2025 to RMB3.3 million in the five months ended May 31, 2026, primarily due to a decrease in store closure expenses in line with the decrease in the number of store closures.

Finance Costs

Our finance costs decreased by 35.1% from RMB3.7 million in the five months ended May 31, 2025 to RMB2.4 million in the five months ended May 31, 2026, primarily due to a decrease in interest on bank borrowings.

Income Tax Expense

Our income tax expenses significantly increased from RMB25.8 million in the five months ended May 31, 2025 to RMB59.0 million in the five months ended May 31, 2026, primarily due to an increase in profit before tax.

Profit for the Period

As a result of the foregoing, our profit for the period significantly increased from RMB57.1 million in the five months ended May 31, 2025 to RMB157.3 million in the five months ended May 31, 2026.

Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our revenue increased by 9.1% from RMB2,561.1 million in 2024 to RMB2,795.1 million in 2025, primarily due to an increase in revenue from sales of goods.

Our revenue from sales of goods increased by 9.4% from RMB2,429.4 million in 2024 to RMB2,656.6 million in 2025, primarily due to an increase in revenue from products sold to our franchisees. The increase was primarily due to an increase in the number of our franchised stores. The number of our franchised stores increased from 3,926 as of December 31, 2024 to 4,481 as of December 31, 2025. In addition to products sold to franchisees, the growth of revenue from pre-packaged foods sold to end-customers also contributed to our overall revenue growth, driven by successful expansion of sales through online platforms.

Our revenue from provision of franchising services increased by 13.6% from RMB116.6 million in 2024 to RMB132.5 million in 2025, primarily due to increases in management, technology and training services provided to franchisees, in line with the growth of our franchise network.

Cost of Sales

Our cost of sales increased by 6.3% from RMB1,973.3 million in 2024 to RMB2,098.3 million in 2025, which is generally in line with our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 18.5% from RMB587.8 million in 2024 to RMB696.8 million in 2025. Our gross profit margin increased from 23.0% in 2024 to 24.9% in 2025, primarily due to an increase in gross profit margin of our sale of goods.

The gross profit of our sale of goods increased by 21.7% from RMB477.2 million in 2024 to RMB580.6 million in 2025. The gross profit margin of our sale of goods increased from 19.6% in 2024 to 21.9% in 2025, primarily due to (i) a decrease in unit raw material cost as a result of decreased market prices of various raw materials, such as pork, as confirmed by CIC, as well as our continual efforts to optimize procurement prices; (ii) a decrease in prices of flour due to centralized procurement that enhanced our bargaining power with suppliers; and (iii) a decrease in our per unit labor cost due to our higher production volume that diluted fixed costs per unit and the improvements in our production process that reduced production-related labor costs per unit. These factors led to the overall gross profit margin increase. In addition, the improvement of gross margin of food sold at self-operated stores was also because we closed some self-operated stores that were operating at loss. The increase in the gross profit margin of pre-packaged foods sold to end-customers was also because of a recovery from a low point in 2024. See "— Year Ended December 31, 2024 Compared with Year Ended December 31, 2023 — Gross Profit and Gross Profit Margin."

The gross profit of our provision of franchise and related services increased by 15.3% from RMB96.5 million in 2024 to RMB111.3 million in 2025. The gross profit margin of our provision of franchise and related services remained relatively stable at 82.7% in 2024 and 84.0% in 2025.

Other Income and Gains

Our other income and gains increased by 143.8% from RMB8.9 million in 2024 to RMB21.7 million in 2025, primarily due to (i) a larger fair value gains on financial assets held at the end of the relevant periods. In particular, we invested in an unlisted company at the end of 2024 which contributed to the fair value gains on financial assets in 2025; and (ii) an increase in gain on disposal of financial assets, mainly wealth management products, as we utilized more idle funds to invest in short-term structured deposits in 2025, the subsequent disposal of which resulted in an increase in gains from the disposal. See discussions of current and non-current financial investments at fair value through profit or loss in "— Discussion of Key Items of Consolidated Statements of Financial Position."

Selling and Marketing Expenses

Our selling and marketing expenses remained relatively stable at RMB125.9 million in 2024 and RMB136.9 million in 2025.

Administrative Expenses

Our administrative expenses increased by 16.7% from RMB239.4 million in 2024 to RMB279.3 million in 2025, primarily due to (i) an increase in share-based payments, (ii) an increase in employee compensation, in line with our business growth, and (iii) an increase in [**REDACTED**] expense in relation to the [**REDACTED**].

Impairment Losses on Financial Assets, Net

Our impairment losses on financial assets, net amounted to RMB0.8 million in 2024 and RMB1.9 million in 2025.

Other Expenses

Our other expenses increased by 21.6% from RMB8.8 million in 2024 to RMB10.7 million in 2025, primarily due to an increase in store closure expenses as a result of our strategic decision to cease operating self-operated stores at geographic areas where we have already established presence.

Finance Costs

Our finance costs increased by 16.2% from RMB6.8 million in 2024 to RMB7.9 million in 2025, primarily due an increase in interest on bank borrowings, as we increased bank borrowings to facilitate working capital for our daily operations. See "— Indebtedness."

Income Tax Expense

Our income tax expense increased by 23.3% from RMB73.4 million in 2024 to RMB90.5 million in 2025, which was generally in line with the growth of our profit before tax.

Profit for the Year

As a result of the foregoing, our profit for the year increased by 39.9% from RMB142.0 million in 2024 to RMB198.7 million in 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our revenue increased by 26.4% from RMB2,026.1 million in 2023 to RMB2,561.1 million in 2024, primarily attributable to an increase in revenue from sales of goods.

Our revenue from sale of goods increased by 25.4% from RMB1,937.8 million in 2023 to RMB2,429.4 million in 2024, primarily due to an increase in revenue from our franchise business, in line with the increased number of our franchised stores. The number of our franchised stores increased from 3,123 as of December 31, 2023 to 3,926 as of December 31, 2024.

Our revenue from provision of franchising services increased by 32.8% from RMB87.8 million in 2023 to RMB116.6 million in 2024, primarily due to increases in management, technology and training services provided to franchisees, in line with the growth of our franchise network.

Cost of Sales

Our cost of sales increased by 31.5% from RMB1,501.0 million in 2023 to RMB1,973.3 million in 2024, which is generally in line with our revenue growth.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit increased by 11.9% from RMB525.2 million in 2023 to RMB587.8 million in 2024. Our gross profit margin decreased from 25.9% in 2023 and 23.0% in 2024, primarily due to a decrease in the gross profit margin of sale of goods.

The gross profit of our sale of goods increased by 4.9% from RMB454.9 million in 2023 to RMB477.2 million in 2024. The gross profit margin of our sale of goods decreased from 23.5% in 2023 to 19.6% in 2024, primarily due to an increase in unit material cost, mainly driven by fluctuations in prices of pork. See "Industry Overview — Overview of China's Dumpling and Wonton Market — Cost Analysis." The fluctuation in raw material prices affected the gross margin of our products sold across all channels. In addition, the gross profit margin for pre-packaged foods sold to end customers was significantly lower in 2024, primarily due to (i) the machine-packaging production line being in its initial ramp-up phase with lower output, resulting in higher per-unit fixed costs; and (ii) promotional pricing and incentives offered to new distributors to expand distribution channels. The gross profit margin for foods sold at our self-operated stores also deteriorated in 2024, mainly because we opened new self-operated stores that year. These new stores operated at negative margins, particularly during the initial ramp-up period following opening.

The gross profit of our provision of franchise and related services increased by 37.7% from RMB70.1 million in 2023 to RMB96.5 million in 2024. The gross profit margin of our provision of franchise and related services remained relatively stable at 79.8% in 2023 and 82.7% in 2024.

Other Income and Gains

Our other income and gains increased by 29.0% from RMB6.9 million in 2023 to RMB8.9 million in 2024, primarily due to an increase in interest income in line with our increased balance of bank deposits.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 63.5% from RMB77.0 million in 2023 to RMB125.9 million in 2024, primarily due to (i) an increase in advertising and promotion expenses, as we increased our investments in brand and product marketing online and offline. In 2024, we conducted seasonal and thematic promotional activities for core products and enhanced digital marketing efforts to increase customer traffic. In addition, we increased advertising and promotional expenditures in food delivery online platforms to increase our sales through such channels; (ii) an increase in employee compensation, mainly because we increased the number of sales and marketing personnel in line with our business expansion; and (iii) an increase in warehousing and logistic expense, in line with our business growth.

Administrative Expenses

Our administrative expenses increased by 20.2% from RMB199.2 million in 2023 to RMB239.4 million in 2024, primarily due to (i) an increase in share-based payments; and (ii) an increase in employee compensation, mainly because we increased the number of administrative personnel in line with our business expansion.

Impairment Losses on Financial Assets, Net

Our impairment losses on financial assets, net, decreased by 94.7% from RMB15.1 million in 2023 to RMB0.8 million in 2024, primarily because we made impairment losses on other receivables from a third-party payment processing platform in 2023, which encountered a liquidity shortfall and was unable to repay the outstanding amounts payable to us. Based on an assessment of the debtor's financial and operational conditions, we determined that such receivables had become bad debts and made a specific impairment provision of RMB13.2 million in 2023. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Prepayments, Other Receivables and Other Assets (Current)."

Other Expenses

Our other expenses remained relatively stable at RMB7.1 million in 2023 and RMB8.8 million in 2024.

Finance Costs

Our finance costs increased by 61.9% from RMB4.2 million in 2023 to RMB6.8 million in 2024, primarily due an increase in interest on lease liabilities as we entered into new leases for self-operated stores, offices, a factory and a warehouse in 2024.

Income Tax Expense

Our income tax expense increased by 15.0% from RMB63.8 million in 2023 to RMB73.4 million in 2024, which was primarily because of an increase in expenses not deductible for tax in relation to share-based payments.

Profit for the Year

As a result of the foregoing, particularly the increase in our share-based payments as included in operating expenses, our profit for the year decreased by 15.0% from RMB167.1 million in 2023 to RMB142.0 million in 2024. See "— Non-IFRS Financial Measure."

DISCUSSION OF KEY ITEMS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our summary consolidated balance sheet as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Total current assets	446,262	541,509	1,339,054	1,458,689
Total non-current assets	272,089	469,011	531,487	584,785
Total assets	**718,351**	**1,010,520**	**1,870,541**	**2,043,474**
Total current liabilities	349,067	457,660	605,376	583,374
Total non-current liabilities	113,270	111,823	133,309	155,733
Total liabilities	**462,337**	**569,483**	**738,685**	**739,107**
Net current assets	97,195	83,849	733,678	875,315
Net assets	**256,014**	**441,037**	**1,131,856**	**1,304,367**

For details on the accounting treatment of redemption rights of Pre-[**REDACTED**] investments, see Note 30 to the Accountants' Report set out in Appendix I to this document.

Non-Current Assets and Liabilities

The following table sets forth our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current assets				
Property, plant and equipment	101,902	125,681	173,057	212,408
Right-of-use assets	99,758	213,720	204,766	192,298
Finance lease receivables	–	1,645	1,768	1,433
Intangible assets	3,860	2,568	1,238	760
Investments in associates	34,677	59,513	69,193	75,833
Financial investments at fair value through profit or loss	2,200	33,256	50,412	74,075
Deferred tax assets	8,829	6,928	5,528	5,337
Prepayments, other receivables and other assets	20,863	25,700	25,525	22,641
Total non-current assets	**272,089**	**469,011**	**531,487**	**584,785**
Non-current liabilities				
Interest-bearing bank borrowings	–	–	50,205	87,314
Lease liabilities	81,825	77,963	70,638	58,036
Deferred income	–	–	1,227	1,091
Deferred tax liabilities	52	177	65	3,958
Contract liabilities	31,393	33,683	11,174	5,334
Total non-current liabilities	**113,270**	**111,823**	**133,309**	**155,733**

Property, Plant and Equipment

Our property, plant and equipment consisted of buildings, plant and machinery, motor vehicles, electronic equipment, office equipment and other equipment, leasehold improvements and construction in progress. Our property, plant and equipment increased by 23.4% from RMB101.9 million as of December 31, 2023 to RMB125.7 million as of December 31, 2024, primarily due to (i) an increase in plant and machinery, mainly as we purchased new machinery and equipment to meet the growing production demand in line with our revenue growth; (ii) an increase in leasehold improvements, mainly due to the renovation for our new self-operated stores, offices, factory and warehouses; and (iii) an increase in construction in progress, mainly because we started the construction at our Foshan headquarters. Our property, plant and equipment increased by 37.7% from RMB125.7 million as of December 31, 2024 to RMB173.1 million as of December 31, 2025, and further by 22.7% to RMB212.4 million as of May 31, 2026, primarily due to the continuous construction of the Foshan Yuanshun factory and the construction of new production lines at our Suzhou Yuen Kee factory, which were still in progress as of December 31, 2025.

Right-of-use Assets

Our right-of-use assets consisted of (i) warehouses, office premises and self-operated stores, and (ii) land use rights. Our right-of-use assets significantly increased from RMB99.8 million as of December 31, 2023 to RMB213.7 million as of December 31, 2024, primarily because we acquired a land use right in 2024 for the subsequent construction of the Foshan Yuanshun factory. See "Business — Our Supply Chain Network — Production Expansion." Our right-of-use assets decreased by 4.2% from RMB213.7 million as of December 31, 2024 to RMB204.8 million as of

December 31, 2025, primarily due to (i) the closure of certain self-operated stores, thereby the termination of relevant leases, and (ii) the ordinary depreciation of right-of-use assets. Our right-of-use assets remained relatively stable at RMB204.8 million as of December 31, 2025 and RMB192.3 million as of May 31, 2026.

Investments in Associates

Our investments in associates represented our share of net assets of our associates. Our investments in associates increased by 71.5% from RMB34.7 million as of December 31, 2023 to RMB59.5 million as of December 31, 2024, primarily because we made new investments in associates in 2024. Our investments in associates increased by 16.3% from RMB59.5 million as of December 31, 2024 to RMB69.2 million as of December 31, 2025, and further by 9.5% to RMB75.8 million as of May 31, 2026, primarily due to an increase in net assets of our associates.

Financial Investments at Fair Value Through Profit or Loss (Non-current)

Our financial investments at fair value through profit or loss (non-current) represented our investments in unlisted companies measured at fair value. In 2023, we invested in a company that is established in the PRC and engaged in the manufacturing of condiments. In 2024, we invested in a company that is established in the PRC and engaged in the meat processing industry. Our financial investments at fair value through profit or loss (non-current) significantly increased from RMB2.2 million as of December 31, 2023 to RMB33.3 million as of December 31, 2024, primarily because of our new investments discussed above and the increase in the fair value of our investments. Our financial investments at fair value through profit or loss (non-current) increased by 51.4% from RMB33.3 million as of December 31, 2024 to RMB50.4 million as of December 31, 2025 and further by 47.0% to RMB74.1 million as of May 31, 2026, primarily because of the increase in the fair value of our investments.

The following table below sets forth the details of our associates and the companies in which we hold equity shares as financial assets at fair value through profit or loss:

Name	Time of Investment	Background	Shareholding as of May 31, 2026
Associates			
Hunan Hufeng Food Co., Ltd.	March, 2023	Private company engaged in food manufacturing, including meat processing services	35%
Guangdong Zhongyuan Packaging Industrial Co., Ltd.	June, 2023	Private company engaged in the production and sales of packaging materials and related products	42%
Shanghai Zhangfuyuan Big Bowl Noodle Catering Management Co., Ltd.	November, 2023	Private company engaged in restaurant operations, specializing in the preparation and sale of Zhangfuyuan big bowl noodles	20%
Hunan Yuan Xiaojiao Food Group Co., Ltd.	November, 2023	Private company engaged in the preparation and sale of dumpling products	30.3%
Guangdong Yuan Xiao Jiao Supply Chain Management Co., Ltd.	May, 2023	Private company engaged in the preparation and sale of dumpling products	35%
Guangzhou Ayuan Catering Management Co., Ltd.	March, 2024	Private company engaged in restaurant operations, specializing in the preparation and sale of tomato noodle products	45%
Guangzhou Huto Culture Communication Co., Ltd.	April, 2024	Private company engaged in interior and spatial design services	35%
Foshan Wengbao Gong Catering Management Co., Ltd.	June, 2024	Private company engaged in restaurant operations, including the preparation and sale of braised food products	N/A[1]
Guangdong Xiecheng Noodles Food Co., Ltd.	August, 2024	Private company engaged in the manufacturing of noodle products, including shrimp roe noodles	49%
Xiamen Miantoushi Brand Management Co., Ltd.	November, 2024	Private company engaged in the production and sale of flour-based food products for the catering industry	25%
Zhaoqing City Dinghu Dadi Soy Sauce Food Co., Ltd.	December, 2024	Private company engaged in the production and operation of condiments and other food products	25%
Guangdong Mingri Fangzhou Brand Management Co., Ltd.	February, 2024	Private company engaged in e-commerce live streaming operations and brand management services	N/A[2]
Changsha Fenfu Catering Service Co., Ltd.	November, 2025	Private company engaged in restaurant operations, including the preparation and sale of rice and noodle products	35%
Financial assets at fair value through profit or loss			
Shandong Yipin Weixiang Food Sci-Tech Co., Ltd.	September, 2023	Private company engaged in the production and sales of condiments	5.01%
Bayan Wanrun Meat Processing Co., Ltd.	November, 2024	Private company engaged in meat processing and specialized in agricultural product sales services	10.0%

Notes:

(1) The company was deregistered in February, 2026 following a strategic review of its financial and operational performance.

(2) The company was deregistered in March, 2025 following a strategic review of business priorities and return on investment.

We have implemented a comprehensive set of internal policies to monitor and control investment risks associated with our investments, including our investments in associates and financial assets at fair value through profit or loss (which may include investments in unlisted companies and wealth management products. See "— Financial Investments at Fair Value Through Profit or Loss (Current)"). Under our internal policies, any proposals for investments in wealth management products and other companies must receive approval before implementation from the board of Directors and general manager, and are under the management of our general manager. To ensure disciplined execution, an investment decision committee reviews project feasibility, returns and risks before submitting a project investment proposal for approval. Additionally, where physical or intangible assets are involved, such assets shall be subject to audit and valuation by qualified audit and appraisal institutions.

For investments in wealth management products, we primarily invest in those with high liquidity and security. Specifically, we are only allowed by our internal policies and guidelines to invest in structured deposits or certificates of deposit that carry low risk labels, with a term of no more than three months. For investments in other companies, we typically pursue investments that align with our long-term strategic objectives and enhance our competitive position.

We maintain comprehensive financial records and detailed accounting for all external investments, establishing separate ledgers for each investing project in compliance with applicable accounting standards. For investments in other companies, we obtain financial statements from invested companies, monitor key operating indicators and conduct periodic financial analysis, including annual reviews and risk assessments in a regular basis. Any material investment risks identified must be promptly reported to the board or Directors and addressed through appropriate mitigation measures. After [**REDACTED**], our investments in financial products will be subject to compliance with Chapter 14 of the Listing Rules.

Prepayments, Other Receivables and Other Assets (Non-current)

Our prepayments, other receivables and other assets (non-current) mainly consisted of (i) long-term receivables due from related parties, primarily representing loans we made to certain related parties to support their daily operations. These related parties were at early stages of development and we provided the loans to help with their working capital needs. See Note 35(c) to the Accountants' Report included in Appendix I to this document and "— Related Party Transaction;" (ii) long-term deposits and other receivables, primarily representing deposits for long-term leases; and (iii) other non-current assets, primarily representing equipment for our production bases and warehouses for which we have made prepayments. Our prepayments, other receivables and other assets (non-current) amounted to RMB20.9 million, RMB25.7 million, RMB25.5 million and RMB22.6 million as of December 31, 2023, 2024, 2025 and May 31, 2026, respectively. See Note 22 to the Accountants' Report set out in Appendix I to this document.

Our prepayments, other receivables and other assets (non-current) increased by 23.0% from RMB20.9 million as of December 31, 2023 to RMB25.7 million as of December 31, 2024, primarily due to an increase in long-term receivables from related parties rising from loans we made to an associate in 2024 to support its daily operations. This increase was partially offset by a decrease in other non-current assets, primarily due to the delivery of equipment for which we had made prepayments. Our prepayments, other receivables and other assets (non-current) remained relatively stable at RMB25.7 million as of December 31, 2024 and RMB25.5 million as of December 31, 2025, primarily because of an increase in prepayments for long-term assets, mainly the equipment for use in our new factories, partially offset by a decrease in loan to related parties as a portion of such loan to related parties had been reclassified from non-current liabilities to current liabilities. Our prepayments, other receivables and other assets (non-current) subsequently decreased by 11.4% from RMB25.5 million as of December 31, 2025 to RMB22.6 million as of May 31, 2026, primarily due to the transfer of prepayments for fixed asset equipment and other long-term assets to non-current assets upon their installation at the Chengdu Yuantuo and Suzhou Yuen Kee factories.

As advised by our PRC Legal Advisor, because the General Lending Provision of the PRC are formulated to regulate the operation of loan business by domestic financial institutions, and our Group is not a domestic financial institution, the General Lending Provision is not applicable to the loans to our related parties.

Net Current Assets

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of December 31,			As of May 31,	As of September 30,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
Current assets					
Inventories	60,984	71,908	88,365	94,628	113,631
Trade receivables	25,785	50,124	66,976	65,141	63,962
Prepayments, other receivables and other assets	32,942	59,216	74,281	85,325	78,737
Finance lease receivables	–	414	834	834	849
Financial investments at fair value through profit or loss	–	–	–	400,260	441,000
Cash and bank balances	326,551	359,847	1,108,598	812,501	982,034
Total current assets	**446,262**	**541,509**	**1,339,054**	**1,458,689**	**1,680,213**
Current liabilities					
Trade payables	63,354	90,762	130,038	118,631	190,905
Interest-bearing bank borrowings	40,025	95,340	110,115	72,414	67,341
Contract liabilities	64,545	74,125	87,998	72,159	76,617
Other payables and accruals	142,421	143,321	223,301	262,804	252,271
Lease liabilities	17,851	31,264	31,956	32,039	34,467
Tax payables	20,871	22,848	21,968	25,327	48,556
Total current liabilities	**349,067**	**457,660**	**605,376**	**583,374**	**670,157**
Net current assets	**97,195**	**83,849**	**733,678**	**875,315**	**1,010,056**

Our net current assets increased by 15.4% from RMB875.3 million as of May 31,2026 to RMB1,010.1 million as of September 30, 2026, primarily due to an increase in cash and bank balances from RMB812.5 million as of May 31, 2026 to RMB982.0 million as of September 30, 2026.

Our net current assets increased by 19.3% from RMB733.7 million as of December 31, 2025 to RMB875.3 million as of May 31, 2026, primarily due to an increase in financial assets at fair value through profit or loss (current) from nil as of December 31, 2025 to RMB400.3 million as of May 31, 2026, partially offset by a decrease in cash and bank balances from RMB1,108.6 million as of December 31, 2025 to RMB812.5 million as of May 31, 2026.

Our net current assets increased from RMB83.8 million as of December 31, 2024 to RMB733.7 million as of December 31, 2025, primarily due to an increase in cash and bank balances from RMB359.8 million as of December 31, 2024 to RMB1,108.6 million as of December 31, 2025. The increase was partially offset by (i) an increase of other payables and accruals from RMB143.3 million as of December 31, 2024 to RMB223.3 million as of December 31, 2025; and (ii) an increase in trade payables from RMB90.8 million as of December 31, 2024 to RMB130.0 million as of December 31, 2025.

Our net current assets decreased by 13.8% from RMB97.2 million as of December 31, 2023 to RMB83.8 million as of December 31, 2024, primarily due to (i) an increase in interest-bearing bank borrowings from RMB40.0 million as of December 31, 2023 to RMB95.3 million as of December 31, 2024; (ii) an increase in trade payables from RMB63.4 million as of December 31, 2023 to RMB90.8 million as of December 31, 2024; and (iii) an increase in lease liabilities (current) from RMB17.9 million as of December 31, 2023 to RMB31.3 million as of December 31, 2024. The decrease was partially offset by (i) an increase in prepayments, other receivables and other assets (current) from RMB32.9 million as of December 31, 2023 to RMB59.2 million as of December 31, 2024; (ii) an increase in trade receivables from RMB25.8 million as of December 31, 2023 to RMB50.1 million as of December 31, 2024; and (iii) an increase in cash and bank balances from RMB326.6 million as of December 31, 2023 to RMB359.8 million as of December 31, 2024.

Inventories

Our inventories consisted of finished goods, raw materials, goods shipped in transit and impairment allowance. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Finished goods	37,863	49,823	58,817	64,422
Raw materials	18,061	22,891	17,177	18,524
Goods shipped in transit	5,569	5,492	12,960	12,396
Impairment allowance	(509)	(6,298)	(589)	(714)
Total	**60,984**	**71,908**	**88,365**	**94,628**

Our inventories increased by 17.9% from RMB61.0 million as of December 31, 2023 to RMB71.9 million as of December 31, 2024, primarily in line with our revenue growth. The impairment allowance significantly increased from RMB0.5 million as of December 31, 2023 to RMB6.3 million as of December 31, 2024, primarily because we decreased the sales price of our products to franchisees at the end of 2024 to a level lower than our costs of sales in order to support our franchisees. Our inventories increased by 22.9% from RMB71.9 million as of December 31, 2024 to RMB88.4 million as of December 31, 2025, primarily in line with our business growth. In particular, our inventory of raw materials decreased as of December 31, 2025 compared to December 31, 2024, primarily due to the fluctuations in market prices of various raw materials such as pork. Goods shipped in transit significantly increased as of December 31, 2025 compared to December 31, 2024, primarily due to higher average daily outbound shipments driven by increased daily sales volume. Our inventories remained relatively stable at RMB88.4 million as of December 31, 2025 and RMB94.6 million as of May 31, 2026.

The following table sets forth the aging analysis of our inventories as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 month	55,892	66,151	83,564	84,191
1 to 3 months	2,916	4,870	3,984	6,327
3 to 6 months	1,706	598	489	3,763
6 months to 1 year	470	289	328	347
Total	**60,984**	**71,908**	**88,365**	**94,628**

We calculate inventory turnover days using the average of opening balance and closing balance of inventories for a year/period divided by cost of sales for the relevant year/period and multiplied by 360/150 days. Our inventory turnover days decreased from 15.5 days in 2023 to 12.1 days in 2024, primarily because (i) the prices of pork increased in 2024, leading to a significant increase in cost of sales that outpaced the growth of average inventory balances; and (ii) we recognized an inventory write-down of RMB6.3 million in 2024 as discussed above. Our inventory turnover days increased from 12.1 days in 2024 to 13.7 days in 2025, primarily because we strategically increased our inventory levels to cope with the expected increase in customer demand. Our inventory turnover days remained relatively stable at 13.7 days in 2025 and 14.7 days in the five months ended May 31, 2026.

As of September 30, 2026, RMB94.0 million, or 99.4% of our inventories as of May 31, 2026, had been utilized.

Trade Receivables

Our trade receivables primarily represented receivables from customers for goods and services. Our trade receivables amounted to RMB25.8 million, RMB50.1 million, RMB67.0 million and RMB65.1 million as of December 31, 2023, 2024, 2025 and May 31, 2026, respectively. See Note 24 to the Accountants' Report set out in Appendix I to this document.

We generally require our franchisees and individual consumers to pay upfront. We settle transportation expenses with our franchisees on a monthly basis. During the Track Record Period, we gave certain franchisees credit terms. For our distributors, we may grant credit terms on a case-by-case basis, taking into consideration factors such as cooperation history and evaluation of credit standing.

Our trade receivables increased by 94.2% from RMB25.8 million as of December 31, 2023 to RMB50.1 million as of December 31, 2024, primarily because the number of franchisees to whom we granted credit terms increased and the transportation expenses receivables due from our franchisees increased in line with our store network expansion. Our trade receivables increased by 33.7% from RMB50.1 million as of December 31, 2024 to RMB67.0 million as of December 31, 2025, primarily because of the increase in sales through distributors and online platforms to which we granted credit terms. Our trade receivables remained relatively stable at RMB67.0 million as of December 31, 2025 and RMB65.1 million as of May 31, 2026.

The following table sets forth the aging analysis of our trade receivables as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Within 1 month	17,908	33,237	44,384	42,791
1 to 3 months	7,691	13,508	19,120	13,474
3 to 6 months	11	3,163	2,699	7,554
6 months to 1 year	63	216	731	1,312
Over 1 year	112	–	42	10
Total	**25,785**	**50,124**	**66,976**	**65,141**

We calculate trade receivables turnover days using the average of opening balance and closing balance of trade receivables for a year/period divided by revenue for the relevant year/period and multiplied by 360/150 days. Our trade receivables turnover days increased from 2.8 days in 2023 to 5.3 days in 2024 and subsequently remained relatively stable at 7.5 days in 2025 and 7.6 days in the five months ended May 31, 2026.

As of September 30, 2026, RMB57.3 million, or 88.0% of our trade receivables as of May 31, 2026, had been settled. Considering the relatively short turnover days for trade receivables, the significant proportion of receivables aged less than three months, and the substantial subsequent settlement of these amounts, the Company is of the view that there are no concerns regarding the recoverability of our trade receivables.

Prepayments, Other Receivables and Other Assets (Current)

Our prepayments, other receivables and other assets (current) mainly consisted of (i) prepayments, primarily representing prepayments we made for goods and other services we procured; (ii) short-term deposits and other receivables, primarily representing deposits for leases and production equipment; (iii) short-term receivables due from related parties. Note 35(c) to the Accountants' Report included in Appendix I to this document and "— Related Party Transaction;" (iv) recoverable value added tax; (v) loans to associates and a joint venture we made to support their daily operations. See "— Related Party Transactions;" (vi) other receivables from the platforms, mainly representing receivables from a third-party payment processing platform; and (vii) other current assets, primarily including social insurance and housing provident fund advanced on behalf of employees. Our prepayments, other receivables and other assets (current) amounted to RMB32.9 million, RMB59.2 million, RMB74.3 million and RMB85.3 million as of December 31, 2023, 2024, 2025 and May 31, 2026, respectively. See Note 22 to the Accountants' Report set out in Appendix I to this document.

Our prepayments, other receivables and other assets increased by 79.9% from RMB32.9 million as of December 31, 2023, to RMB59.2 million as of December 31, 2024, primarily due to an increase in recoverable value added tax, mainly because the VAT invoices received at the end of 2024 were not declared deducted for VAT invoices until early 2025, resulting in an increase in input VAT pending deduction and certification in 2024. Our prepayments, other receivables and other assets increased by 25.5% from RMB59.2 million as of December 31, 2024 to RMB74.3 million as of December 31, 2025, primarily due to (i) an increase in receivables due from related parties reclassified from non-current asset to current asset due to the passage of time; and (ii) an increase in prepayments, mainly as we increased purchases of raw materials which required prepayments to lock in the procurement price and quantities. Our prepayments, other receivables and other assets further increased by 14.8% from RMB74.3 million as of December 31, 2025 to RMB85.3 million as of May 31, 2026, primarily due to an increase in prepayments, mainly as we increased purchases of pork and other raw materials which required prepayments to lock in the procurement price and quantities.

As of September 30, 2026, RMB60.3 million, or 55.8% of our prepayments, other receivables and other assets as of May 31, 2026, had been settled.

Financial Investments at Fair Value Through Profit or Loss (Current)

We purchase wealth management products from time to time to manage our working capital. See Note 19 to the Accountants' Report set out in Appendix I to this document and "— Financial Investments at Fair Value Through Profit or Loss (Non-current)." We had a balance of RMB400.3 million of financial investments at fair value through profit or loss (current), representing wealth management products we purchased in 2026 and were holding as of the date indicated.

Cash and Bank Balances

Cash and bank balances consisted of (i) cash and cash equivalents, representing our most liquid assets; (ii) restricted cash, comprising (a) cash required by banks for issuing commercial bills, (b) cash required for holding the prepayments we received from individual consumers under our membership top-up program, and (c) cash restricted for the purchase of wealth management products; and (iii) time deposits, which are of high liquidity and are unrestricted for withdrawal or use and have maturities of one year or less. Our cash and bank balances increased by 10.2% from RMB326.6 million as of December 31, 2023 to RMB359.8 million as of December 31, 2024, mainly due to (i) an increase in cash and cash equivalents; and (ii) an increase in restricted cash as we launched our membership top-up program in 2024 and received prepayments from individual consumers. Our cash and bank balances significantly increased from RMB359.8 million as of December 31, 2024 to RMB1,108.6 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents; and (ii) an increase in restricted cash mainly as a result of (a) the establishment of a security deposit account for payment in relation to our construction in progress, and (b) the increase in balances of prepayments made by our members under the membership top-up program. Our cash and bank balances decreased by 26.7% from RMB1,108.6 million as of December 31, 2025 to RMB812.5 million as of May 31, 2026, primarily due to a decrease in cash and cash equivalents, partially offset by (i) an increase in restricted cash, mainly attributable to (a) the increase of security deposit for payment in relation to our construction in progress, and (b) the increase in balances of prepayments made by our members under the membership top-up program; and (ii) a balance of time deposits that had not matured as of May 31, 2026.

Trade Payables

Our trade payables primarily represented procurement amount to be paid to our suppliers. We generally settle payments with our suppliers within 10 days upon receiving invoice.

Our trade payables increased by 43.2% from RMB63.4 million as of December 31, 2023 to RMB90.8 million as of December 31, 2024, and increased by 43.2% to RMB130.0 million as of December 31, 2025, in line with our revenue growth. Our trade payables subsequently remained relatively stable at RMB118.6 million as of May 31, 2026. Our trade payables are all aged within six months.

We calculate trade payables turnover days using the average of opening balance and closing balance of trade payables for a year/period divided by cost of sales used for the relevant year/period and multiplied by 360/150 days. Our trade payables turnover days remained relatively stable at 13.7 days in 2023 and 14.1 days in 2024. Our trade payables turnover days increased from 14.1 days in 2024 to 18.9 days in 2025, primarily as we made relatively larger purchases of raw materials to lock in favorable purchase prices. Our trade payables turnover days subsequently remained relatively stable at 20.0 days in the five months ended May 31, 2026.

As of September 30, 2026, RMB118.0 million, or 99.5% of our trade payables as of May 31, 2026, had been settled.

Other Payables and Accruals

Our other payables and accruals consisted of (i) payroll and welfare payable, mainly representing compensation to be paid to our employees, (ii) accruals and other payables, mainly representing expenses to be paid, (iii) prepayments received for prepaid card, mainly representing prepayments made by individual consumers under our membership top-up program which we have the obligation to repay once consumers requested pursuant to the terms of our membership top-up program, (iv) investment consideration payables, (v) other tax payable, and (vi) deposits payable, mainly representing deposits made by franchisees pursuant to franchise agreement terms.

The following table sets out a breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of May 31,
	2023	2024	2025	2026
	(RMB in thousands)			
Payroll and welfare payable	36,987	25,668	52,848	36,192
Accruals and other payables	9,867	9,596	39,339	29,246
Prepayments received for prepaid card	–	8,232	11,307	64,697
Investment consideration payables	14,000	7,000	13,212	13,331
Other tax payable	12,260	5,973	13,798	19,855
Deposits payable	69,307	86,852	92,797	99,483
Total	**142,421**	**143,321**	**223,301**	**262,804**

Our other payables and accruals remained relatively stable at RMB142.4 million as of December 31, 2023 and RMB143.3 million as of December 31, 2024, primarily attributable to (i) an increase in deposits payable as the number of franchised stores increased in 2024; and (ii) an increase in prepayments received for prepaid card as we launched the membership top-up program in 2024. These increases were partially offset by (i) a decrease in payroll and welfare payable, mainly as we reduced the year-end bonus to our employees; and (ii) a decrease in investment consideration payables, as we paid certain balances in 2024.

Our other payables and accruals then increased by 55.8% from RMB143.3 million as of December 31, 2024 to RMB223.3 million as of December 31, 2025, primarily due to (i) an increase in accruals and other payables, mainly in relation to the fees and expenses for our construction in progress of the Foshan Yuanshun factory. See "Business — Our Supply Chain Network — Production Expansion;" and (ii) an increase in payroll and welfare payable, mainly attributable to year-end bonuses granted to incentivize and reward our employees for meeting the sales targets.

Our other payables and accruals further increased by 17.7% from RMB223.3 million as of December 31, 2025 to RMB262.8 million as of May 31, 2026, primarily due to an increase in prepayments received for prepaid card, mainly attribute to the continual development of our membership top-up program.

As of September 30, 2026, RMB111.0 million, or 42.2% of our other payables and accruals as of May 31, 2026, had been settled.

Contract Liabilities (Current and Non-current)

Our contract liabilities (current and non-current portions) were in relation to the prepayments and fees we received from franchisees for our goods and services. Our contract liabilities (current and non-current portions) increased by 12.4% from RMB95.9 million as of December 31, 2023 to RMB107.8 million as of December 31, 2024, primarily in line with our business growth. Our contract liabilities (current and non-current portions) remained relatively stable at RMB107.8 million as of December 31, 2024 and RMB99.2 million as of December 31, 2025. Our contract liabilities (current and non-current portions) decreased by 21.9% from RMB99.2 million as of December 31, 2025 to RMB77.5 million as of May 31, 2026, primarily due to the timing of orders placed by our franchisees and the dispatch and delivery of our products to their stores, which affected the amount of consideration received in advance for which revenue had not yet been recognized.

As of September 30, 2026, RMB53.8 million, or 74.6% of our contract liabilities (current) as of May 31, 2026, had been settled.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from proceeds from our business operations, equity holder contributions and bank loans. After the [**REDACTED**], we intend to finance our future capital requirements through cash generated from our business operations and the [**REDACTED**] from the [**REDACTED**]. We do not anticipate any changes to the availability of financing to fund our operations in the future.

Consolidated Statements of Cash Flow

The following table sets forth a summary of our cash flows for the years/periods indicated:

	Year ended December 31,			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Net cash flows from operating activities	246,080	234,264	371,131	54,436	108,875
Net cash flows used in investing activities	(90,213)	(238,601)	(93,473)	(113,211)	(481,068)
Net cash flows from/(used in) financing activities	51,534	28,815	464,577	196,708	(19,504)
Net increase/(decrease) in cash and cash equivalents	**207,401**	**24,478**	**742,235**	**137,933**	**(391,697)**
Cash and cash equivalents at beginning of year/period	119,150	326,551	351,033	351,033	1,093,258
Effect of foreign exchange rate changes, net	–	4	(10)	135	(263)
Cash and cash equivalents at end of year/period	**326,551**	**351,033**	**1,093,258**	**489,101**	**701,298**

Net Cash Flow from Operating Activities

In the five months ended May 31, 2026, our net cash flows from operating activities were RMB108.9 million, which represents our profit before tax of RMB216.3 million, as adjusted by (i) non-cash items, primarily comprising of share-based payments of RMB17.4 million and depreciation of items of property, plant and equipment of RMB16.1 million; and (ii) movements in working capital, primarily comprising an increase in other payables and accruals of RMB29.2 million, as partially offset by tax paid of RMB51.6 million.

In 2025, our net cash flows from operating activities were RMB371.1 million, which represents our profit before tax of RMB289.2 million, as adjusted by (i) non-cash items, primarily comprising of (a) share-based payments of RMB56.5 million, (b) depreciation of property, plant and equipment of RMB37.6 million; and (ii) movements in working capital, primarily comprising of an increase in other payables and accruals of RMB65.5 million, as partially offset by tax paid of RMB90.1 million.

In 2024, we had net cash flows from operating activities of RMB234.3 million, which represents our profit before tax of RMB215.4 million, as adjusted by (i) non-cash items, primarily comprising of (a) share-based payments of RMB38.1 million, (b) depreciation and impairment of items of property, plant and equipment of RMB35.5 million, and (c) depreciation of right-of-use assets of RMB27.6 million; and (ii) movements in working capital, primarily comprising of an increase in trade payables of RMB27.4 million, as partially offset by (a) tax paid of RMB69.4 million; (b) an increase in prepayments, other receivables and other assets of RMB25.8 million; and (c) an increase in trade receivables of RMB24.5 million.

In 2023, we had net cash flows from operating activities of RMB246.1 million, which represents our profit before tax of RMB230.9 million, as adjusted by (i) non-cash items, primarily comprising of depreciation and impairment of items of property, plant and equipment of RMB24.8 million; and (ii) movements in working capital, primarily comprising of an increase in contract liabilities of RMB33.8 million, as partially offset by tax paid of RMB51.0 million.

Net Cash Flows used in Investing Activities

In the five months ended May 31, 2026, our net cash flows used in investing activities were RMB481.1 million, which was primarily attributable to purchase of structured deposits and wealth management products of RMB1,176.0 million and purchase of items of property, plant and equipment of RMB41.9 million, partially offset by proceeds from disposal of structured deposits and wealth management products of RMB778.3 million.

In 2025, our net cash flows used in investing activities were RMB93.5 million, which was primarily attributable to (i) purchase of structured deposits and wealth management products of RMB1,915.3 million; and (ii) purchase of items of property, plant and equipment of RMB89.2 million, partially offset by proceeds from disposal of structured deposits and wealth management products of RMB1,918.0 million.

In 2024, our net cash flows used in investing activities was RMB238.6 million, which was primarily attributable to (i) purchase of structured deposits and wealth management products of RMB420.0 million; and (ii) purchase of items of land use rights of RMB111.3 million, partially offset by proceeds from disposal of structured deposits and wealth management products of RMB420.7 million.

In 2023, our net cash flows used in investing activities was RMB90.2 million, which was primarily attributable to (i) purchase of structured deposits and wealth management products of RMB280.0 million; and (ii) purchase of items of property, plant and equipment of RMB67.5 million, partially offset by proceeds from disposal of structured deposits and wealth management products RMB280.6 million.

Net cash flows from/(used in) financing activities

In the five months ended May 31, 2026, our net cash flows used in financing activities were RMB19.5 million, which was primarily attributable to repayment of bank borrowings of RMB100.0 million and repayment of lease liabilities of RMB15.4 million, partially offset by new bank borrowings of RMB99.6 million.

In 2025, our net cash flows from financing activities were RMB464.6 million, which was primarily attributable to (i) issuance of shares of RMB430.0 million; and (ii) new bank borrowings of RMB279.7 million, partially offset by (i) repayment of bank borrowings of RMB214.8 million; and (ii) repayment of lease liabilities of RMB30.6 million.

In 2024, our net cash flows from financing activities were RMB28.8 million, primarily attributable to new bank borrowings of RMB145.5 million, partially offset by (i) repayment of bank borrowings of RMB90.2 million; and (ii) repayment of lease liabilities of RMB28.6 million.

In 2023, our net cash flows from financing activities were RMB51.5 million, primarily attributable to (i) new bank borrowings of RMB40.0 million; and (ii) capital injection of RMB39.6 million, partially offset by repayment of lease liabilities of RMB18.3 million.

INDEBTEDNESS

As of December 31, 2023, 2024, 2025, and May 31, 2026, our indebtedness included bank borrowings and lease liabilities. As of May 31, 2026, our committed unutilized banking facilities, notes and letter of credit amounted to RMB602.7 million. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of May 31,	As of September 30,
	2023	2024	2025	2026	2026
	(RMB in thousands)				
Current:					
Lease liabilities	17,851	31,264	31,956	32,039	34,467
Interest-bearing bank borrowings	40,025	95,340	110,115	72,414	67,341
Non-current:					
Lease liabilities	81,825	77,963	70,638	58,036	50,034
Interest-bearing bank borrowings	–	–	50,205	87,314	122,309
Total	**139,701**	**204,567**	**262,914**	**249,803**	**274,151**

Lease Liabilities

As of December 31, 2023, 2024, 2025, May 31, 2026, and September 30, 2026, our lease liabilities (including current and non-current portions) amounted to RMB99.7 million, RMB109.2 million, RMB102.6 million, RMB90.1 million, and RMB 84.5 million, respectively.

Our lease liabilities (including current and non-current portions) increased by 9.5% to RMB99.7 million as of December 31, 2023 to RMB109.2 million as of December 31, 2024, primarily due to the addition of new leases for self-operated stores, offices, a factory and a warehouse in 2024, partially offset by rent payments and early terminations of certain leases. Our lease liabilities decreased by 6.0% from RMB109.2 million as of December 31, 2024 to RMB102.6 million as of December 31, 2025, primarily due to the ordinary passage of lease terms and the early termination of certain leases. Our lease liabilities decreased by 12.2% from RMB102.6 million as of December 31, 2025 to RMB90.1 million as of May 31, 2026, primarily due to the ordinary passage of lease terms and the early termination of certain leases. Our lease liabilities remained relatively stable at RMB90.1 million as of May 31, 2026 and RMB84.5 million as of September 30, 2026.

Interest-bearing Bank Borrowings

As of December 31, 2023, 2024, 2025, May 31, 2026, and September 30, 2026, our interest-bearing bank borrowings amounted to RMB40.0 million, RMB95.3 million, RMB160.3 million, RMB159.7 million, and RMB 189.7 million, respectively.

Our interest-bearing bank borrowings significantly increased from RMB40.0 million as of December 31, 2023 to RMB95.3 million as of December 31, 2024, primarily because we incurred new commercial bank borrowings in 2024. Such borrowings were mainly short-term in nature with maturities of less than one year and were for the purpose of meeting our production and operating

cashflow needs. Our interest-bearing bank borrowings increased by 68.2% from RMB95.3 million as of December 31, 2024 to RMB160.3 million as of December 31, 2025, primarily because prior to the completion of our Series B and Series B+ financing in the second half of 2025, we obtained additional short-term bank borrowings to support business operations and the construction of a new production facility. Our interest-bearing bank borrowings remained relatively stable at RMB160.3 million as of December 31, 2025 and RMB159.7 million as of May 31, 2026. Our interest-bearing bank borrowings increased by 18.7% from RMB159.7 million as of May 31, 2026 to RMB189.7 million as of September 30, 2026, primarily because we obtained additional short-term bank borrowings to support business operations and the construction of a new production facility. The effective interest rate of our bank borrowings during the Track Record Period ranged from 1.45% to 3.20%. See Note 27 to the Accountants' Report included in Appendix I to this document.

No Other Outstanding Indebtedness

Our Directors confirm that as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and that our Group did not experience any difficulty in obtaining bank loans and other borrowings, material default in payment of trade and non-trade payables, bank loans and other borrowings or breach of covenants during the Track Record Period and up to the date of this document.

Except as disclosed above, as of September 30, 2026, being the most recent practicable date for determining our indebtedness, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our directors have confirmed that there has been no material change in our indebtedness from September 30, 2026 to the date of this document.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024, 2025, and May 31, 2026, we did not have any material contingent liabilities.

CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures primarily consisted of (i) purchase of items of property, plant and equipment, (ii) purchase of intangible assets, and (iii) purchases of and prepayments for right-of-use assets — land use rights. We funded the expenditures mainly with cash generated from equity financing, debt financing and business operations. The following table sets forth our capital expenditure for the years/periods indicated:

	Year ended December 31,			Five Months ended May 31,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(Unaudited)	
Purchase of items of property, plant and equipment	(67,505)	(63,941)	(89,247)	(24,586)	(41,942)
Purchase of intangible assets	(3,036)	(626)	–	–	–
Purchase of items of land use rights	–	(111,250)	(90)	–	–
Total	**(70,541)**	**(175,817)**	**(89,337)**	**(24,586)**	**(41,942)**

Following the [**REDACTED**], we will continue to incur capital expenditures to grow our business. We plan to fund our planned capital expenditures primarily with cash flows generated from our operations, bank borrowings, and the [**REDACTED**] received from the [**REDACTED**]. See "Future Plans and Use of [**REDACTED**]." We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

In 2023, 2024, 2025 and the five months ended May 31, 2026, our capital commitments were RMB4.0 million, RMB2.3 million, RMB143.1 million and RMB125.5 million, respectively, which comprised of contracted, but not provided for purchase of property, plant and equipment.

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time during our ordinary course of business and in terms comparable to the terms of transactions with other entities that are not related parties. There is no material difference in the pricing and credit terms of our purchase transactions with such related parties compared those with other independent third-party suppliers. For example, we seek quote from independent third party suppliers on a regular basis, ensuring that the pricing terms with related parties are not prejudicial to our interest. We are typically granted credit terms of one month, calculated from the date of delivery of goods to the date of invoice issuance, and we generally settle payments with our suppliers, including both related parties and independent third parties, within 10 days of receiving the invoice. See "Connected Transactions — Our Connected Transactions" and " Discussion of Key Items of Consolidated Statements of Financial Position — Trade Payables."

Furthermore, there were amounts due from related parties as of December 31, 2023, 2024, 2025 and May 31, 2026 of non-trade nature, which amounted to RMB3.5 million, RMB13.5 million, RMB17.6 million and RMB12.9 million, respectively, recorded as loans to associates and a joint venture under prepayments, other receivables and other assets. Such amounts were unsecured. The majority of these amounts was interest-bearing at a rate of 3% to 3.45% and the rest was interest-free. Such amounts were made to our related parties to support their daily operations. We expect to settle these amounts prior to the [**REDACTED**]. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Non-current Assets and Liabilities — Prepayments, Other receivables and Other assets (Non-current)", "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Prepayments, Other receivables and Other assets (Current)" and Note 35(c) to the Accountants' Report included in Appendix I to this document.

In addition, there were amounts due to related parties as of December 31, 2023, 2024, 2025 and May 31, 2026 of non-trade nature, which amounted to RMB15.2 million, RMB8.0 million, RMB7.9 million and RMB7.3 million, respectively, recorded under other payables and accruals. Such amounts were unsecured and interest-free. We expect to settle these amounts prior to the [**REDACTED**]. See "— Discussion of Key Items of Consolidated Statements of Financial Position — Net Current Assets — Other Payables and Accruals" and Note 35(c) to the Accountants' Report included in Appendix I to this document.

Our Directors are of the view that our related party transactions during the Track Record Period were conducted in the ordinary course of business at arm's length with reference to normal commercial terms, and would not distort our track record results or make our historical results not reflective of our future performance.

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the years/periods indicated:

	As of/For the Year ended December 31,			As of/For the Five Months ended May 31,
	2023	2024	2025	2026
Gross profit margin[(1)]	25.9%	23.0%	24.9%	28.4%
Current ratio[(2)]	1.3	1.2	2.2	2.5
Quick ratio[(3)]	1.1	1.0	2.1	2.3
Gearing ratio[(4)]	15.6%	21.6%	14.2%	12.2%
Adjusted net profit margin (non-IFRS measure)[(5)]	8.8%	7.0%	9.4%	14.1%

Notes: (1) Gross profit margin equals gross profit for the year/period divided by revenue for the same year/period, multiplied by 100%. (2) Current ratio equals total current assets as of the end of the year/period divided by total current liabilities as of the same date. (3) Quick ratio equals total current assets less inventories as of the end of the year/period divided by total current liabilities as of the same date. (4) Gearing ratio equals total debt, namely our bank loans and borrowings, as of the end of the year/period divided by total equity as of the same date, multiplied by 100%. (5) Adjusted net profit margin (non-IFRS measure) equals adjusted net profit (non-IFRS measure) for the year/period divided by revenue for the same year/period, multiplied by 100%.

Our gross profit margin slightly fluctuated during the Track Record Period. See "— Period-to-Period Comparison of Results of Operations."

Our current ratio remained relatively stable at 1.3 as of December 31, 2023 and 1.2 as of December 31, 2024. Our current ratio increased from 1.2 as of December 31, 2024 to 2.2 as of December 31, 2025, primarily because of an increase in total current assets, in particular an increase in cash and bank balances. Our current ratio subsequently remained relatively stable at 2.2 as of December 31, 2025 and 2.5 as of May 31, 2026.

Our quick ratio remained relatively stable at 1.1 as of December 31, 2023 and 1.0 as of December 31, 2024. Our quick ratio increased from 1.0 as of December 31, 2024 to 2.1 as of December 31, 2025, primarily because of an increase in total current assets less inventories, in particular an increase in cash and bank balances. Our quick ratio subsequently remained relatively stable 2.1 as of December 31, 2025 and 2.3 as of May 31, 2026.

Our gearing ratio increased from 15.6% as of December 31, 2023 to 21.6% as of December 31, 2024, primarily because of an increase in interest-bearing bank borrowings. Our gearing ratio decreased from 21.6% as of December 31, 2024 to 14.2% as of December 31, 2025, primarily because of an increase in our equity, in particular reserves. Our gearing ratio decreased from 14.2% as of December 31, 2025 to 12.2% as of May 31, 2026, primarily due to a decrease in interest-bearing bank borrowings.

Our adjusted net profit (non-IFRS measure) fluctuated during the Track Record Period. See "— Non-IFRS Measure."

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet arrangements. We also have not entered into any financial guarantees or other commitments to guarantee the payment obligations of third parties. In addition, we have not entered into any derivative contracts that are indexed to our equity interests and classified as owners' equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves

as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

FINANCIAL RISKS DISCLOSURE

Our Group's principal financial instruments comprise financial assets at fair value through profit or loss, cash and cash equivalent and interest-bearing bank borrowings. Our Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from our Group's financial instruments are credit risk and liquidity risk. The management of our Company reviews and agrees policies for managing each of these risks and they are summarized below. See Note 38 of the Accountants' Report in Appendix I to this document.

DIVIDENDS

No dividends have been paid or declared by us during the Track Record Period. We do not have any formal dividend policy nor pre-determined dividend payout ratio. Subject to legal, regulatory, corporate governance and other contractual restrictions, any future declarations and payments of dividends will be at the discretion of our Directors and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, and other factors which our Directors consider relevant. Pursuant to our Articles of Association, any future net profit that we make shall be used to pay or declare dividends after our Board has formulated a profit distribution plan and approved by our Shareholders in a general meeting. However, such net profit must be first applied to make up for our historically accumulated losses, after which we will be obliged to allocate 10% of our net profit to our statutory common reserve fund until such statutory common reserve fund has reached more than 50% of our registered capital.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the [**REDACTED**] from the [**REDACTED**] and the financial resources available to us, including cash and cash equivalents, we have sufficient working capital to cover our present requirements, that is at least 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of May 31, 2026, our reserves were RMB77.7 million, which represented our distributable reserve as of the same date.

[**REDACTED**] EXPENSES

[**REDACTED**] expenses represent professional fees, [**REDACTED**] commissions and other fees incurred in connection with the [**REDACTED**]. We estimate that our [**REDACTED**] expenses will be approximately RMB[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range) and no exercise of the [**REDACTED**]), representing [**REDACTED**] of the gross [**REDACTED**] (based on the mid-point of our indicative price range for the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised) of the [**REDACTED**]. During the Track Record Period, we incurred [**REDACTED**] expenses of RMB[**REDACTED**], which was fully charged to the consolidated statements of profit or loss as administrative expenses, and RMB[**REDACTED**] will be recognized as a deduction in equity directly upon the [**REDACTED**]. We expect to incur additional [**REDACTED**] expenses of RMB[**REDACTED**], of which RMB[**REDACTED**] is expected to be

recognized in the consolidated statements of profit or loss as administrative expenses and RMB[**REDACTED**] is expected to be recognized as a deduction in equity directly upon the [**REDACTED**]. Our Directors do not expect such expenses to materially impact our results of operations in 2026. By nature, our [**REDACTED**] expenses are composed of (i) [**REDACTED**] related expenses of RMB[**REDACTED**], and (ii) non-[**REDACTED**] related expenses of RMB[**REDACTED**].

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See "Appendix II — Unaudited [**REDACTED**] Financial Information."

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since May 31, 2026, being the end date of the periods reported in Appendix I to this document, and there is no event since May 31, 2026 that would materially affect the information as set out in the Accountants' Report in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

See "Business — Strategies" for a detailed discussion of our future plans.

USE OF [REDACTED]

Assuming that the [**REDACTED**] is not exercised, after deducting the [**REDACTED**] commissions and other estimated [**REDACTED**] expenses payable by us in connection with the [**REDACTED**], and assuming an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**] range between HK$[**REDACTED**] and HK$[**REDACTED**]), we estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**].

We intend to use the [**REDACTED**] from the [**REDACTED**] in accordance with the strategic framework set out below to ensure that each spending directly contributes to building our long term competitive advantages and driving growth:

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for digital and intelligent construction. See "Business — Strategies — Invest in and deepen our digital capabilities." In particular:

  (i) Approximately [**REDACTED**]% of the net [**REDACTED**] or HK$[**REDACTED**] will be deployed to upgrade our digital supply chain and food safety system. Specifically, we will establish a nationwide digital platform for cold chain logistics and warehousing, and implement a comprehensive, end-to-end food safety traceability system. This system is expected to facilitate both forward tracing and reverse tracking across the entire "from origin to table" process, with the objective of enhancing public confidence in food safety. To achieve this, we plan to (a) purchase software systems and platforms such as well-established TMS, WMS and Internet of Things (IoT) platforms, (b) purchase hardware equipment such as temperature and humidity sensors and hand-hold scanners, and (c) recruit personnel for project management, data management and operational and maintenance engineering.

  (ii) Approximately [**REDACTED**]% of the net [**REDACTED**] or HK$[**REDACTED**] will be deployed for establishing our intelligent store operation and decision-making system. Specifically, we plan to adopt an integrated store operations management system designed to further standardize our store-level operational procedures, increase the level of digitalization of our store supervision workflows and refine franchisee management. This system is expected to enhance the efficiency of our headquarters' remote oversight and improve service delivery to both franchisees and consumers. Concurrently, we will enhance the intelligence of our store inspection and monitoring system, our store-level intelligent business analysis and decision support system and our intelligent site selection evaluation system. Through these upgrades, we plan to consolidate franchisee operating data and store inspection records to facilitate centralized monitoring of franchised store operations and compliance with our operational standards. We also intend to enhance our digital store supervision workflows to support the identification of operational issues, communication of corrective actions to franchisees and tracking of follow-up progress. These measures are expected to strengthen our franchisee management and monitoring capabilities, improve franchisee operating efficiency and promote a more consistent consumer experience across our franchised store network. For the integrated store operations management system and the store inspection and monitoring system, we will primarily procure from external suppliers. We plan to (a) purchase relevant software systems, operational services and AI algorithm license, (b) purchase hardware equipment such as in-store tablets for employees and edge-computing equipment, and (c) recruit personnel for project management, store and franchisee management and algorithm optimization. For

store-level intelligent business analysis and decision support system and intelligent site selection evaluation system, we will primarily use our in-house capabilities. We plan to (a) recruit talents such as data scientists, algorithm engineers and product managers, (b) pay for servers, cloud services as well as data access and storage, (c) pay for data related services, and (d) engage relevant commercial planning and technical consultants.

(iii) Approximately [**REDACTED**]% of the net [**REDACTED**] or HK$[**REDACTED**] will be deployed for achieving omni-channel digital marketing and customer operations. Specifically, we plan to build an omni-channel membership and precision marketing platform, a food take-out intelligent operation system and a brand content hub. To achieve this, we plan to (a) recruit talents such as algorithm engineers, product managers and content operation managers, (b) pay for cloud services and other third-party systems and tools such as content management systems and payment platforms, (c) engage relevant commercial planning and technical consultants and (d) procure content creation services and software.

(iv) Approximately [**REDACTED**]% of the net [**REDACTED**] or HK$[**REDACTED**] will be deployed for building a Group-level management and support platform. Specifically, we intend to build a Group-level industry, finance and tax integration platform and a BI system to provide unified and accurate decision-making data support for management. To achieve this end, we plan to (a) pay for software systems, cloud services and data tools, (b) purchase hardware equipment such as servers and data backup device, (c) recruit data architects, IT talents and business intelligent personnel, and (d) pay for consulting services in relation to data management.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used to accelerate overseas market expansion by expanding overseas supply chain and to explore potential investment, mergers and acquisition opportunities in the overseas market. Overseas market expansion is an important part of our globalization strategy. We will tap into local markets by keeping our freshly hand-wrapped, high-quality identity intact while flexibly adapting our recipes and ingredients to match local tastes and supply chain capabilities. As of the Latest Practicable Date, we have entered the markets of Singapore, Thailand, Malaysia and the UK, among others. In the short term, we will still focus on the Southeast Asian market, mainly Singapore, Malaysia and Thailand. We will also gradually develop markets in East Asia and the United States in the medium to long term. To achieve this, in the short term, we mainly plan to establish joint ventures in collaboration with experienced local business partners, and expand our overseas market presence through these joint ventures. We believe that adopting the joint venture model with local business partners would facilitate our overseas expansion, as such partners are familiar with the local markets and have relevant commercial resources and knowledge of local policies, regulations and employment environments. Such model would also enable us to integrate resources in store operations, supply chain management and local compliance, and leverage our partners' local capabilities to implement and replicate our store model more quickly, while maintaining our brand standards and management control, thereby reducing the initial risks of entering overseas markets. We aim to hold 49% to 60% of equity interest in each of the overseas joint ventures, depending on the specific arrangements with local business partners. We will primarily be responsible for store site selection, online operations, product development and pricing, as well as backend supply chain management. Our local business partners will primarily be responsible for sourcing and coordinating shopping mall and street-front store resources, implementing daily store operations, handling licensing and permits, government relations, human resources and legal matters. Franchisee development will be jointly undertaken by us and our local business partners. See "Business — Strategies — Accelerate our overseas expansion." In particular:

(i) Approximately [**REDACTED**]% of the net [**REDACTED**] or HK$[**REDACTED**] will be used for overseas supply chain construction through the joint ventures we establish. Specifically, to support the expansion of our overseas store network and ensure the timely and stable delivery of high-quality, fresh raw materials to our stores, we plan to establish supply chain infrastructure, such as establishing proprietary production bases for meat filing, purchasing equipment and hiring local staff for production, in key overseas markets. This is expected to enable us to meet the high-growth local demand, such as in the market of Southeast Asia, and eventually achieve localized operations.

(ii) Approximately [**REDACTED**]% of the net [**REDACTED**] or HK$[**REDACTED**] will be used to expand the overseas store network, expand geographical coverage and increase market penetration through the joint ventures we establish. We aim to open approximately or more than 100 stores by the end of 2027 and 150 stores by the end of 2028 in Singapore, Malaysia and Thailand, operating mainly under a franchise model with mostly franchised stores and a small number of self-operated stores. We also aim to open five stores in each of Japan, Korea and Australia by the end of 2028. For self-operated stores, we will pay for rent, refurbishment and new hires.

(iii) Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for strategic investments and acquisitions. In addition to our overseas market expansion through joint venture operations, we will also pursue potential supply chain investment and merger and acquisition opportunities, primarily focusing on local suppliers of the targeted countries supplying food ingredients and store supplies to our local franchisees. We pay special attention to companies (i) in our upstream sectors, such as those in meat, flour and seafood processing, (ii) with local channel resources which can help our local store expansion, and (iii) that can kick-start our local market expansion, such as frozen food companies in the United States. When selecting investment and acquisition targets, we generally prioritize companies involved in meat and flour processing, given their importance to our core products and their critical role in ensuring supply chain efficiency and product quality. When evaluating potential investment or mergers and acquisition targets, we mainly consider the following factors: (a) whether the investment and merger or acquisition of the target is expected to enhance our brand presence and bring strategic value to our strategic plans. For example, we expect acquisition targets to further diversify our product offerings, reduce production costs, improve supply chain efficiency and enhance our brand awareness in complementary product categories or geographic regions; and (b) we will consider cultural fit and potential synergies with existing businesses, among others. These standards will be adjusted based on changes in market conditions and our strategic needs. As of the Latest Practicable Date, we had not identified any specific investment or acquisition targets.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for brand building and product development. See "Business — Strategies — Maintain our leadership in the Chinese-style QSR industry." In particular:

  (i) Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for branding and market penetration. Specifically:

    - Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for developing our co-branded IPs and products. For example, we plan to select IPs that match our target consumer

group, develop co-branded meal packages and merch and establish themed stores to strengthen consumer experience to increase product awareness and exposure. During the Track Record Period, we from time to time launched co-branded products and promotional merchandise such as stickers, canvas bags and refrigerator magnets as part of our efforts to enrich our product offerings and enhance customer engagement. In general, we were primarily responsible for product planning and development, campaign execution and sales through our store network, while the collaborating parties generally assisted in brand promotion and provided product development support.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for the conversion of consumer interests to consumptions. We plan to promote our products' key selling points and consumer benefits through consumer tasting sessions and test tastings by influencers. We also plan to strengthen our interactions with consumers using diversified online social media platforms.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used to conduct marketing campaigns in the public domain and outdoor advertising to upgrade our brand image.

(ii) Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for product development and innovation. See "Business — Strategies — Invest in R&D to refine and widen our product matrix." Specifically, we will regularly iterate on our core dishes, upgrade the quality of ingredients used, optimize the cooking processes adopted, and timely launch seasonal limited edition and co-branded new products to match our brand promotions. At the same time, we will focus on upgrading our production and cold chain equipment as well as our standardization system, thereby ensuring the consistency and freshness of product taste.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for supply chain upgrades. We will continue to improve production efficiency, improve the level of informatization and consolidate our cost advantages. See "Business — Strategies — Optimize and upgrade our supply chain management system." In particular:

(i) Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for the construction of intelligent production base at the Foshan Yuanshun factory. Specifically, we will establish an intelligent production line management system. This system will include an MES production execution system, an equipment management and IoT monitoring system, a food safety and production quality traceability system and a production and operation BI decision-making system. We strive to integrate automation and informatization for our production lines. At the same time, we will install andon systems and field terminals in each production line, which is expected to enable our rapid response to production abnormalities and process transparency.

(ii) Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for the digital transformation and upgrading of our Suzhou Yuen Kee factory. Specifically, we will optimize and expand the MES system of the Suzhou Yuen Kee factory and connect the key equipments of the Suzhou Yuen Kee factory to our Group-level management and support platform for data integration. In addition, in order to ensure product quality and realize our Group's unified traceability system, we will upgrade the existing quality and traceability functions of the Suzhou Yuen Kee factory.

- Approximately [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for working capital and general corporate purposes.

The following table sets forth a breakdown of details of our proposed allocation of net [**REDACTED**] from the [**REDACTED**]:

	Year ended December 31,		
	2027	2028	2029
Digital and intelligent construction	5.0%	7.8%	7.2%
Accelerating overseas market expansion	17.0%	21.0%	14.0%
Brand building and product development	3.3%	3.4%	3.3%
Supply chain upgrades	3.8%	4.2%	–
Working capital and general corporate purposes	10.0%	–	–

In the event that the [**REDACTED**] is set at the maximum [**REDACTED**] or the minimum [**REDACTED**] of the indicative [**REDACTED**] range, the net [**REDACTED**] of the [**REDACTED**] will increase or decrease by approximately HK$[**REDACTED**], respectively.

The additional net [**REDACTED**] that we would receive if the [**REDACTED**] were exercised in full would be (i) approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the maximum [**REDACTED**] of the indicative [**REDACTED**] range), (ii) approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the mid-point of the indicative [**REDACTED**] range), or (iii) approximately HK$[**REDACTED**] (assuming an [**REDACTED**] of HK$[**REDACTED**] per Share, being the minimum [**REDACTED**] of the indicative [**REDACTED**] range).

To the extent that the net [**REDACTED**] from the [**REDACTED**] are either more or less than expected, we will adjust our allocation of the net [**REDACTED**] for the above purposes on a pro rata basis.

To the extent that the net [**REDACTED**] of the [**REDACTED**] are not immediately used for the above purposes, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions) for so long as it is deemed to be in our best interests. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net [**REDACTED**] from the [**REDACTED**].

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The following is the text of a report, prepared for inclusion in this document, received from the independent reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document.

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF YUEN KEE FOOD GROUP CO., LTD., HUATAI FINANCIAL HOLDINGS (HONG KONG) LIMITED AND GF CAPITAL (HONG KONG) LIMITED

Introduction

We report on the historical financial information of YUEN KEE FOOD GROUP CO., LTD. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-[●] to I-[●], which comprises the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for each of the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026 (the "Relevant Periods"), and the consolidated statements of financial position of the Group and the statements of financial position of the Company as at 31 December 2023, 2024 and 2025 and 31 May 2026 and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-[●] to I-[●] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the "document") in connection with the [**REDACTED**] of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information and that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at 31 December 2023, 2024 and 2025 and 31 May 2026 of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the five months ended 31 May 2025, and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[●] have been made.

Dividends

We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Relevant Periods.

Ernst & Young
Certified Public Accountants
Hong Kong
[**REDACTED**]

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were audited by Ernst & Young in accordance with Hong Kong Standards on Auditing as issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Renminbi ("RMB"), which is the functional currency of the Company, and all values are rounded to the nearest thousand (RMB'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
REVENUE	5	2,026,120	2,561,117	2,795,104	934,007	1,305,522
Cost of sales		(1,500,958)	(1,973,318)	(2,098,263)	(717,028)	(934,619)
Gross profit		525,162	587,799	696,841	216,979	370,903
Other income and gains	6	6,916	8,942	21,653	6,956	32,795
Selling and marketing expenses		(76,960)	(125,888)	(136,917)	(42,143)	(65,977)
Administrative expenses		(199,222)	(239,444)	(279,295)	(91,092)	(120,350)
(Impairment loss)/reversal of impairment loss on financial assets, net		(15,116)	(832)	(1,857)	38	(2,308)
Other expenses		(7,086)	(8,787)	(10,749)	(4,732)	(3,329)
Finance costs	8	(4,182)	(6,778)	(7,939)	(3,651)	(2,435)
Share of profits and losses of:						
Associates	18	1,427	342	7,685	552	7,128
A joint venture		–	–	(209)	–	(125)
PROFIT BEFORE TAX	7	230,939	215,354	289,213	82,907	216,302
Income tax expense	11	(63,833)	(73,397)	(90,473)	(25,831)	(58,997)
PROFIT FOR THE YEAR/PERIOD		167,106	141,957	198,740	57,076	157,305
Profit attributable to:						
Owners of the parent		167,230	144,226	198,285	57,005	154,789
Non-controlling interests		(124)	(2,269)	455	71	2,516
		167,106	141,957	198,740	57,076	157,305
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT						
Basic						
– For profit for the year/period (RMB)	13	1.74	1.42	1.90	0.56	1.32
Diluted						
– For profit for the year/period (RMB)	13	1.74	1.42	1.90	0.56	1.32

For details of the Pre-[**REDACTED**] Investment, please refer to note 30 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
PROFIT FOR THE YEAR/PERIOD	167,106	141,957	198,740	57,076	157,305
OTHER COMPREHENSIVE INCOME					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of foreign operations	–	(134)	208	259	(282)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	167,106	141,823	198,948	57,335	157,023
Total comprehensive income attributable to:					
Owners of the parent	167,230	144,146	198,476	57,213	154,595
Non-controlling interests	(124)	(2,323)	472	122	2,428
	167,106	141,823	198,948	57,335	157,023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	31 December			31 May
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	101,902	125,681	173,057	212,408
Right-of-use assets	*15*	99,758	213,720	204,766	192,298
Finance lease receivables	*16*	–	1,645	1,768	1,433
Intangible assets	*17*	3,860	2,568	1,238	760
Investments in associates	*18*	34,677	59,513	69,193	75,833
Financial investments at fair value through profit or loss	*19*	2,200	33,256	50,412	74,075
Deferred tax assets	*21*	8,829	6,928	5,528	5,337
Prepayments, other receivables and other assets	*22*	20,863	25,700	25,525	22,641
Total non-current assets		272,089	469,011	531,487	584,785
CURRENT ASSETS					
Inventories	*23*	60,984	71,908	88,365	94,628
Trade receivables	*24*	25,785	50,124	66,976	65,141
Prepayments, other receivables and other assets	*22*	32,942	59,216	74,281	85,325
Financial investments at fair value through profit or loss	*19*	–	–	–	400,260
Finance lease receivables	*16*	–	414	834	834
Cash and bank balances	*25*	326,551	359,847	1,108,598	812,501
Total current assets		446,262	541,509	1,339,054	1,458,689
CURRENT LIABILITIES					
Trade payables	*26*	63,354	90,762	130,038	118,631
Interest-bearing bank borrowings	*27*	40,025	95,340	110,115	72,414
Other payables and accruals	*28*	142,421	143,321	223,301	262,804
Contract liabilities	*29*	64,545	74,125	87,998	72,159
Lease liabilities	*15*	17,851	31,264	31,956	32,039
Tax payables		20,871	22,848	21,968	25,327
Total current liabilities		349,067	457,660	605,376	583,374
NET CURRENT ASSETS		97,195	83,849	733,678	875,315
TOTAL ASSETS LESS CURRENT LIABILITIES		369,284	552,860	1,265,165	1,460,100

	Notes	31 December			31 May
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT LIABILITIES					
Interest-bearing bank borrowings	*27*	–	–	50,205	87,314
Lease liabilities	*15*	81,825	77,963	70,638	58,036
Deferred income	*20*	–	–	1,227	1,091
Deferred tax liabilities	*21*	52	177	65	3,958
Contract liabilities	*29*	31,393	33,683	11,174	5,334
Total non-current liabilities		113,270	111,823	133,309	155,733
Net assets		256,014	441,037	1,131,856	1,304,367
EQUITY					
Paid-in capital	*30*	101,523	101,523	–	–
Share capital	*30*	–	–	117,395	117,395
Reserves	*31*	154,615	337,338	1,004,454	1,174,537
		256,138	438,861	1,121,849	1,291,932
Non-controlling interests		(124)	2,176	10,007	12,435
Total equity		256,014	441,037	1,131,856	1,304,367

For details of the Pre-[**REDACTED**] Investment, please refer to note 30 to the Historical Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Year ended 31 December 2023

	Attributable to owners of the parent								
	Paid-in capital	Capital reserve*	Statutory reserve*	Equity-settled share-based payment reserve*	Exchange fluctuation reserve*	(Accumulated losses)/ Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 30)	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	90,400	200	–	21,449	–	(73,704)	38,345	–	38,345
Profit for the year	–	–	–	–	–	167,230	167,230	(124)	167,106
Total comprehensive income for the year	–	–	–	–	–	167,230	167,230	(124)	167,106
Capital injection *(note 30)*	11,123	28,477	–	–	–	–	39,600	–	39,600
Dividends declared *(note 12)*	–	–	–	–	–	(483)	(483)	–	(483)
Equity-settled share-based payment arrangements	–	–	–	11,446	–	–	11,446	–	11,446
At 31 December 2023	101,523	28,677	–	32,895	–	93,043	256,138	(124)	256,014

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE. THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED "WARNING" ON THE COVER OF THIS DOCUMENT.

Year ended 31 December 2024

	Attributable to owners of the parent								
	Paid-in capital	**Capital reserve***	**Statutory reserve***	**Equity-settled share-based payment reserve***	**Exchange fluctuation reserve***	**Retained profits***	**Total**	**Non-controlling interests**	**Total equity**
	RMB'000 (note 30)	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	101,523	28,677	–	32,895	–	93,043	256,138	(124)	256,014
Profit for the year	–	–	–	–	–	144,226	144,226	(2,269)	141,957
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	(80)	–	(80)	(54)	(134)
Total comprehensive income for the year	–	–	–	–	(80)	144,226	144,146	(2,323)	141,823
Capital injection from non-controlling shareholders	–	–	–	–	–	–	–	4,623	4,623
Dividends declared *(note 12)*	–	–	–	–	–	(460)	(460)	–	(460)
Share of other capital reserves of associates	–	949	–	–	–	–	949	–	949
Equity-settled share-based payment arrangements	–	–	–	38,088	–	–	38,088	–	38,088
Transfer from retained profits	–	–	17,582	–	–	(17,582)	–	–	–
At 31 December 2024	101,523	29,626	17,582	70,983	(80)	219,227	438,861	2,176	441,037

Year ended 31 December 2025

	Attributable to owners of the parent								
	Paid-in capital and share capital	Capital reserve*	Statutory reserve*	Equity-settled share-based payment reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 30)	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	101,523	29,626	17,582	70,983	(80)	219,227	438,861	2,176	441,037
Profit for the year	–	–	–	–	–	198,285	198,285	455	198,740
Other comprehensive income for the year:									
Exchange differences on translation of foreign operations	–	–	–	–	191	–	191	17	208
Total comprehensive income for the year	–	–	–	–	191	198,285	198,476	472	198,948
Conversion into a joint stock company	–	287,329	(17,582)	(55,080)	–	(214,667)	–	–	–
Issuance of shares *(note 30)*	15,872	414,128	–	–	–	–	430,000	–	430,000
Capital injection from non-controlling shareholders	–	–	–	–	–	–	–	6,600	6,600
Distribution to non-controlling interests on liquidation of subsidiaries	–	(1,295)	–	–	–	–	(1,295)	759	(536)
Dividends declared *(note 12)*	–	–	–	–	–	(224)	(224)	–	(224)
Acquisition of a subsidiary under common control	–	(489)	–	–	–	–	(489)	–	(489)
Equity-settled share-based payment arrangements	–	–	–	56,520	–	–	56,520	–	56,520
Transfer from retained profits	–	–	7,442	–	–	(7,442)	–	–	–
At 31 December 2025	117,395	729,299	7,442	72,423	111	195,179	1,121,849	10,007	1,131,856

Five months ended 31 May 2025 (unaudited)

	Attributable to owners of the parent								
	Paid-in capital and share capital	Capital reserve	Statutory reserve	Equity-settled share-based payment reserve	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
	RMB'000 (note 30)	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	101,523	29,626	17,582	70,983	(80)	219,227	438,861	2,176	441,037
Profit for the period	–	–	–	–	–	57,005	57,005	71	57,076
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	–	–	–	–	208	–	208	51	259
Total comprehensive income for the period	–	–	–	–	208	57,005	57,213	122	57,335
Capital injection from non-controlling shareholders	–	–	–	–	–	–	–	6,600	6,600
Dividends declared *(note 12)*	–	–	–	–	–	(85)	(85)	–	(85)
Equity-settled share-based payment arrangements	–	–	–	12,894	–	–	12,894	–	12,894
At 31 May 2025	101,523	29,626	17,582	83,877	128	276,147	508,883	8,898	517,781

Five months ended 31 May 2026

	Attributable to owners of the parent								
	Share capital	Capital reserve*	Statutory reserve*	Equity-settled share-based payment reserve*	Exchange fluctuation reserve*	Retained profits*	Total	Non-controlling interests	Total equity
	RMB'000 (note 30)	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000 (note 31)*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	117,395	729,299	7,442	72,423	111	195,179	1,121,849	10,007	1,131,856
Profit for the period	–	–	–	–	–	154,789	154,789	2,516	157,305
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	–	–	–	–	(194)	–	(194)	(88)	(282)
Total comprehensive income for the period	–	–	–	–	(194)	154,789	154,595	2,428	157,023
Share of other capital reserves of associates	–	(1,869)	–	–	–	–	(1,869)	–	(1,869)
Equity-settled share-based payment arrangements	–	–	–	17,357	–	–	17,357	–	17,357
At 31 May 2026	117,395	727,430	7,442	89,780	(83)	349,968	1,291,932	12,435	1,304,367

* These reserve accounts comprise the consolidated reserves of RMB154,615,000, RMB337,338,000, RMB1,004,454,000 and RMB1,174,537,000 in the consolidated statements of financial position as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		230,939	215,354	289,213	82,907	216,302
Adjustments for:						
Depreciation of property, plant and equipment	*14*	24,815	35,489	37,635	15,332	16,138
Depreciation of right-of-use assets	*15*	15,716	27,559	28,746	12,248	13,845
Amortisation of intangible assets	*17*	1,992	1,918	1,330	715	478
Share-based payment expense	*32*	11,446	38,088	56,520	12,894	17,357
Loss/(gain) on disposal of items of property, plant and equipment	*7*	498	882	2,217	277	(330)
(Gain)/loss on early termination of leases, net	*15*	(23)	115	(561)	(87)	18
Loss/(gain) on finance lease	*7*	–	739	(237)	(288)	–
Fair value changes of financial investments at fair value through profit or loss	*6*	(638)	(867)	(9,835)	(2,780)	(26,195)
Dividend income from financial investments at fair value through profit or loss	*6*	–	–	(650)	(650)	–
Impairment losses/(reversal) on trade receivables, net	*7*	167	175	1,021	(32)	5
Impairment losses/(reversal) on prepayments, other receivables and other assets, net	*7*	14,949	657	836	(6)	2,303
Impairment losses on Investments in associates	*7*	–	–	–	–	1,893
Write-down of inventories to net realisable value	*23*	509	6,298	589	135	714
Share of profits of associates	*18*	(1,427)	(342)	(7,685)	(552)	(7,128)
Share of loss of a joint venture		–	–	209	–	125
Deferred income recognised in profit or loss	*20*	–	–	(151)	–	(136)
Interest income	*6*	(1,360)	(2,568)	(3,310)	(1,080)	(1,527)
Finance costs	*8*	4,182	6,778	7,939	3,651	2,435
Foreign exchange gain or loss, net		–	–	–	–	1,471
		301,765	330,275	403,826	122,684	237,768

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Decrease/(increase) in inventories		6,840	(17,222)	(17,046)	(26,014)	(6,977)
(Increase)/decrease in trade receivables		(19,051)	(24,514)	(17,873)	4,113	1,830
Increase in prepayments, other receivables and other assets		(18,309)	(25,800)	(3,962)	(10,200)	(16,666)
Increase/(decrease) in trade payables		12,109	27,408	39,276	16,877	(11,407)
(Decrease)/increase in other payables and accruals		(21,362)	7,906	65,454	26,218	29,183
Increase/(decrease) in contract liabilities		33,777	11,870	(8,636)	(11,941)	(21,679)
Increase in restricted cash		–	(8,814)	(3,085)	(36,215)	(53,121)
Cash generated from operations		295,769	301,109	457,954	85,522	158,931
Interest received		1,360	2,549	3,242	1,055	1,498
Tax paid		(51,049)	(69,394)	(90,065)	(32,141)	(51,554)
Net cash flows generated from operating activities		246,080	234,264	371,131	54,436	108,875
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of items of property, plant and equipment		4,640	8,879	908	4,659	816
Purchase of items of property, plant and equipment		(67,505)	(63,941)	(89,247)	(24,586)	(41,942)
Purchase of intangible assets		(3,036)	(626)	–	–	–
Purchase of items of land-use rights	*15*	–	(111,250)	(90)	–	–
Capital injection in associates		(19,250)	(30,545)	(2,150)	(100)	(3,507)
Purchase of unlisted equity investments		(2,200)	(30,890)	(4,000)	(4,000)	–
Purchase of structured deposits and wealth management products		(280,000)	(420,000)	(1,915,300)	(782,800)	(1,176,000)
Proceeds from disposal of structured deposits and wealth management products		280,638	420,701	1,917,979	696,293	778,272
Placement of bank deposits with original maturity of more than three months when acquired		–	–	–	–	(12,500)
Receipt of government grants for property, plant and equipment	*20*	–	–	1,378	–	–

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Proceeds from disposal of an associate		–	–	155	–	–
Dividends received from financial assets at fair value through profit or loss	*6*	–	–	650	650	–
Dividends received from an associate		–	–	–	–	233
Receipt of finance leases	*16*	–	131	450	114	364
Advances of loans to associates and a joint venture		(3,500)	(10,000)	(2,115)	–	(562)
Advances of loans to third parties		–	(1,060)	–	–	–
Repayments of loans from associates		–	–	1,350	–	4,000
Increase in restricted cash		–	–	(3,441)	(3,441)	(30,242)
Net cash flows used in investing activities		(90,213)	(238,601)	(93,473)	(113,211)	(481,068)
CASH FLOWS FROM FINANCING ACTIVITIES						
Capital injection		39,600	–	–	–	–
Issuance of shares		–	–	430,000	–	–
Capital injection from non-controlling shareholders		–	4,623	6,600	6,600	–
Purchase of the Controlling Person's Store		–	–	(489)	–	–
Payments to non-controlling shareholders		–	–	(536)	–	–
New bank borrowings		40,000	145,500	279,705	225,603	99,609
Repayment of bank borrowings		(8,500)	(90,200)	(214,800)	(19,800)	(100,000)
Interest paid		(1,220)	(1,910)	(4,233)	(1,708)	(1,856)
Dividends paid to the then shareholder		–	(600)	(1,080)	–	–
Repayment of lease liabilities	*15*	(18,346)	(28,598)	(30,590)	(13,987)	(15,418)
[**REDACTED**] expenses paid		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Net cash flows generated from/(used in) financing activities		51,534	28,815	464,577	196,708	(19,504)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		207,401	24,478	742,235	137,933	(391,697)

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cash and cash equivalents at beginning of year/period		119,150	326,551	351,033	351,033	1,093,258
Effect of foreign exchange rate changes, net		–	4	(10)	135	(263)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		326,551	351,033	1,093,258	489,101	701,298
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*25*	326,551	359,847	1,108,598	537,571	812,501
Less: Restricted cash		–	8,814	15,340	48,470	98,703
Bank deposits with original maturity of more than three months		–	–	–	–	12,500
Cash and cash equivalents as stated in the statement of cash flows		326,551	351,033	1,093,258	489,101	701,298

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

	Notes	31 December			31 May
		2023	2024	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*14*	7,716	13,664	11,399	9,301
Right-of-use assets	*15*	26,241	21,673	17,751	15,521
Finance lease receivables	*16*	–	1,645	1,768	1,433
Intangible assets	*17*	3,569	1,978	902	531
Investments in associates	*18*	4,186	–	–	–
Investments in subsidiaries	*1*	149,803	336,439	428,588	476,562
Deferred tax assets	*21*	4,870	2,140	1,073	708
Prepayments, other receivables and other assets	*22*	5,062	6,170	10,070	12,130
Total non-current assets		201,447	383,709	471,551	516,186
CURRENT ASSETS					
Inventories	*23*	–	42,316	48,036	51,135
Trade receivables	*24*	17,192	35,758	24,211	18,964
Prepayments, other receivables and other assets	*22*	62,612	68,254	27,156	95,485
Financial assets at fair value through profit or loss	*19*	–	–	–	390,255
Finance lease receivables	*16*	–	414	834	834
Cash and bank balances	*25*	80,440	273,642	765,269	414,925
Total current assets		160,244	420,384	865,506	971,598
CURRENT LIABILITIES					
Trade payables	*26*	1,163	75,003	94,958	96,001
Interest-bearing bank borrowings	*27*	40,025	85,331	100,068	61,944
Other payables and accruals	*28*	96,444	115,446	76,987	191,973
Contract liabilities	*29*	35,289	74,926	88,074	72,540
Lease liabilities	*15*	3,588	6,098	6,854	6,880
Tax payables		–	16,337	5,835	18,237
Total current liabilities		176,509	373,141	372,776	447,575
NET CURRENT (LIABILITIES)/ ASSETS		(16,265)	47,243	492,730	524,023
TOTAL ASSETS LESS CURRENT LIABILITIES		185,182	430,952	964,281	1,040,209
NON-CURRENT LIABILITIES					
Lease liabilities	*15*	22,573	20,464	15,361	12,651
Contract liabilities	*29*	31,393	33,683	11,174	5,334
Total non-current liabilities		53,966	54,147	26,535	17,985
Net assets		131,216	376,805	937,746	1,022,224
EQUITY					
Paid-in capital	*30*	101,523	101,523	–	–
Share capital	*30*	–	–	117,395	117,395
Reserves	*31*	29,693	275,282	820,351	904,829
Total equity		131,216	376,805	937,746	1,022,224

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

YUEN KEE FOOD GROUP CO., LTD. (the "Company") was registered in the People's Republic of China (the "PRC") as a limited liability company on 11 April 2017. In June 2025, the Company was converted into a joint stock company with limited liability with registered capital of RMB101,522,843. The registered office of the Company is located at Room 2001-2021, 20/F, Baoneng Financial Building, No. 8 Junlan Road, Dongping Community, Le Cong Town, Shunde District, Foshan City, Guangdong Province, PRC.

During the Relevant Periods, the Company and its subsidiaries (together referred to as the "Group") were involved in the sale of goods as well as the provision of franchise and related services.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies. The particulars of principal subsidiaries are set out below:

Name	Place and date of registration and place of business	Issued ordinary/registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Guangdong Yuanhong Food Co., Ltd. ("廣東省元宏食品有限公司") *(i)*	PRC/Chinese mainland 7 August 2020	RMB30,000,000	100%	–	Production and sale of products
Suzhou Yuen Kee Food Co., Ltd. ("蘇州袁記食品有限公司") *(i)*	PRC/Chinese mainland 3 April 2018	RMB30,000,000	100%	–	Production and sale of products
Foshan Maideli Food Co., Ltd. ("佛山市麥德利食品有限公司") *(i)*	PRC/Chinese mainland 2 February 2021	RMB5,000,000	100%	–	Production and sale of products
Guangdong Yuansu Logistics Supply Chain Co., Ltd. ("廣東省袁速物流供應鏈有限公司") *(i)*	PRC/Chinese mainland 12 November 2021	RMB5,000,000	100%	–	Provision of transportation services
Shenzhen Yunjiao Catering Management Co., Ltd. ("深圳雲餃餐飲管理有限公司") *(i)*	PRC/Chinese mainland 15 March 2021	RMB50,000,000	100%	–	Provision of management services
Guangdong Yuanshun Food Co., Ltd. ("廣東省元順食品有限公司") *(i)*	PRC/Chinese mainland 15 March 2024	RMB100,000,000	100%	–	Production and sale of products
Shenzhen Yuanyu Investment Co., Ltd. ("深圳元域投資有限責任公司") *(i)*	PRC/Chinese mainland 13 April 2023	RMB100,000,000	100%	–	Investment in own funds

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the Relevant Periods or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

The English names of the PRC companies above represent management's best efforts in translating the Chinese names of these companies as no English names have been registered.

Note:

(i) No audited statutory financial statements of these companies have been prepared for the years ended 31 December 2023, 2024 and 2025.

2.1 BASIS OF PRESENTATION

As of 30 September 2025, the Group purchased a store operated by the ultimate controlling person (the "Controlling Person's Store") as a sole proprietorship for RMB488,800. This date was used to delineate the transfer of ownership rights related to the store, which was deemed completed at this point. Before and after the transfer, the store and the companies currently comprising the Group were under the common control of the ultimate controlling person. Accordingly, for the purpose of this report, the Historical Financial Information has been prepared on a consolidated basis by applying the principles of merger accounting as if the purchase had been completed at the beginning of the Relevant Periods.

Accordingly, the consolidated statements of profit or loss, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Group for the Relevant Periods have been prepared as if the current group structure had been in existence throughout the Relevant Periods. The consolidated statements of financial position of the Group as at 31 December 2023 and 2024 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates.

All intra-group transactions and balances have been eliminated on consolidation.

2.2 BASIS OF PREPARATION

In anticipation of the [**REDACTED**], the redemption rights of ordinary shares issued to Pre-[**REDACTED**] investor has been irrecoverably terminated and shall be void ab initio as described in note 30 to the Historical Financial Information, having taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the related agreements, the directors considered that it is appropriate to present the Pre-[**REDACTED**] Investment as equity throughout the Relevant Periods. For details of the financial impacts, see note 30 to the Historical Financial Information.

The Historical Financial Information has been prepared in accordance with IFRS Accounting Standards, which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB").

All IFRS Accounting Standards effective for the accounting period commencing from 1 January 2026, together with the relevant transitional provisions, have been consistently applied by the Group in the preparation of the Historical Financial Information and the Interim Comparative Financial Information.

The Historical Financial Information has been prepared under the historical cost convention, except for financial investments at fair value through profit or loss which have been measured at fair value.

Basis of consolidation

The Historical Financial Information includes the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the Relevant Periods. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in OCI is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not adopted the following new and amended IFRS Accounting Standards, that have been issued but are not yet effective in the Historical Financial Information. The Group intends to apply these new and amended IFRS Accounting Standards, if applicable, when they become effective.

IFRS 18	*Presentation and Disclosure in Financial Statements*[1]
IFRS 19 and its amendments	*Subsidiaries without Public Accountability: Disclosures*[1]
IFRS 20	*Regulatory Assets and Regulatory Liabilities*[2]

Amendments to IFRS 10 and IAS 28 . . .	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IAS 21	*Translation to a Hyperinflationary Presentation Currency*[1]

[1] Effective for annual/reporting periods beginning on or after 1 January 2027

[2] Effective for annual periods beginning on or after 1 January 2029

[3] No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and amended IFRS Accounting Standards upon initial application. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosure of management-defined performance measures in a note and introduces new requirements for aggregation and disaggregation of financial information. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that the new and amended IFRS Accounting Standards will not have a significant impact on the Group's results of operations and financial position.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

Investments in associates and a joint venture

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and a joint venture are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and a joint venture is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or a joint venture are eliminated to the extent of the Group's investments in the associates or a joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or a joint venture.

Upon loss of joint control over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Fair value measurement

The Group measures certain of its financial assets at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:

  (i) has control or joint control over the Group;

  (ii) has significant influence over the Group; or

  (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

  (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

  (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

  (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Category	Principal annual rates
	(%)
Buildings	5.00
Plant and machinery	5.00-33.33
Motor vehicles	25.00-50.00
Electronic equipment	20.00-33.33
Office equipment and other equipment	20.00-33.33
Leasehold improvements	Over the shorter of the lease terms and 20.00-50.00

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Software

Software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 1 to 3 years based on the Group's past experience, different purposes for which the software is used and the authorised period for such use.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Warehouses, office premises and self-operated stores	1.2-11.0 years
Land-use rights	50.0 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of offices premises (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

When the Group is an intermediate lessor, a sublease is classified as a finance lease or operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the on-balance sheet recognition exemption, the Group classifies the sublease as an operating lease.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case

of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets measured at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective of holding financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

General approach

Expected credit losses ("ECLs") are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

Stage 1	–	Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
Stage 2	–	Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
Stage 3	–	Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and accruals, interest-bearing bank borrowings and lease liabilities.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings and payables)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Classification as equity and financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

A financial liability is any liability that is (a) a contractual obligation (i) to deliver cash or another financial asset to another entity; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or (b) a contract that will or may be settled in the entity's own equity instruments and is: (i) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the first-in, first-out basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to complete the sale. Costs necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short term highly liquid investments that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are deducted from cash and cash equivalents.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group has established business presence.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to the statement of profit or loss by way of a reduced depreciation charge.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is acting as a principal in primarily all of its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group primarily generates its revenue from the sale of goods and the provision of franchise and related services. Further details of the Group's revenue recognition policies are as follows:

(a) Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(b) Provision of franchising services

Revenue from franchising services is derived from franchise agreements which entitle the franchisees the access to the brand of the Group, the associated intellectual property and operational support services provided by the Group (the "franchise rights"). The original term of a franchise agreement is typically one year or three years (the "franchise period"). The Group accounts for the franchise rights as a single performance obligation as they are highly interrelated and not individually distinct.

Franchisees are required to pay (i) non-refundable franchise fee and annual operation management fees, and (ii) online platform management fees, which are determined at a certain percentage of online sales amount (net of platform commission). The non-refundable franchise fee is recognised over the franchise period as the franchisee simultaneously receives and consumes the benefits provided by the Group. The online platforms management fee is recognised at the time the underlying sales occur.

Franchisees are generally required to make a deposit, which is fully refundable upon the termination of the franchise period, The Group does not consider this advance consideration includes a significant financing component, since it is used to protect the Group from the failure of franchisees to adequately complete some or all of their obligations under the contracts.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company implements a share award arrangement for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments and restricted shares ("RSs") ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of its payroll costs to the central pension scheme. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Foreign currencies

The Historical Financial Information is presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of each reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

3. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of the Group's Historical Financial Information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the Historical Financial Information:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details are included in note 21 to the Historical Financial Information.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Leases — Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when it needs to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Fair value of unlisted equity investments

The unlisted equity investments have been valued based on a market-based valuation technique as detailed in note 37 to the Historical Financial Information. The valuation requires the Group to determine the comparable public companies (peers) and select the price multiple. In addition, the Group makes estimates about the discount for illiquidity and size differences. The Group classifies the fair value of these investments as Level 3. The fair values of the unlisted equity investments amounted to RMB2,200,000, RMB33,256,000, RMB50,412,000 and RMB74,075,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively. Further details are included in note 37 to the Historical Financial Information.

4. OPERATING SEGMENT INFORMATION

The Group manages its businesses as a whole by the most senior executive management for the purposes of resource allocation and performance assessment. The Group's chief operating decision maker is the chief executive officer of the Group who reviews the Group's consolidated results of operations. Accordingly, no reportable segment information is presented.

Geographical information

(i) Revenue from external customers

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Chinese mainland	2,018,678	2,539,012	2,736,250	917,821	1,261,189
Outside Chinese mainland	7,442	22,105	58,854	16,186	44,333
Total	2,026,120	2,561,117	2,795,104	934,007	1,305,522

Information about major customers

No sales to a single customer accounted for more than 10% of the Group's total revenue during each of the Relevant Periods and the five months ended 31 May 2025.

5. REVENUE

Revenue represents income from the sale of goods to customers and the provision of franchising and related services during the Relevant Periods and the five months ended 31 May 2025.

(i) Disaggregated revenue information

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Types of revenue					
Sale of goods	1,937,809	2,429,378	2,656,629	886,353	1,241,163
Provision of franchising services	87,847	116,601	132,455	45,212	63,431
Others	464	15,138	6,020	2,442	928
Total	2,026,120	2,561,117	2,795,104	934,007	1,305,522

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Timing of revenue recognition					
Goods transferred at a point in time	1,938,273	2,431,915	2,658,879	886,916	1,242,091
Services transferred over time	87,847	116,601	132,455	45,212	63,431
Services transferred at a point in time	–	12,601	3,770	1,879	–
Total	2,026,120	2,561,117	2,795,104	934,007	1,305,522

The following table illustrates the amounts of revenue recognised in each of the Relevant Periods and the five months ended 31 May 2025 that were included in the contract liabilities at the beginning of those periods:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Sale of goods	20,180	29,256	31,015	31,015	49,137
Provision of franchising services	17,488	35,289	43,110	22,864	22,234
Total	37,668	64,545	74,125	53,879	71,371

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied when customers take possession of and accept the deliveries at stores or appointed locations. Except for certain major franchisees who are offered a 60-day credit period, for the majority of the sales transactions, customers make advance payments before the goods are delivered to them.

Provision of franchising services

The performance obligation is satisfied over time as services are rendered and payment in advance is normally required.

The Group provides online sales platform management services to its customers. Revenue from the provision of management services is recognised at the point in time when the services are completed.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of each of the Relevant Periods and the five months ended 31 May 2025 are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Amounts expected to be recognised as revenue:					
Within one year	64,545	74,125	87,998	71,326	72,159
After one year	31,393	33,683	11,174	24,541	5,334
Total	95,938	107,808	99,172	95,867	77,493

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to franchise and related services, of which the performance obligations are to be satisfied within two to four years.

6. OTHER INCOME AND GAINS

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Other income					
Interest income	1,360	2,549	3,242	1,055	1,498
Government grants*					
– income	1,192	1,894	2,082	1,077	1,741
– assets	–	–	151	-	136
Interest income from finance lease receivables	–	19	68	25	29
Dividends income from financial assets at fair value through profit or loss	–	–	650	650	–
Total other income	2,552	4,462	6,193	2,807	3,404
Gains					
Realised fair value gains on disposal of financial assets at fair value through profit or loss	638	701	2,679	993	1,272
Unrealised fair value gains on financial assets at fair value through profit or loss	–	166	7,156	1,787	24,923
– Other unlisted investments	–	166	7,156	1,787	23,663
– Wealth management products	–	–	–	–	1,260
Compensation received from franchisees	2,743	2,854	3,465	392	2,516
Gain on termination of right-of-use assets	23	–	561	87	–
Others	960	759	1,599	890	680
Total gains	4,364	4,480	15,460	4,149	29,391
Total other income and gains	6,916	8,942	21,653	6,956	32,795

* The government grants related to income mainly represent incentives received from the local government as financial support to local business enterprises for the purpose of encouraging business development. These grants are recognised in profit or loss upon receipt. There are no unfulfilled conditions or contingencies relating to these grants.

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

		Year ended 31 December			Five months ended 31 May	
	Notes	2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Cost of inventories sold*		1,482,943	1,952,219	2,076,071	707,972	924,079
Cost of services provided*		17,715	20,136	21,164	8,828	10,200
Cost of others*		300	963	1,028	228	340
Transportation expenses		9,600	12,352	13,716	4,930	6,170
Depreciation of right-of-use assets	*15*	15,716	27,559	28,746	12,248	13,845
Depreciation of property, plant and equipment	*14*	24,815	35,489	37,635	15,332	16,138
Amortisation of intangible assets	*17*	1,992	1,918	1,330	715	478
Loss/(gain) on disposal of items of property, plant and equipment		498	882	2,217	277	(330)

	Notes	Year ended 31 December			Five months ended 31 May	
		2023	2024	2025	2025	2026
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Loss/(gain) on finance lease		–	739	(237)	(288)	–
Professional service fees		7,925	7,634	7,353	1,245	3,039
Employee benefit expense (including directors' and supervisor's remuneration *(note 9)):*						
Wages and salaries		223,378	254,419	274,804	94,847	112,079
Pension scheme contributions**		16,081	21,470	25,042	10,318	12,613
Share-based payment expenses	*32*	1,241	37,244	35,242	12,894	17,357
Expenses relating to short-term leases	*15*	4,498	5,316	6,260	3,432	2,654
Fair value gains on financial investments at fair value through profit or loss	*6*	(638)	(867)	(9,835)	(2,780)	(26,195)
Impairment losses/(reversal of impairment loss) on trade receivables, net	*24*	167	175	1,021	(32)	5
Impairment losses/(reversal of impairment loss) on financial assets included in prepayments, other receivables and other assets, net	*22*	14,949	657	836	(6)	2,303
Impairment losses on Investments in associates		–	–	–	–	1,893
[**REDACTED**] expense		[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]

* Cost of sales in the consolidated statement of profit or loss include expenses relating to depreciation of property, plant and equipment, depreciation of right-of-use assets, employee benefit expenses, short-term lease expenses and transportation expenses, which are also included in the respective total amounts disclosed separately above for each of these types of expenses.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

8. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest on bank borrowings	1,171	1,925	4,308	1,881	1,655
Interest on lease liabilities	3,011	4,853	4,027	1,770	1,502
Subtotal	4,182	6,778	8,335	3,651	3,157
Less: Interest capitalised	–	–	(396)	–	(722)
Total	4,182	6,778	7,939	3,651	2,435

For details of the Pre-[**REDACTED**] Investment, please refer to note 30 to the Historical Financial Information.

9. DIRECTORS' AND SUPERVISOR'S REMUNERATION

The remuneration of each of the Company's directors and supervisor as recorded in each of the Relevant Periods and the five months ended 31 May 2025 is set out below:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Fees	–	–	409	–	450
Other emoluments:					
Salaries, bonus, allowances and benefits in kind	1,961	1,887	5,432	1,046	3,395
Share-based payment expenses	25	838	3,057	348	1,921
Pension scheme contributions	52	59	111	30	63
Total	2,038	2,784	9,009	1,424	5,829

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year ended 31 December 2025 and the five months ended 31 May 2025 and 2026 were as follows:

	Year ended 31 December	Five months ended 31 May	
	2025	2025	2026
	RMB'000	*RMB'000 (unaudited)*	*RMB'000*
Mr. Yin Qiang *(a)*	200	–	150
Ms. Yu Fang Jing *(b)*	200	–	150
Mr. Huang Ching-Shuan *(h)*	9	–	150
Total	409	–	450

There were no other emoluments payable to the independent non-executive directors during each of the Relevant Periods and the five months ended 31 May 2025.

(b) Executive directors and supervisor

Details of the emoluments paid or payable to executive directors and a supervisor of the Company for their services provided to the Group during the Relevant Periods and the five months ended 31 May 2025 are as follows:

	Year ended 31 December 2023				
	Fees	Salaries, bonus, allowances and benefits in kind	Share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive director:					
Mr. Yuan Lianghong *(c)*	–	420	–	44	464
Supervisor:					
Mr. Xu Le *(d)*	–	1,541	25	8	1,574
Total	–	1,961	25	52	2,038

	Year ended 31 December 2024				
	Fees	Salaries, bonus, allowances and benefits in kind	Share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive director:					
Mr. Yuan Lianghong *(c)*	–	936	–	50	986
Supervisor:					
Mr. Xu Le *(d)*	–	951	838	9	1,798
Total	–	1,887	838	59	2,784

	Year ended 31 December 2025				
	Fees	Salaries, bonus, allowances and benefits in kind	Share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Yuan Lianghong *(c)*	–	1,614	–	61	1,675
Mr. Xu Le *(d)*	–	881	488	5	1,374
Mr. Zhang Liangliang *(e)*	–	736	1,011	5	1,752
Mr. Tian Wei *(f)*	–	1,507	488	31	2,026
Mr. Yuan Yongbo *(g)*	–	334	722	5	1,061
	–	5,072	2,709	107	7,888
Supervisor:					
Mr. Xu Le *(d)*	–	360	348	4	712
Total	–	5,432	3,057	111	8,600

	Five months ended 31 May 2025 (unaudited)				
	Fees	Salaries, bonus, allowances and benefits in kind	Share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive director:					
Mr. Yuan Lianghong *(c)*	–	686	–	26	712
Supervisor:					
Mr. Xu Le *(d)*	–	360	348	4	712
Total	–	1,046	348	30	1,424

	Five months ended 31 May 2026				
	Fees	Salaries, bonus, allowances and benefits in kind	Share-based payment expenses	Pension scheme contributions	Total remuneration
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors:					
Mr. Yuan Lianghong *(c)*	–	739	–	26	765
Mr. Xu Le *(d)*	–	645	346	5	996
Mr. Zhang Liangliang *(e)*	–	554	717	5	1,276
Mr. Tian Wei *(f)*	–	1,203	346	22	1,571
Mr. Yuan Yongbo *(g)*	–	254	512	5	771
Total	–	3,395	1,921	63	5,379

During the Relevant Periods and the five months ended 31 May 2025, certain directors were granted restricted shares, in respect of their services to the Group, under the employee incentive scheme (the "Share Incentive Plan") of the Company, further details of which are set out in note 32 to the Historical Financial Information. The difference between the fair value of the shares granted and the subscription price was recorded in the share-based payment reserve within equity with the corresponding "share-based payment expenses" in profit or loss over the vesting period. The amounts of share-based payment expenses during the Relevant Periods and the five months ended 31 May 2025 are included in the above directors' remuneration disclosures.

There was no arrangement under which a director or a supervisor waived or agreed to waive any remuneration during the Relevant Periods and the five months ended 31 May 2025.

Notes:

(a) Mr. Yin Qiang was appointed as an independent non-executive director in June 2025.

(b) Ms. Yu Fang Jing was appointed as an independent non-executive director in June 2025.

(c) Mr. Yuan Lianghong was appointed as a director in December 2022.

(d) Mr. Xu Le was appointed as a supervisor in April 2017, and he resigned as a supervisor and was appointed as a director in June 2025.

(e) Mr. Zhang Liangliang was appointed as a director in June 2025.

(f) Mr. Tian Wei was appointed as a director in June 2025.

(g) Mr. Yuan Yongbo was appointed as a director in June 2025.

(h) Mr. Huang Ching-Shuan was appointed as an independent non-executive director in December 2025.

10. FIVE HIGHEST PAID EMPLOYEES

The five individuals with the highest emoluments in the Group during the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026 include one supervisor, nil, two, two and two directors, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the four, five, three, three and three highest paid employees who are not a director or supervisor of the Company for the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026 are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000* *(unaudited)*	*RMB'000*
Salaries, allowances and benefits in kind	4,788	4,306	4,351	1,606	2,264
Share-based payment expenses	108	6,488	4,968	1,352	1,962
Pension scheme contributions	31	48	28	36	33
Total	4,927	10,842	9,347	2,994	4,259

The numbers of non-director and non-supervisor highest paid employees whose remuneration fell within the following bands are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
				(unaudited)	
Nil to HKD1,000,000	1	–	–	2	1
HKD1,000,001 to HKD1,500,000	2	–	–	1	1
HKD1,500,001 to HKD2,000,000	1	4	1	–	1
HKD2,000,001 to HKD2,500,000	–	–	–	–	–
HKD2,500,001 to HKD3,000,000	–	1	1	–	–
HKD3,000,001 to HKD3,500,000	–	–	–	–	–
HKD3,500,001 to HKD4,000,000	–	–	1	–	–
Total	4	5	3	3	3

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the tax jurisdictions in which members of the Group are domiciled and/or operate.

PRC enterprise income tax

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the EIT rate for the Group's PRC subsidiaries is 25% except for those entitled to preferential tax set out below.

Certain of the Group's PRC subsidiaries are qualified as small and micro enterprises by the relevant tax authorities and were entitled to a preferential EIT rate of 5% for the taxable income during the Relevant Periods and the five months ended 31 May 2025.

Hong Kong profits tax

The statutory rate of Hong Kong profits tax was 16.5% for the Relevant Periods and the five months ended 31 May 2025 on the estimated assessable profits arising in Hong Kong.

Singapore income tax

The statutory rate of income tax for the subsidiary in Singapore was 17% for the Relevant Periods and the five months ended 31 May 2025.

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Current income tax	63,723	71,371	89,185	24,313	54,913
Deferred tax	110	2,026	1,288	1,518	4,084
Total tax charge for the year/period	63,833	73,397	90,473	25,831	58,997

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the jurisdiction in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Profit before tax	230,939	215,354	289,213	82,907	216,302
Tax at the statutory tax rate of 25%	57,735	53,839	72,303	20,727	54,076
Effect of different tax rates	(2,164)	(767)	(2,056)	(1,282)	(2,318)
Share of profits and losses of associates and a joint venture	(357)	(85)	(1,887)	(138)	(1,761)
Expenses not deductible for tax	6,291	12,713	17,650	4,766	6,312
Tax losses and temporary differences not recognised	2,328	7,697	5,485	2,778	3,381
Tax losses utilised from previous periods	–	–	(1,022)	(1,020)	(693)
Tax charge at the effective rate	63,833	73,397	90,473	25,831	58,997

12. DIVIDENDS

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Dividends declared by the then shareholder	483	460	224	85	–

As disclosed in the basis of presentation set out in note 2.1, the Controlling Person's Store comprised the company under the common control of the ultimate controlling person. Prior to the transfer of ownership to the Group, the Controlling Person's Store distributed dividends to the then shareholder.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on profit attributable to owners of the parent, and the weighted average numbers of ordinary shares outstanding during the Relevant Periods and the five months ended 31 May 2025.

In June 2025, the paid-in capital of the Company was fully converted into ordinary shares upon the transformation of the Company into a joint stock company (note 30). The weighted average numbers of ordinary shares outstanding have been retroactively adjusted to reflect the post-capitalisation share count, incorporating both the share structure reform and capitalisation adjustments.

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
				(unaudited)	
Earnings					
Profit attributable to owners of the parent, used in the basic and diluted earnings per share calculation (RMB'000)	167,230	144,226	198,285	57,005	154,789
Shares					
Weighted average number of ordinary shares outstanding, used in the basic and diluted earnings per share calculation ('000)	96,028	101,523	104,393	101,523	117,395
Basic and diluted earnings per share (RMB)	1.74	1.42	1.90	0.56	1.32

The Group has no dilutive potential ordinary shares and accordingly, the diluted earnings per share for the Relevant Periods and the five months ended 31 May 2025 were the same as the basic earnings per share.

For details of the Pre-[**REDACTED**] Investment, please refer to note 30 to the Historical Financial Information.

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Buildings	Plant and machinery	Motor vehicles	Electronic equipment	Office equipment and other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023								
At 1 January 2023:								
Cost	17,104	40,760	5,273	7,574	4,175	20,949	–	95,835
Accumulated depreciation	(1,693)	(8,015)	(1,109)	(2,692)	(1,098)	(5,724)	–	(20,331)
Net carrying amount	15,411	32,745	4,164	4,882	3,077	15,225	–	75,504
At 1 January 2023, net of accumulated depreciation	15,411	32,745	4,164	4,882	3,077	15,225	–	75,504
Additions	–	27,034	3,208	4,501	4,035	13,488	4,085	56,351
Transfer	–	346	581	48	440	–	(1,415)	–
Depreciation provided during the year	(744)	(9,119)	(1,492)	(2,851)	(1,384)	(9,225)	–	(24,815)
Disposals	–	(3,199)	(1,474)	(321)	(89)	(55)	–	(5,138)
At 31 December 2023, net of accumulated depreciation	14,667	47,807	4,987	6,259	6,079	19,433	2,670	101,902
At 31 December 2023:								
Cost	17,104	63,032	6,733	10,954	8,455	31,190	2,670	140,138
Accumulated depreciation	(2,437)	(15,225)	(1,746)	(4,695)	(2,376)	(11,757)	–	(38,236)
Net carrying amount	14,667	47,807	4,987	6,259	6,079	19,433	2,670	101,902
31 December 2024								
At 1 January 2024:								
Cost	17,104	63,032	6,733	10,954	8,455	31,190	2,670	140,138
Accumulated depreciation	(2,437)	(15,225)	(1,746)	(4,695)	(2,376)	(11,757)	–	(38,236)
Net carrying amount	14,667	47,807	4,987	6,259	6,079	19,433	2,670	101,902
At 1 January 2024, net of accumulated depreciation	14,667	47,807	4,987	6,259	6,079	19,433	2,670	101,902
Additions	–	26,179	60	4,793	3,115	7,067	27,819	69,033
Transfer	–	9,032	–	–	–	14,187	(23,219)	–
Depreciation provided during the year	(813)	(13,855)	(1,669)	(3,329)	(2,207)	(13,616)	–	(35,489)
Disposals	–	(6,369)	(286)	(1,067)	(822)	(1,218)	–	(9,762)
Exchange realignment	–	–	–	–	(3)	–	–	(3)

	Buildings	Plant and machinery	Motor vehicles	Electronic equipment	Office equipment and other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 31 December 2024, net of accumulated depreciation	13,854	62,794	3,092	6,656	6,162	25,853	7,270	125,681
At 31 December 2024:								
Cost	17,104	88,886	6,228	13,273	9,509	39,965	7,270	182,235
Accumulated depreciation	(3,250)	(26,092)	(3,136)	(6,617)	(3,347)	(14,112)	–	(56,554)
Net carrying amount	13,854	62,794	3,092	6,656	6,162	25,853	7,270	125,681

	Buildings	Plant and machinery	Motor vehicles	Electronic equipment	Office equipment and other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025								
At 1 January 2025:								
Cost	17,104	88,886	6,228	13,273	9,509	39,965	7,270	182,235
Accumulated depreciation	(3,250)	(26,092)	(3,136)	(6,617)	(3,347)	(14,112)	–	(56,554)
Net carrying amount	13,854	62,794	3,092	6,656	6,162	25,853	7,270	125,681
At 1 January 2025, net of accumulated depreciation	13,854	62,794	3,092	6,656	6,162	25,853	7,270	125,681
Additions	–	13,924	370	1,691	1,202	531	70,390	88,108
Transfer	–	–	–	–	1,064	6,304	(7,368)	–
Depreciation provided during the year	(812)	(16,551)	(1,226)	(2,961)	(2,318)	(13,767)	–	(37,635)
Disposals	–	(1,376)	(59)	(403)	(1,279)	(8)	–	(3,125)
Exchange realignment	–	–	–	7	21	–	–	28
At 31 December 2025, net of accumulated depreciation	13,042	58,791	2,177	4,990	4,852	18,913	70,292	173,057
At 31 December 2025:								
Cost	17,104	100,475	5,741	13,937	10,176	46,792	70,292	264,517
Accumulated depreciation	(4,062)	(41,684)	(3,564)	(8,947)	(5,324)	(27,879)	–	(91,460)
Net carrying amount	13,042	58,791	2,177	4,990	4,852	18,913	70,292	173,057

	Buildings	Plant and machinery	Motor vehicles	Electronic equipment	Office equipment and other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 May 2026								
At 1 January 2026:								
Cost	17,104	100,475	5,741	13,937	10,176	46,792	70,292	264,517
Accumulated depreciation	(4,062)	(41,684)	(3,564)	(8,947)	(5,324)	(27,879)	–	(91,460)
Net carrying amount	13,042	58,791	2,177	4,990	4,852	18,913	70,292	173,057
At 1 January 2026, net of accumulated depreciation	13,042	58,791	2,177	4,990	4,852	18,913	70,292	173,057
Additions	–	9,412	553	1,083	2,172	1,514	41,268	56,002
Transfer	–	2,112	–	–	–	3,322	(5,434)	–
Depreciation provided during the period	(339)	(7,197)	(549)	(1,137)	(1,015)	(5,901)	–	(16,138)
Disposals	–	(34)	–	(42)	(410)	–	–	(486)
Exchange realignment	–	–	–	(1)	(26)	–	–	(27)
At 31 May 2026, net of accumulated depreciation	12,703	63,084	2,181	4,893	5,573	17,848	106,126	212,408
At 31 May 2026:								
Cost	17,104	111,834	6,294	14,638	11,506	51,564	106,126	319,066
Accumulated depreciation	(4,401)	(48,750)	(4,113)	(9,745)	(5,933)	(33,716)	–	(106,658)
Net carrying amount	12,703	63,084	2,181	4,893	5,573	17,848	106,126	212,408

Company

	Plant and machinery	Motor vehicles	Electronic equipment	Office equipment and other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023						
At 1 January 2023:						
Cost	30	1,542	3,445	883	1,718	7,618
Accumulated depreciation	(8)	(637)	(1,306)	(369)	(822)	(3,142)
Net carrying amount	22	905	2,139	514	896	4,476
At 1 January 2023, net of accumulated depreciation	22	905	2,139	514	896	4,476
Additions	4	1,312	3,264	607	1,193	6,380
Depreciation provided during the year	(7)	(200)	(1,776)	(332)	(206)	(2,521)
Disposals	–	(509)	(53)	(57)	–	(619)
At 31 December 2023, net of accumulated depreciation	19	1,508	3,574	732	1,883	7,716
At 31 December 2023:						
Cost	34	2,053	5,973	1,353	2,250	11,663
Accumulated depreciation	(15)	(545)	(2,399)	(621)	(367)	(3,947)
Net carrying amount	19	1,508	3,574	732	1,883	7,716

	Plant and machinery	Motor vehicles	Electronic equipment	Office equipment and other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	34	2,053	5,973	1,353	2,250	–	11,663
Accumulated depreciation	(15)	(545)	(2,399)	(621)	(367)	–	(3,947)
Net carrying amount	19	1,508	3,574	732	1,883	–	7,716
At 1 January 2024, net of accumulated depreciation	19	1,508	3,574	732	1,883	–	7,716
Additions	9	–	1,230	1,164	7,210	1,338	10,951
Depreciation provided during the year	(10)	(377)	(1,764)	(434)	(1,940)	–	(4,525)
Disposals	–	(1)	(230)	(247)	–	–	(478)
At 31 December 2024, net of accumulated depreciation	18	1,130	2,810	1,215	7,153	1,338	13,664
At 31 December 2024:							
Cost	38	2,033	5,993	1,785	8,403	1,338	19,590
Accumulated depreciation	(20)	(903)	(3,183)	(570)	(1,250)	–	(5,926)
Net carrying amount	18	1,130	2,810	1,215	7,153	1,338	13,664

	Plant and machinery	Motor vehicles	Electronic equipment	Office equipment and other equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2025							
At 1 January 2025:							
Cost	38	2,033	5,993	1,785	8,403	1,338	19,590
Accumulated depreciation	(20)	(903)	(3,183)	(570)	(1,250)	–	(5,926)
Net carrying amount	18	1,130	2,810	1,215	7,153	1,338	13,664
At 1 January 2025, net of accumulated depreciation	18	1,130	2,810	1,215	7,153	1,338	13,664
Additions	–	20	1,154	324	–	2,689	4,187
Transfer	–	–	–	–	4,027	(4,027)	–
Depreciation provided during the year	(6)	(377)	(1,695)	(534)	(3,764)	–	(6,376)
Disposals	(8)	(42)	(26)	–	–	–	(76)
At 31 December 2025, net of accumulated depreciation	4	731	2,243	1,005	7,416	–	11,399
At 31 December 2025:							
Cost	23	1,742	6,902	2,106	7,416	–	18,189
Accumulated depreciation	(19)	(1,011)	(4,659)	(1,101)	–	–	(6,790)
Net carrying amount	4	731	2,243	1,005	7,416	–	11,399

	Plant and machinery	Motor vehicles	Electronic equipment	Office equipment and other equipment	Leasehold improvements	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 May 2026						
At 1 January 2026:						
Cost	23	1,742	6,902	2,106	7,416	18,189
Accumulated depreciation	(19)	(1,011)	(4,659)	(1,101)	–	(6,790)
Net carrying amount	4	731	2,243	1,005	7,416	11,399
At 1 January 2026, net of accumulated depreciation	4	731	2,243	1,005	7,416	11,399
Additions	–	–	656	43	–	699
Depreciation provided during the period	(1)	(152)	(697)	(211)	(1,726)	(2,787)
Disposals	–	–	(10)	–	–	(10)
At 31 May 2026, net of accumulated depreciation	3	579	2,192	837	5,690	9,301
At 31 May 2026:						
Cost	23	1,742	7,365	2,149	7,416	18,695
Accumulated depreciation	(20)	(1,163)	(5,173)	(1,312)	(1,726)	(9,394)
Net carrying amount	3	579	2,192	837	5,690	9,301

15. LEASES

The Group as a lessee

The Group has lease contracts for items of office premises, self-operated stores and warehouses used in its operations. Lump sum payments were made upfront to acquire the land-use rights with lease periods of 50 years, and no ongoing payments will be made under the terms of these land-use rights. Leases of warehouses, office premises and self-operated stores generally have lease terms between 1.2 and 11.0 years.

(a) Right-of-use assets

Group

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	Warehouses, office premises and self-operated stores	Land-use rights	Total
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	61,043	–	61,043
Additions	54,635	–	54,635
Depreciation charge	(15,716)	–	(15,716)
Early termination	(204)	–	(204)
At 31 December 2023 and 1 January 2024	99,758	–	99,758
Additions	44,559	111,250	155,809
Depreciation charge	(26,261)	(1,298)	(27,559)
Early termination	(11,378)	–	(11,378)
Sublease	(2,910)	–	(2,910)
At 31 December 2024 and 1 January 2025	103,768	109,952	213,720
Additions	25,437	90	25,527
Depreciation charge	(26,518)	(2,228)	(28,746)
Early termination	(5,257)	–	(5,257)
Sublease	(688)	–	(688)
Exchange realignment	210	–	210
At 31 December 2025 and 1 January 2026	96,952	107,814	204,766
Additions	3,749	–	3,749
Depreciation charge	(12,917)	(928)	(13,845)
Early termination	(1,958)	–	(1,958)
Exchange realignment	(414)	–	(414)
At 31 May 2026	85,412	106,886	192,298

As at 31 December 2025 and 31 May 2026, the Company's bank loans of RMB50,246,000 and RMB87,779,000 were secured by certain right-of-use assets with carrying amounts of RMB107,814,000 and RMB106,886,000, respectively (note 27).

Company

The carrying amounts of right-of-use assets and the movements during the Relevant Periods are as follows:

	Warehouses, office premises and self-operated stores
	RMB'000
At 1 January 2023	6,254
Additions	22,064
Depreciation charge	(1,885)
Early termination	(192)
At 31 December 2023 and 1 January 2024	26,241
Additions	5,668
Depreciation charge	(5,226)
Early termination	(2,100)
Sublease	(2,910)
At 31 December 2024 and 1 January 2025	21,673
Additions	1,599
Depreciation charge	(4,714)
Early termination	(119)
Sublease	(688)
At 31 December 2025 and 1 January 2026	17,751
Depreciation charge	(2,230)
At 31 May 2026	15,521

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the Relevant Periods are as follows:

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	60,603	99,676	109,227	102,594
New leases	54,635	44,559	25,437	3,749
Accretion of interest recognised during the year/period	3,011	4,853	4,027	1,502
Early termination	(227)	(11,263)	(5,818)	(1,940)
Payments	(18,346)	(28,598)	(30,590)	(15,418)
Exchange realignment	–	–	311	(412)
Carrying amount at 31 December/ 31 May	99,676	109,227	102,594	90,075
Analysed into:				
Current portion	17,851	31,264	31,956	32,039
In the second year	19,669	20,128	35,726	28,558
In the third to fifth years, inclusive	49,823	54,305	34,380	29,150
Beyond five years	12,333	3,530	532	328
	99,676	109,227	102,594	90,075

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount at 1 January	6,185	26,161	26,562	22,215
New leases	22,064	5,668	1,599	–
Accretion of interest recognised during the year/period	312	1,106	998	346
Early termination	(216)	(2,105)	(141)	–
Payments	(2,184)	(4,268)	(6,803)	(3,030)
Carrying amount at 31 December/ 31 May	26,161	26,562	22,215	19,531
Analysed into:				
Current portion	3,588	6,098	6,854	6,880
In the second year	5,236	5,947	6,539	6,129
In the third to fifth years, inclusive	15,419	14,517	8,822	6,522
Beyond five years	1,918	–	–	–
	26,161	26,562	22,215	19,531

The maturity analysis of lease liabilities is disclosed in note 38 to the Historical Financial Information.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

Group

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Depreciation expense of right-of-use assets	15,716	27,559	28,746	12,248	13,845
Interest expense on lease liabilities	3,011	4,853	4,027	1,770	1,502
Expense relating to short-term leases	4,498	5,316	6,260	3,432	2,654
(Gain)/loss on early termination	(23)	115	(561)	(87)	18
Total amount recognised in profit or loss	23,202	37,843	38,472	17,363	18,019

(d) The total cash outflows for leases are disclosed in note 33(c) to the Historical Financial Information.

16. FINANCE LEASE RECEIVABLES

The carrying amounts of the Group's and Company's finance lease receivables and the movements during the Relevant Periods are as follows:

	31 December		31 May
	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*
Carrying amount at 1 January	–	2,059	2,602
Additions	2,171	925	–
Accretion of interest recognised during the year/period	19	68	29
Receipts	(131)	(450)	(364)
Carrying amount at 31 December/31 May	2,059	2,602	2,267
Analysed into:			
Current portion	414	834	834
Non-current portion	1,645	1,768	1,433

17. INTANGIBLE ASSETS

Group

	Software
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	3,665
Accumulated amortisation	(849)
Net carrying amount	2,816
At 1 January 2023, net of accumulated amortisation	2,816
Additions	3,036
Amortisation provided during the year	(1,992)
At 31 December 2023, net of accumulated amortisation	3,860
At 31 December 2023:	
Cost	6,701
Accumulated amortisation	(2,841)
Net carrying amount	3,860

	Software
	RMB'000
31 December 2024	
At 1 January 2024:	
Cost	6,701
Accumulated amortisation	(2,841)
Net carrying amount	3,860
At 1 January 2024, net of accumulated amortisation	3,860
Additions	626
Amortisation provided during the year	(1,918)
At 31 December 2024, net of accumulated amortisation	2,568
At 31 December 2024:	
Cost	6,148
Accumulated amortisation	(3,580)
Net carrying amount	2,568

	Total
	RMB'000
31 December 2025	
At 1 January 2025:	
Cost	6,148
Accumulated amortisation	(3,580)
Net carrying amount	2,568
At 1 January 2025, net of accumulated amortisation	2,568
Amortisation provided during the year	(1,330)
At 31 December 2025, net of accumulated amortisation	1,238
At 31 December 2025:	
Cost	6,148
Accumulated amortisation	(4,910)
Net carrying amount	1,238

	Total
	RMB'000
31 May 2026	
At 1 January 2026:	
Cost	6,148
Accumulated amortisation	(4,910)
Net carrying amount	1,238
At 1 January 2026, net of accumulated amortisation	1,238
Amortisation provided during the period	(478)
At 31 May 2026, net of accumulated amortisation	760
At 31 May 2026:	
Cost	6,148
Accumulated amortisation	(5,388)
Net carrying amount	760

Company

	Software
	RMB'000
31 December 2023	
At 1 January 2023:	
Cost	2,486
Accumulated amortisation	(440)
Net carrying amount	2,046
At 1 January 2023, net of accumulated amortisation	2,046
Additions	2,898
Amortisation provided during the year	(1,375)
At 31 December 2023, net of accumulated amortisation	3,569
At 31 December 2023:	
Cost	5,384
Accumulated amortisation	(1,815)
Net carrying amount	3,569

	Software
	RMB'000
31 December 2024	
At 1 January 2024:	
Cost	5,384
Accumulated amortisation	(1,815)
Net carrying amount	3,569
At 1 January 2024, net of accumulated amortisation	3,569
Amortisation provided during the year	(1,591)
At 31 December 2024, net of accumulated amortisation	1,978
At 31 December 2024:	
Cost	5,384
Accumulated amortisation	(3,406)
Net carrying amount	1,978

	Software
	RMB'000
31 December 2025	
At 1 January 2025:	
Cost	5,384
Accumulated amortisation	(3,406)
Net carrying amount	1,978
At 1 January 2025, net of accumulated amortisation	1,978
Amortisation provided during the year	(1,076)
At 31 December 2025, net of accumulated amortisation	902
At 31 December 2025:	
Cost	5,384
Accumulated amortisation	(4,482)
Net carrying amount	902

	Software
	RMB'000
31 May 2026	
At 1 January 2026:	
Cost	5,384
Accumulated amortisation	(4,482)
Net carrying amount	902
At 1 January 2026, net of accumulated amortisation	902
Amortisation provided during the period	(371)
At 31 May 2026, net of accumulated amortisation	531
At 31 May 2026:	
Cost	5,384
Accumulated amortisation	(4,853)
Net carrying amount	531

18. INVESTMENTS IN ASSOCIATES

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	34,677	59,513	69,193	75,833

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the associates' profit for the year/period	1,427	342	7,685	7,128
Share of the associates' total comprehensive income	1,427	342	7,685	7,128
Aggregate carrying amount of the Group's investments in the associates	34,677	59,513	69,193	75,833

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of net assets	4,186	–	–	–

The following table illustrates the aggregate financial information of the Company's associates that are not individually material:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Share of the associates' loss for the year/period	(364)	–	–	–
Share of the associates' total comprehensive loss	(364)	–	–	–
Aggregate carrying amount of the Company' investments in associates	4,186	–	–	–

19. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current portion				
Wealth management products *(i)*	–	–	–	400,260
Non-current Portion				
Unlisted investments, at fair value *(ii)*	2,200	33,256	50,412	74,075
	2,200	33,256	50,412	474,335

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current portion				
Wealth management products *(i)*	–	–	–	390,255

Notes:

(i) The Group and the Company entered into a series of wealth management products with banks in the Chinese mainland. The investment portfolio comprises both principal-guaranteed and non-principal-guaranteed products. During the Relevant Periods, the expected annualised returns on principal-guaranteed products ranged from 0.30% to 1.77%.

(ii) The above unlisted investments were classified as financial assets at fair value through profit or loss, as the Group does not exercise significant influence over these investees.

20. DEFERRED INCOME

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Government grants	–	–	1,227	1,091

The movements in deferred income as at 31 December 2023, 2024 and 2025 and 31 May 2026 are as follows:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	–	–	–	1,227
Grants received during the year/period	–	–	1,378	–
Credited to the statement of profit or loss during the year/period	–	–	(151)	(136)
At the end of year/period	–	–	1,227	1,091

21. DEFERRED TAX

Group

The movements in deferred tax assets as at 31 December 2023, 2024 and 2025 and 31 May 2026 are as follows:

	Impairment provision for financial assets	Impairment provision for inventories	Losses available for offsetting against future taxable profits	Lease liabilities	Unrealised profits arising from intercompany transactions	Deferred income	Impairment provision for Investments in associates	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Gross deferred tax assets at 1 January 2023	10	67	8,848	10,025	–	–	–	18,950
Deferred tax credited/ (charged) to profit or loss during the year	3,772	20	(3,845)	7,151	–	–	–	7,098
Gross deferred tax assets at 31 December 2023	3,782	87	5,003	17,176	–	–	–	26,048
Deferred tax credited/ (charged) to profit or loss during the year	65	1,430	(4,986)	5,826	450	–	–	2,785
Gross deferred tax assets at 31 December 2024	3,847	1,517	17	23,002	450	–	–	28,833
Deferred tax credited/ (charged) to profit or loss during the year	429	(1,457)	1,814	(1,860)	(420)	192	–	(1,302)
Gross deferred tax assets at 31 December 2025	4,276	60	1,831	21,142	30	192	–	27,531
Deferred tax credited/(charged) to profit or loss during the period	676	88	772	(2,234)	335	(21)	473	89
Gross deferred tax assets at 31 May 2026	4,952	148	2,603	18,908	365	171	473	27,620

The movements in deferred tax liabilities as at 31 December 2023, 2024 and 2025 and 31 May 2026 are as follows:

	Right-of-use assets	Fair value adjustments of financial investments at fair value through profit or loss	Finance lease receivables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	10,063	–	–	10,063
Deferred tax charged to profit or loss during the year	7,208	–	–	7,208
Gross deferred tax liabilities at 31 December 2023	17,271	–	–	17,271
Deferred tax charged to profit or loss during the year	4,255	41	515	4,811
Gross deferred tax liabilities at 31 December 2024	21,526	41	515	22,082
Deferred tax (credited)/charged to profit or loss during the year	(1,940)	1,790	136	(14)
Gross deferred tax liabilities at 31 December 2025	19,586	1,831	651	22,068
Deferred tax (credited)/charged to profit or loss during the period	(1,973)	6,230	(84)	4,173
Gross deferred tax liabilities at 31 May 2026	17,613	8,061	567	26,241

As at 31 December 2023, 2024 and 2025 and 31 May 2026, certain subsidiaries of the Group had deductible temporary differences and tax losses of RMB9,312,000, RMB30,788,000, RMB21,940,000 and RMB13,524,000, respectively, that will expire in one to five years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these deductible temporary differences and tax losses as it is not considered probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the consolidated statements of financial position	8,829	6,928	5,528	5,337
Net deferred tax liabilities recognised in the consolidated statements of financial position	52	177	65	3,958

Company

The movements in deferred tax assets as at 31 December 2023, 2024 and 2025 and 31 May 2026 are as follows:

	Impairment provision for financial assets	Impairment provision for inventories	Losses available for offsetting against future taxable profits	Lease liabilities	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Gross deferred tax assets at 1 January 2023	2	–	8,506	1,546	10,054
Deferred tax credited/(charged) to profit or loss during the year	89	–	(3,707)	4,994	1,376
Gross deferred tax assets at 31 December 2023	91	–	4,799	6,540	11,430
Deferred tax credited/(charged) to profit or loss during the year	72	1,270	(4,799)	100	(3,357)
Gross deferred tax assets at 31 December 2024	163	1,270	–	6,640	8,073
Deferred tax credited/(charged) to profit or loss during the year	390	(1,215)	–	(1,086)	(1,911)
Gross deferred tax assets at 31 December 2025	553	55	–	5,554	6,162
Deferred tax (charged)/ credited to profit or loss during the period	(89)	67	–	(671)	(693)
Gross deferred tax assets at 31 May 2026	464	122	–	4,883	5,469

The movements in deferred tax liabilities as at 31 December 2023, 2024 and 2025 and 31 May 2026 are as follows:

	Right-of-use assets	Fair value adjustments of financial investments at fair value through profit or loss	Finance lease receivables	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	1,564	–	–	1,564
Deferred tax charged to profit or loss during the year	4,996	–	–	4,996
Gross deferred tax liabilities at 31 December 2023	6,560	–	–	6,560
Deferred tax (credited)/charged to profit or loss during the year	(1,142)	–	515	(627)
Gross deferred tax liabilities at 31 December 2024	5,418	–	515	5,933
Deferred tax (credited)/charged to profit or loss during the year	(980)	–	136	(844)
Gross deferred tax liabilities at 31 December 2025	4,438	–	651	5,089
Deferred tax (credited)/charged to profit or loss during the period	(558)	314	(84)	(328)
Gross deferred tax liabilities at 31 May 2026	3,880	314	567	4,761

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statements of financial position. The following is an analysis of the deferred tax balances of the Company for financial reporting purposes:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Net deferred tax assets recognised in the statements of financial position	4,870	2,140	1,073	708
Net deferred tax liabilities recognised in the statements of financial position	–	–	–	–

22. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Other receivables from the platform	15,907	20,471	22,653	20,127
Prepayments	17,516	15,208	20,865	45,762
Recoverable value added tax	3,562	32,613	19,922	11,861
Loans to associates and a joint venture	–	1,200	14,265	10,807
Deposits	8,266	2,463	4,472	4,711
Other current assets	2,694	2,921	2,866	3,856
Receivables due from related parties	–	–	3,301	2,328
[**REDACTED**] expense	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
	47,945	74,876	90,031	103,378
Impairment allowance	(15,003)	(15,660)	(15,750)	(18,053)
	32,942	59,216	74,281	85,325

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Non-current:				
Loans to associates	3,500	12,300	–	–
Deposits	6,209	7,338	8,788	8,669
Prepayments for long-term assets	11,154	6,062	16,737	13,972
Total	20,863	25,700	25,525	22,641

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	54	15,003	15,660	15,750
Impairment losses, net	14,949	657	836	2,303
Amount written off as uncollectible	–	–	(746)	–
At end of year/period	15,003	15,660	15,750	18,053

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Recoverable value added tax	141	25,864	12,705	–
Prepayments	1,753	5,936	6,117	7,111
Deposits	6,397	802	1,317	233
Receivables due from subsidiaries	24,000	34,185	–	76,857
Loans to associates	–	–	5,000	5,000
Dividends receivable	30,000	–	–	–
[**REDACTED**] expense	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]	[**REDACTED**]
Other current assets	679	1,889	545	2,282
Receivables due from a joint venture	–	–	201	201
	62,970	68,676	27,572	95,610
Impairment allowance	(358)	(422)	(416)	(125)
Total	62,612	68,254	27,156	95,485
Non-current:				
Loans to associates	3,500	4,000	–	–
Loans to subsidiaries	–	–	8,000	10,000
Deposits	1,560	1,964	2,059	2,033
Prepayments for long-term assets	2	206	11	97
	5,062	6,170	10,070	12,130

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of year/period	9	358	422	416
Impairment losses, net	349	64	740	(291)
Amount written off as uncollectible	–	–	(746)	–
At end of year/period	358	422	416	125

23. INVENTORIES

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	37,863	49,823	58,817	64,422
Raw materials	18,061	22,891	17,177	18,524
Goods in transit	5,569	5,492	12,960	12,396
Impairment allowance	(509)	(6,298)	(589)	(714)
Total	60,984	71,908	88,365	94,628

For the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2026, the impairment of inventories recognised in cost of sales amounted to RMB509,000, RMB6,298,000, RMB589,000 and RMB714,000, respectively.

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Finished goods	–	42,269	40,151	43,478
Raw materials	–	463	–	–
Goods in transit	–	4,663	8,104	8,147
Impairment allowance	–	(5,079)	(219)	(490)
Total	–	42,316	48,036	51,135

24. TRADE RECEIVABLES

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	25,952	50,466	68,339	66,509
Impairment allowance	(167)	(342)	(1,363)	(1,368)
Total	25,785	50,124	66,976	65,141

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. The credit period is generally within two months, extending up to six months for certain customers. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to various diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. The balances of trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the invoice date and net of loss allowance, is as follows:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	17,908	33,237	44,384	42,791
1 to 3 months	7,691	13,508	19,120	13,474
3 to 6 months	11	3,163	2,699	7,554
6 months to 1 year	63	216	731	1,312
Over 1 year	112	–	42	10
Total	25,785	50,124	66,976	65,141

The movements in the loss allowance for impairment of trade receivables are as follows:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	–	167	342	1,363
Impairment losses, net	167	175	1,021	5
Total	167	342	1,363	1,368

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. The Group overall considers the characteristics of common credit risk based on customer categories to measure expected credit losses.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2023	Gross amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables from franchises	21,141	0.76%	161
Trade receivables from e-commerce business	4,811	0.13%	6
Total	25,952		167

As at 31 December 2024	Gross amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables from franchises	42,651	0.78%	332
Trade receivables from e-commerce business	7,815	0.13%	10
Total	50,466		342

As at 31 December 2025	Gross amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables from franchises	52,708	0.75%	395
Trade receivables from e-commerce business	14,682	0.13%	19
Individual assessment	949	100.00%	949
Total	68,339		1,363

As at 31 May 2026	Gross amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables from franchises	54,769	0.78%	427
Trade receivables from e-commerce business	10,813	0.13%	14
Individual assessment	927	100.00%	927
Total	66,509		1,368

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables	17,199	35,990	25,262	19,949
Impairment allowance	(7)	(232)	(1,051)	(985)
Total	17,192	35,758	24,211	18,964

An ageing analysis of the trade receivables as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the invoice date and net of loss allowance, is as follows:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 1 month	17,191	19,706	15,238	13,442
1 to 3 months	1	12,647	6,301	2,475
3 to 6 months	–	3,187	1,917	1,741
6 months to 1 year	–	218	713	1,296
Over 1 year	–	–	42	10
Total	17,192	35,758	24,211	18,964

The movements in the loss allowance for impairment of trade receivables are as follows:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
At beginning of the year/period	–	7	232	1,051
Impairment losses, net	7	225	819	(66)
Total	7	232	1,051	985

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

As at 31 December 2023	Gross amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables from franchise	132	0.76%	1
Trade receivables from e-commerce business	4,541	0.13%	6
Trade receivables from subsidiaries	12,526	–	–
Total	17,199		7

As at 31 December 2024	Gross amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables from franchise	28,590	0.78%	223
Trade receivables from e-commerce business	7,071	0.13%	9
Trade receivables from subsidiaries	329	–	–
Total	35,990		232

As at 31 December 2025	Gross amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables from franchise	17,038	0.75%	128
Trade receivables from e-commerce business	7,141	0.13%	9
Individual assessment	914	100.00%	914
Trade receivables from subsidiaries	169	–	–
Total	25,262		1,051

As at 31 May 2026	Gross amount	Expected credit loss rate	Expected credit losses
	RMB'000		*RMB'000*
Trade receivables from franchise	11,595	0.78%	91
Trade receivables from e-commerce business	6,321	0.13%	8
Individual assessment	886	100.00%	886
Trade receivables from subsidiaries	1,147	–	–
Total	19,949		985

25. CASH AND BANK BALANCES

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	326,551	351,033	1,093,258	701,298
Restricted cash*	–	8,814	15,340	98,703
Time deposits	–	–	–	12,500
Total	326,551	359,847	1,108,598	812,501
Denominated in:				
RMB	326,188	355,280	1,090,644	777,150
HKD	363	1,037	9,365	10,559
USD	–	–	580	1,287
JPY	–	–	–	1,268
MYR	–	–	–	1,224
SGD	–	3,530	8,009	21,013
	326,551	359,847	1,108,598	812,501

The RMB is not freely convertible into other currencies, however, under Regulations on the Foreign Exchange Control of the PRC and the Administrative Regulations on Settlements, Sales and Payments in Foreign Exchange, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

* As at 31 December 2024, the restricted cash comprised: RMB8,814,000 representing prepayments received from individual consumers under the Group's loyalty prepaid program.

* As at 31 December 2025, the restricted cash comprised: RMB11,899,000 representing prepayments received from individual consumers under the Group's loyalty prepaid program; and RMB3,441,000 in cash collateral deposited with banks for the issuance of payment guarantees totaling RMB17,205,000.

* As at 31 May 2026, the restricted cash comprised: RMB65,020,000 representing prepayments received from individual consumers under the Group's loyalty prepaid program; RMB3,683,000 in cash collateral deposited with banks for the issuance of payment guarantees totaling RMB18,415,000; and RMB30,000,000 restricted for the purchase of wealth management products.

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	80,440	264,828	754,029	307,405
Restricted cash	–	8,814	11,240	95,020
Time deposits	–	–	–	12,500
	80,440	273,642	765,269	414,925
Denominated in:				
RMB	80,077	272,605	763,788	413,289
HKD	363	1,037	1,481	1,636
Total	80,440	273,642	765,269	414,925

26. TRADE PAYABLES

An ageing analysis of the trade payables as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the invoice date, is as follows:

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 6 months	63,354	90,762	130,038	118,631

Trade payables are non-interest-bearing and normally settled on terms of up to 6 months.

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Within 6 months	1,163	75,003	94,958	96,001

27. INTEREST-BEARING BANK BORROWINGS

Group

	31 December									31 May		
	2023			2024			2025			2026		
	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000
Current												
Bank loans – unsecured	–	–	–	2.70%	2025	75,530	2.20%-2.50%	2026	110,074	1.45%-2.2%	2026-2027	71,949
Bank loans – secured *(notes (i), (ii), (iii))*	3.20%	2024	40,025	2.70%	2025	19,810	2.65%-2.75%	2026	41	2.65%-2.75%	2026	465
Subtotal			40,025			95,340			110,115			72,414
Non-current												
Bank loans – secured *(notes (ii), (iii))*	–	–	–	–	–	–	2.65%-2.75%	2035	50,205	2.65%-2.75%	2035	87,314
Total			40,025			95,340			160,320			159,728

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Analysed into:				
Bank loans:				
Within one year	40,025	95,340	110,115	72,414
In the second year	–	–	2,510	4,366
In the third to fifth years, inclusive	–	–	12,551	21,829
Beyond five years	–	–	35,144	61,119
Total	40,025	95,340	160,320	159,728

Company

	31 December									31 May		
	2023			2024			2025			2026		
	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000	Effective interest rate	Maturity	RMB'000
Current												
Bank loans – unsecured	–	–	–	2.70%	2025	75,530	2.49%-2.50%	2026	100,068	1.45%	2027	61,944
Bank loans – secured *(note (i))*	3.20%	2024	40,025	2.70%	2025	9,801	–	–	–	–	–	–
Total			40,025			85,331			100,068			61,944

Notes:

(i) As at 31 December 2023, certain of the bank loans of the Company amounting to RMB40,000,000 were secured by Mr. Yuan Lianghong, the chairman of the Company and Ms. Yang Yu, a former director of the Company.

As at 31 December 2024, certain of the bank loans of the Group amounting to RMB19,800,000 were secured by Mr. Yuan Lianghong, the chairman of the Company and Ms. Yang Yu, a former director of the Company.

(ii) As at 31 December 2025, certain of the bank loans of the Group amounting to RMB50,246,000 were secured by certain right-of-use assets with a carrying amount of RMB107,814,000.

As at 31 May 2026, certain of the bank loans of the Group amounting to RMB87,779,000 were secured by certain right-of-use assets with a carrying amounts of RMB106,886,000.

(iii) Pursuant to the contractual requirements, the bank will reassess the repayment plan if the asset-liability ratio of the Company exceeds 100%. As at 31 May 2026, the Company has complied with this agreement.

28. OTHER PAYABLES AND ACCRUALS

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Payroll and welfare payable	36,987	25,668	52,848	36,192
Accruals and other payables	9,867	9,596	39,339	29,246
Prepayment received for prepaid cards	–	8,232	11,307	64,697
Investment consideration payables	14,000	7,000	13,212	13,331
Other tax payable	12,260	5,973	13,798	19,855
Deposits payable	69,307	86,852	92,797	99,483
Total	142,421	143,321	223,301	262,804

Other payables are unsecured and non-interest-bearing.

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Payroll and welfare payable	22,938	14,930	31,042	20,944
Accruals and other payables	2,279	3,587	15,623	5,996
Prepayment received for prepaid cards	–	8,232	11,307	64,697
Other tax payable	2,569	5,041	5,980	5,856
Deposits payable	68,658	83,656	13,035	94,480
Total	96,444	115,446	76,987	191,973

29. CONTRACT LIABILITIES

Group

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Sale of goods	29,256	31,015	49,137	44,312
Provision of franchise and related services	35,289	43,110	38,861	27,847
	64,545	74,125	87,998	72,159
Non-current:				
Provision of franchise and related services	31,393	33,683	11,174	5,334

Company

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Current:				
Sale of goods	–	31,816	49,213	44,693
From third parties	–	30,227	47,933	44,007
From subsidiaries	–	1,589	1,280	686
Provision of franchise and related services	35,289	43,110	38,861	27,847
	35,289	74,926	88,074	72,540
Non-current:				
Provision of franchise and related services	31,393	33,683	11,174	5,334

Contract liabilities of the Group mainly arise from the advance payments received from customers for goods and deferred upfront services fees.

30. PAID-IN CAPITAL AND SHARE CAPITAL

A summary of movements in the Company's paid-in capital and share capital during the Relevant Periods are as follows:

	Paid-in capital	Share capital
	RMB'000	*RMB'000*
At 1 January 2023	90,400	–
Capital injection *(note (i))*	11,123	–
At 31 December 2023 and at 31 December 2024	101,523	–
Conversion into a joint stock company *(note (ii))*	(101,523)	101,523
Issuance of shares *(note (iii))*	–	15,872
At 31 December 2025 and 31 May 2026	–	117,395

Notes:

(i) In June 2023, capital of RMB39,600,000 was injected into the Company by investors with approximately RMB11,123,000 and RMB28,477,000 credited to the Company's paid-in capital and capital reserve, respectively.

(ii) In June 2025, the Company was converted into a joint stock company with limited liability under the Company Law of the PRC. As of the conversion date, the net assets of the Company, including paid-in capital, capital reserve, statutory reserve, equity-settled share-based payment reserve and retained profits, amounting to approximately RMB388,852,000, were converted into 101,523,000 ordinary shares of RMB1.00 each.

(iii) From August to December 2025, the Company entered into share subscription agreements with the investors. According to the agreement, the investors agreed to invest in the Company by subscribing for 15,872,000 shares at a total consideration of RMB430,000,000.

Pursuant to the shareholders' agreement (the "Agreements") entered into on 6 June 2023, the Company issued 1,522,843 ordinary shares to Xiamen Black Ant No. 3 Equity Investment Partnership Enterprise (Limited Partnership) (the "Series A Pre-[**REDACTED**] Investor") at RMB19.70 per share for net cash proceeds of approximately RMB30,000,000 (the "Series A Pre-[**REDACTED**] Investment"), and the Series A Pre-[**REDACTED**] Investor was granted by the Company with redemption rights.

In anticipation of the [**REDACTED**], the redemption rights have been irrecoverably terminated and shall be void ab initio.

Pursuant to the shareholders' agreement (the "Supplemental Agreement") entered into on 6 June 2023, if any redemption events occur in respect of the specified company, the investor shall have the right to require the Company, the controlling shareholders, or the de facto controller (collectively, the "Repurchase Obligors") to repurchase their equity interests.

As agreed by all parties through negotiation, pursuant to the Supplemental Agreement, the provisions in the Supplemental Agreement regarding the Company's obligation to redeem shares are deemed void ab initio (i.e, null and void on 28 February, 2025, the base date of the Company's conversion into a joint stock company). At the same time, it is stipulated that the redemption obligation of the Company shall not be reinstated.

Taking into account the legal and regulatory framework of the Company's jurisdiction and the governing law of the Supplemental Agreement, the directors considered that it is appropriate to present the Series A Pre-[**REDACTED**] Investment as equity throughout the Relevant Periods.

Had the redemption rights granted by the Company to the Series A Pre-[**REDACTED**] Investor been accounted for as financial liabilities measured at present value of the redemption amount before the Company's application for share reform on 28 February 2025 (the date which the Company determined the audit base date), (i) the redemption financial liabilities, total current liabilities, net current assets and net assets would have been, and (ii) the finance costs associated with the redemption financial liabilities, the net profit attributable to owners of the parent for the Relevant Periods and the five months ended 31 May 2025, and basic and diluted earnings per share would have been:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Redemption financial liabilities	31,220	33,811	–	–
Total current liabilities	380,287	491,471	–	–
Net current assets	65,975	50,038	–	–
Net assets	224,794	407,226	–	–

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Finance costs associated with the redemption financial liabilities	1,220	2,591	452	452	–
Total net profit attributable to owners of the parent	166,010	141,635	197,833	56,553	–
Basic and diluted earnings per share	1.73	1.40	1.90	0.56	–

31. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity in the Historical Financial Information.

(a) Statutory reserve

In accordance with the Company Law of the PRC, companies registered in the PRC are required to allocate 10% of the statutory after tax profits to the statutory reserve until the cumulative total of the reserve reaches 50% of the companies' registered capital. Subject to approval from the relevant PRC authorities, the statutory reserve may be used to offset any accumulated losses or increase the registered capital of the companies. The statutory reserve is not available for dividend distribution to equity holders of the PRC subsidiaries.

(b) Capital reserve

The capital reserve of the Group represents the excess of capital contributions from the equity holders of the Company over the paid-in capital and share capital, the difference between the consideration paid for business combinations under common control and the share of the net assets at book value in the consolidated financial statements of the ultimate controlling party, and the gains arising from capital increases in associates by other investors and distribution to non-controlling interests on liquidation of subsidiaries.

(c) Equity-settled share-based payment reserve

The equity settled share-based payment reserve represents the equity-settled share awards as set out in note 32 to the Historical Financial Information.

(d) Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the financial information of entities of which the functional currency is not RMB.

(e) The Company

Year ended 31 December 2023

	Capital reserve	Statutory reserve	Equity-settled share-based payment reserve	Accumulated losses	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2023	–	–	21,449	(88,705)	(67,256)
Profit and total comprehensive income for the year	–	–	–	57,026	57,026
Capital injection	28,477	–	–	–	28,477
Equity-settled share-based payment arrangements	–	–	11,446	–	11,446
At 31 December 2023	28,477	–	32,895	(31,679)	29,693

Year ended 31 December 2024

	Capital reserve	Statutory reserve	Equity-settled share-based payment reserve	(Accumulated losses)/ Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2024	28,477	–	32,895	(31,679)	29,693
Profit and total comprehensive income for the year	–	–	–	207,501	207,501
Equity-settled share-based payment arrangements	–	–	38,088	–	38,088
Transfer from retained profits	–	17,582	–	(17,582)	–
At 31 December 2024	28,477	17,582	70,983	158,240	275,282

Year ended 31 December 2025

	Capital reserve	Statutory reserve	Equity-settled share-based payment reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2025	28,477	17,582	70,983	158,240	275,282
Profit and total comprehensive income for the year	–	–	–	74,421	74,421
Conversion into a joint stock company	287,329	(17,582)	(55,080)	(214,667)	–
Issuance of shares	414,128	–	–	–	414,128
Equity-settled share-based payment arrangements	–	–	56,520	–	56,520
Transfer from retained profits	–	7,442	–	(7,442)	–
At 31 December 2025	729,934	7,442	72,423	10,552	820,351

Five months ended 31 May 2026

	Capital reserve	Statutory reserve	Equity-settled share-based payment reserve	Retained profits	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2026	729,934	7,442	72,423	10,552	820,351
Profit and total comprehensive income for the period	–	–	–	67,121	67,121
Equity-settled share-based payment arrangements	–	–	17,357	–	17,357
At 31 May 2026	729,934	7,442	89,780	77,673	904,829

32. SHARE-BASED PAYMENT

From 2023 to 2025, the Company and the founder of the Company signed restricted share agreements (the "RS agreements") with certain employees of the Group.

RSs granted shall be vested after the completion of the successful [**REDACTED**] of the Company.

The following equity-settled share-based payments were outstanding during the Relevant Periods:

	Number of restricted shares
At 1 January 2023	–
Granted	6,750,914
At 31 December 2023	6,750,914
At 1 January 2024	6,750,914
Granted	101,523
Forfeited	(680,203)
At 31 December 2024	6,172,234
At 1 January 2025	6,172,234
Granted	253,806
Forfeited	(314,721)
At 31 December 2025 and 31 May 2026	6,111,319

The fair value of equity-settled share-based payment granted was estimated as at the date of grant using the recent transaction price, taking into account the terms and conditions upon which the shares were granted. Under the RS agreements, the Group recognised share-based payment expenses of RMB1,241,000, RMB37,244,000, RMB35,242,000, RMB12,894,000 (unaudited) and RMB17,357,000 for the years ended 31 December 2023, and 2024 and 2025 and the five months ended 31 May 2025 and 2026, respectively.

In addition to the share-based payment expenses recognised based on the RS Agreements mentioned above, the Group also incurred one-time share-based payment expenses due to the transfer of shares at a price lower than the fair value on the transfer date, which were not subject to any vesting conditions. The Group recognised share-based payment expenses of RMB10,205,000, RMB844,000, RMB21,278,000, nil (unaudited) and nil for the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026, respectively.

33. NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Major non-cash transaction

During the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB54,635,000, RMB44,559,000, RMB25,437,000, RMB5,249,000 (unaudited) and RMB3,749,000 respectively, in respect of lease agreements.

During the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, the Group subleased certain of its right-of-use assets to third parties which were classified as finance leases. During the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, the Group derecognised the right-of-use assets in the amounts of RMB2,910,000, RMB688,000, RMB472,000 (unaudited) and RMB394,000, respectively, and recognised the net investment in the sublease in the amounts of RMB2,171,000, RMB925,000, RMB760,000 (unaudited) and nil during the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, respectively. The Group recognised gains on the sublease of RMB237,000 and RMB288,000 for the year ended 31 December 2025 and the five months ended 31 May 2025, respectively, and a loss of RMB739,000 for the year ended 31 December 2024.

(b) Changes in liabilities arising from financing activities

	Dividends paid in other payables and accruals	Interest-bearing bank borrowings	Lease liabilities
	RMB'000	*RMB'000*	*RMB'000*
At 1 January 2023	513	8,574	60,603
Changes from financing cash flows	–	30,280	(18,346)
Dividends declared	483	–	–
New leases	–	–	54,635
Interest expense	–	1,171	3,011
Derecognised upon early termination of leases	–	–	(227)
At 31 December 2023 and 1 January 2024	996	40,025	99,676
Changes from financing cash flows	(600)	53,390	(28,598)
Dividends declared	460	–	–
New leases	–	–	44,559
Interest expense	–	1,925	4,853
Derecognised upon early termination of leases	–	–	(11,263)
At 31 December 2024 and 1 January 2025	856	95,340	109,227
Changes from financing cash flows	(1,080)	60,672	(30,590)
Dividends declared	224	–	–
New leases	–	–	25,437
Interest expense	–	4,308	4,027
Derecognised upon early termination of leases	–	–	(5,818)
Exchange realignment	–	–	311
At 31 December 2025 and 1 January 2026	–	160,320	102,594
At 1 January 2025	856	95,340	109,227
Changes from financing cash flows (unaudited)	–	204,095	(13,987)
Dividends declared (unaudited)	85	–	–
New leases (unaudited)	–	–	5,249
Interest expense (unaudited)	–	1,881	1,770
Derecognised upon early termination of leases (unaudited)	–	–	(577)
Exchange realignment (unaudited)	–	–	271
At 31 May 2025 (unaudited)	941	301,316	101,953
At 1 January 2026	–	160,320	102,594
Changes from financing cash flows	–	(2,247)	(15,418)
New leases	–	–	3,749
Interest expense	–	1,655	1,502
Derecognised upon early termination of leases	–	–	(1,940)
Exchange realignment	–	–	(412)
At 31 May 2026	–	159,728	90,075

(c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statements of cash flows are as follows:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Within operating activities	4,498	5,316	6,260	3,432	2,654
Within investing activities	–	111,250	90	–	–
Within financing activities	18,346	28,598	30,590	13,987	15,418
Total	22,844	145,164	36,940	17,419	18,072

34. COMMITMENTS

The Group had the following capital commitments at the end of each of the Relevant Periods:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Contracted, but not provided for purchase of property, plant and equipment	3,997	2,303	143,137	125,513

35. RELATED PARTY TRANSACTIONS

(a) Related parties for the years ended 31 December 2023, 2024 and 2025 and the five months ended 31 May 2025 and 2026 were as follows:

Name	Relationship	Referred to as
Hunan Hufeng Food Co., Ltd.	Associate	Hunan Hufeng
Guangdong Zhongyuan Packaging Industrial Co., Ltd.	Associate	Guangdong Zhongyuan
Shanghai Zhangfuyuan Big Bowl Noodle Catering Management Co., Ltd.	Associate	Shanghai Zhangfuyuan
Hangzhou Zhangfuyuan Big Bowl Noodles Catering Management Co., Ltd.	Entity controlled by an associate	Shanghai Zhangfuyuan
Suzhou Zhangfuyuan Supply Chain Management Co., Ltd.	Entity controlled by an associate	Shanghai Zhangfuyuan
Guangzhou Ayuan Catering Management Co., Ltd.	Associate	Guangzhou Ayuan
Guangzhou Huto Culture Communication Co., Ltd.	Associate	Guangzhou Huto
Guangdong Xiecheng Noodles Food Co., Ltd.	Associate	Guangdong Xiecheng
Xiamen Miantoushi Brand Management Co., Ltd.	Associate	Xiamen Miantoushi
Xiamen Miantoushi Catering Management Co., Ltd.	Entity controlled by an associate	Xiamen Miantoushi
Miantoushi Catering Management (Quanzhou) Co., Ltd.	Entity controlled by an associate	Xiamen Miantoushi
Zhaoqing City Dinghu Dadi Soy Sauce Food Co., Ltd.	Associate	Zhaoqing City Dinghu
Guangzhou Xinyong Food Co., Ltd.	Entity controlled by an associate	Zhaoqing City Dinghu
Guangzhou Yongtai Seasoning Co., Ltd.	Entity controlled by an associate	Zhaoqing City Dinghu
Guangdong Yuan Xiao Jiao Supply Chain Management Co., Ltd.	Associate	Guangdong Yuan Xiao Jiao
Hunan Yuan Xiao Jiao Food Group Co., Ltd.	Associate	Hunan Yuan Xiao Jiao
Foshan Yuanliang Food Co., Ltd.	Entity controlled by an associate	Hunan Yuan Xiao Jiao
Hunan Yuan Xiaojiao Brand Operation Management Co., Ltd.	Entity controlled by an associate	Hunan Yuan Xiao Jiao
Guangdong Yuan Xiaojiao Brand Operation Management Co., Ltd.	Entity controlled by an associate	Hunan Yuan Xiao Jiao
Changsha Yuandongli E-commerce Co., Ltd.	Entity controlled by an associate	Hunan Yuan Xiao Jiao
Changsha Fenfu Catering Service Co., Ltd.	Associate	Changsha Fenfu
Changsha Liu Fuquan Catering Management Co., Ltd.	Entity controlled by an associate	Changsha Fenfu
Yuan Lianghong	Executive director	Yuan Lianghong
Guangdong Miyuan Enterprise Management Co., Ltd.	Entity controlled by a close family member of an executive director	Guangdong Miyuan
Foshan Fanlaizhiwei Seasoning Food Co., Ltd.	Entity with significant influence from a close family member of an executive director	Foshan Fanlaizhiwei

Name	Relationship	Referred to as
Guangdong Huifengyuan Food Co., Ltd.	Entity with significant influence from a close family member of an executive director	Guangdong Huifengyuan
Shenzhen Left-Right Color Advertising Planning Co., Ltd.	Entity with significant influence from a close family member of an executive director	Shenzhen Left-Right Color
Guangdong Chuwei Engineering Services Co., Ltd.	Entity with significant influence from a close family member of an executive director	Guangdong Chuwei
Shenzhen Tebiezhengjing Culture Communication	Entity with significant influence from a close family member of an executive director	Shenzhen Tebiezhengjing
Foshan Heshun Food Engineering Co., Ltd.	Entity with significant influence from a close family member of an executive director	Foshan Heshun
Yuen Kee Dumplings (Thailand) CO.LTD	Joint Venture	YK Thailand

(b) Transactions with related parties:

The Group had the following material transactions with related parties during the Relevant Periods and the five months ended 31 May 2025:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Sale of goods to					
Shanghai Zhangfuyuan	–	859	3,646	1,680	865
Hunan Yuan Xiao Jiao	–	–	11,491	3,082	516
Zhaoqing City Dinghu	–	–	–	–	259
	–	859	15,137	4,762	1,640
Purchase of products and services from					
Guangdong Zhongyuan	315	23,577	68,562	16,352	31,221
Zhaoqing City Dinghu	–	812	4,251	3,212	4,215
Guangzhou Huto	–	-	351	96	435
Guangdong Xiecheng	–	73	350	218	89
Foshan Fanlaizhiwei	18,241	28,920	27,716	10,562	10,839
Guangdong Huifengyuan	–	25	7,086	20	5,240
Guangdong Chuwei	16,185	19,681	11,347	4,526	5,255
Foshan Heshun	3,834	1,934	4,970	1,056	486
Hunan Hufeng	367	11,316	21,794	7,246	24,255
Shenzhen Left-Right Color	589	1,835	5,362	1,082	1,812
Shenzhen Tebiezhengjing	2,494	2,578	1,580	461	1,085
	42,025	90,751	153,369	44,831	84,932
Loans to					
Hunan Hufeng	3,500	6,500	–	–	–
Shanghai Zhangfuyuan	–	2,000	–	–	–
Guangzhou Ayuan	–	1,500	–	–	–
YK Thailand	–	–	2,115	–	562
	3,500	10,000	2,115	–	562
Repayments of loans by					
Hunan Hufeng	–	–	1,000	–	4,000
Shanghai Zhangfuyuan	–	–	200	–	–
Guangzhou Ayuan	–	–	150	–	–
	–	–	1,350	–	4,000

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Interest income from					
Hunan Hufeng	34	239	342	63	98
Shanghai Zhangfuyuan	–	36	68	17	25
Guangzhou Ayuan	–	14	51	13	19
YK Thailand	–	–	–	–	25
	34	289	461	93	167
Advances to					
YK Thailand	–	–	3,281	–	–
Repayment of advances					
YK Thailand	–	–	–	–	1,042

(c) Outstanding balances with related parties:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables (trade)				
Guangzhou Ayuan	–	–	17	38
Zhaoqing City Dinghu	–	–	64	69
Hunan Hufeng	–	–	1,065	394
Hunan Yuan Xiao Jiao	–	–	24	8
Shanghai Zhangfuyuan	–	4	713	418
Impairment allowance	–	–	(14)	(7)
	–	4	1,869	920
Prepayments, other receivables and other assets				
Prepayments (trade)				
Hunan Hufeng	115	–	1,535	1,535
Xiamen Miantoushi	–	–	61	42
Foshan Heshun	253	1,240	2,927	1,976
Shenzhen Tebiezhengjing	36	80	–	105
Guangzhou Huto	–	–	131	306
	404	1,320	4,654	3,964
Other receivables (trade)				
Guangdong Huifengyuan	–	–	–	20
Shanghai Zhangfuyuan	–	–	–	216
Impairment allowance	–	–	–	(2)
	–	–	–	234
Other receivables (non-trade)				
Hunan Hufeng	3,500	10,000	9,000	5,040
Shanghai Zhangfuyuan	–	2,000	1,800	1,826
Guangzhou Ayuan	–	1,500	1,350	1,370
YK Thailand	–	–	5,396	4,663
Guangdong Huifengyuan	–	–	20	–
Impairment allowance	(197)	(765)	(813)	(3,180)
	3,303	12,735	16,753	9,719

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables (trade)				
Guangdong Zhongyuan	295	2,254	8,996	5,418
Zhaoqing City Dinghu	–	812	853	968
Hunan Hufeng	–	1,880	3,128	2,342
Guangdong Xiecheng	–	55	25	13
Guangdong Chuwei	–	1,242	779	253
Foshan Fanlaizhiwei	2,290	2,153	2,564	2,274
Guangdong Huifengyuan	–	–	1,408	933
	2,585	8,396	17,753	12,201
Other payables and accruals (trade)				
Shenzhen Left-Right Color	–	–	–	100
Foshan Heshun	–	–	–	99
Shenzhen Tebiezhengjing	–	–	–	320
	–	–	–	519
Other payables and accruals (non-trade)				
Hunan Hufeng	50	–	–	–
Hunan Yuan Xiao Jiao	7,000	–	–	–
Guangdong Yuan Xiao Jiao	7,000	7,000	7,000	7,000
YK Thailand	–	–	212	331
Shenzhen Left-Right Color	102	–	100	–
Foshan Heshun	22	67	154	–
Shenzhen Tebiezhengjing	–	62	455	–
Yuan Lianghong	996	856	–	–
	15,170	7,985	7,921	7,331

Amounts due from and due to related parties were unsecured, interest-free and repayable within 30 days, except for the loans to associates and a joint ventures, amounting to RMB3,500,000, RMB13,500,000, RMB14,265,000 and RMB10,807,000 as at 31 December 2023, 2024 and 2025 and 31 May 2026, respectively, with interest rates ranging from 3% to 3.45%.

The Group expects to settle these amounts due from or due to related parties of non-trade nature prior to the [**REDACTED**].

(d) Compensation of key management personnel of the Group:

	Year ended 31 December			Five months ended 31 May	
	2023	2024	2025	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000 (unaudited)*	*RMB'000*
Salaries, bonuses, allowances and benefits in kind	5,149	8,961	12,988	4,980	5,800
Pension scheme contributions	88	166	177	73	55
Equity-settled share-based payment	147	5,141	9,882	3,618	4,088
	5,384	14,268	23,047	8,671	9,943

Further details of directors' and supervisor's emoluments are included in note 9 to the Historical Financial Information.

(e) As disclosed in note 27 to the Historical Financial Information, the Group's bank loans of RMB40,000,000, RMB19,800,000, nil and nil were guaranteed by the Chairman and the former director of the Company as at 31 December 2023, 2024, and 2025 and 31 May 2026, respectively.

(f) Pursuant to the shareholders' agreement entered in September 2025 and December 2025, the Company issued ordinary shares to Series B and Series B+ investors (the "Pre-[**REDACTED**] Investors"), and the Pre-[**REDACTED**] Investors including Series A Pre-[**REDACTED**] Investor were granted redemption rights by Mr. Yuan Lianghong and Guangdong Yuen Kee Investment Co., Ltd. ("Yuen Kee Investment") which is controlled by Mr. Yuan Lianghong. The Company has not provided any form of guarantees in connection with any potential failure of the Mr. Yuan Lianghong and Yuen Kee Investment to fulfil their obligations relating to the redemption rights granted by Mr. Yuan Lianghong and Yuen Kee Investment. Accordingly, considering that the Company is not a party to the agreement, no financial liabilities regarding redemption rights granted by the Mr. Yuan Lianghong and Yuen Kee Investment were recorded by the Company during the Relevant Periods.

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2023, 2024 and 2025 and 31 May 2026 are as follows:

31 December 2023

Financial assets	Financial investments at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	–	326,551	326,551
Financial investments at fair value through profit or loss	2,200	–	2,200
Trade receivables	–	25,785	25,785
Financial assets included in prepayments, other receivables and other assets	–	21,573	21,573
	2,200	373,909	376,109

Financial liabilities	Financial liabilities at amortised cost
	RMB'000
Trade payables	63,354
Interest-bearing bank borrowings	40,025
Financial liabilities included in other payables and accruals	83,307
Lease liabilities	99,676
	286,362

31 December 2024

Financial assets	Financial investments at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	–	359,847	359,847
Finance lease receivables	–	2,059	2,059
Financial investments at fair value through profit or loss	33,256	–	33,256
Trade receivables	–	50,124	50,124
Financial assets included in prepayments, other receivables and other assets	–	31,033	31,033
	33,256	443,063	476,319

Financial liabilities	Financial liabilities at amortised cost
	RMB'000
Trade payables	90,762
Interest-bearing bank borrowings	95,340
Financial liabilities included in other payables and accruals	102,084
Lease liabilities	109,227
	397,413

31 December 2025

Financial assets	Financial investments at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	–	1,108,598	1,108,598
Finance lease receivables	–	2,602	2,602
Financial investments at fair value through profit or loss	50,412	–	50,412
Trade receivables	–	66,976	66,976
Financial assets included in prepayments, other receivables and other assets	–	40,595	40,595
	50,412	1,218,771	1,269,183

Financial liabilities	Financial liabilities at amortised cost
	RMB'000
Trade payables	130,038
Interest-bearing bank borrowings	160,320
Financial liabilities included in other payables and accruals	117,316
Lease liabilities	102,594
	510,268

31 May 2026

Financial assets	Financial investments at fair value through profit or loss	Financial assets at amortised cost	Total
	RMB'000	*RMB'000*	*RMB'000*
Cash and bank balances	–	812,501	812,501
Finance lease receivables	–	2,267	2,267
Financial investments at fair value through profit or loss	474,335	–	474,335
Trade receivables	–	65,141	65,141
Financial assets included in prepayments, other receivables and other assets	–	32,445	32,445
	474,335	912,354	1,386,689

Financial liabilities	Financial liabilities at amortised cost
	RMB'000
Trade payables	118,631
Interest-bearing bank borrowings	159,728
Financial liabilities included in other payables and accruals	177,511
Lease liabilities	90,075
	545,945

For details of the Pre-[**REDACTED**] Investment, please refer to note 30 to the Historical Financial Information.

37. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, restricted cash, trade receivables, current portion of financial assets included in prepayments, other receivables and other assets, the current portion of interest-bearing bank borrowings, trade payables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance centre is responsible for determining the policies and procedures for the fair value management of financial instruments. The finance centre reports directly to the chief financial officer and the board of directors. At each reporting date, the finance centre analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the board of directors for annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair value of the non-current portion of Interest-bearing bank borrowings, prepayments, other receivables and other assets has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. Its fair value approximates to its carrying amount.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value

	Fair value measurement using			
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs	
	(Level 1)	(Level 2)	(Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
As at 31 December 2023				
Financial investments at fair value through profit or loss	–	–	2,200	2,200
As at 31 December 2024				
Financial investments at fair value through profit or loss	–	–	33,256	33,256
As at 31 December 2025				
Financial investments at fair value through profit or loss	–	–	50,412	50,412
As at 31 May 2026				
Financial investments at fair value through profit or loss	–	400,260	74,075	474,335

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers out of Level 3 for financial assets.

For level 3 fair value measurements, the Group normally engages external valuation experts with the recognised professional qualifications and experience to perform the valuations. Below is a summary of the valuation techniques used and the key inputs to the valuation of financial investments at fair value through profit or loss:

As at 31 December 2023	Valuation techniques	Significant unobservable inputs	Range or weighted average	Sensitivity of fair value to the input
Unlisted equity investments	Recent transaction price	Recent transaction price	N/A	N/A

As at 31 December 2024	Valuation techniques	Significant unobservable inputs	Range or weighted average	Sensitivity of fair value to the input
Unlisted equity investments	Discounted cash flows	Discount rate	8%	1% increase/decrease in multiple would result in decrease/ increase in fair value by RMB228,250/ RMB242,990
	Recent transaction price	Recent transaction price	N/A	N/A

As at 31 December 2025	Valuation technique	Significant unobservable input	Range or weighted average	Sensitivity of fair value to the input
Unlisted equity investments	Market approach	Average P/E multiple of peers	12.93	1% increase/decrease in multiple would result in increase/decrease in fair value by RMB340,000
	Recent transaction price	Recent transaction price	N/A	N/A

As at 31 May 2026	Valuation technique	Significant unobservable input	Range or weighted average	Sensitivity of fair value to the input
Unlisted equity investments	Market approach	Average P/E multiple of peers	13.64	1% increase/decrease in multiple would result in increase/decrease in fair value by RMB522,960
	Market approach	Average P/E multiple of peers	20.75	1% increase/decrease in multiple would result in increase/decrease in fair value by RMB217,790

The movements in fair value measurements within Level 3 during the year/period are as follows:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Financial investments at fair value through profit or loss				
At the beginning of year/period	–	2,200	33,256	50,412
Purchases	2,200	30,890	10,000	–
Total gains recognised in the statement of profit or loss included in other income	–	166	7,156	23,663
At 31 December/31 May	2,200	33,256	50,412	74,075

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise financial investments at fair value through profit or loss, cash and cash equivalents and interest-bearing bank borrowings. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The management of the Company reviews and agrees policies for managing each of these risks and they are summarised below.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the management of the Company considers that the Group's exposure to bad debts is not significant.

Maximum exposure and staging as at 31 December 2023, 2024 and 2025 and 31 May 2026

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and staging classification as at 31 December 2023, 2024 and 2025 and 31 May 2026. The amounts presented are gross carrying amounts for financial assets.

	12-month ECLs	Lifetime ECLs		
31 December 2023	**Stage 1**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	25,952	25,952
Financial assets included in prepayments, other receivables and other assets				
– Normal**	21,931	–	–	21,931
– Doubtful**	–	14,645	–	14,645
Cash and bank balances				
– Not yet past due	326,551	–	–	326,551
	348,482	14,645	25,952	389,079

	12-month ECLs	Lifetime ECLs		
31 December 2024	**Stage 1**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	50,466	50,466
Finance lease receivables				
– Normal**	2,876	–	–	2,876
Financial assets included in prepayments, other receivables and other assets				
– Normal**	26,711	–	–	26,711
– Doubtful**	–	19,982	–	19,982
Cash and bank balances				
– Not yet past due	359,847	–	–	359,847
	389,434	19,982	50,466	459,882

	12-month ECLs	Lifetime ECLs		
31 December 2025	**Stage 1**	**Stage 3**	**Simplified approach**	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	68,339	68,339
Finance lease receivables				
– Normal**	3,300	–	–	3,300
Financial assets included in prepayments, other receivables and other assets				
– Normal**	41,622	–	–	41,622
– Doubtful**	–	14,723	–	14,723
Cash and bank balances				
– Not yet past due	1,108,598	–	–	1,108,598
	1,153,520	14,723	68,339	1,236,582

	12-month ECLs	Lifetime ECLs		
31 May 2026	Stage 1	Stage 3	Simplified approach	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade receivables*	–	–	66,509	66,509
Finance lease receivables				
– Normal**	3,297	–	–	3,297
Financial assets included in prepayments, other receivables and other assets				
– Normal**	35,775	–	–	35,775
– Doubtful**	–	14,723	–	14,723
Cash and bank balances				
– Not yet past due	812,501	–	–	812,501
	851,573	14,723	66,509	932,805

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 24 to the Historical Financial Information.

** The credit quality of the financial assets included in prepayments, other receivables and other assets is considered to be "normal" when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be "doubtful".

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalent deemed adequate by management of the Group to finance the operations and mitigate the effects of fluctuations of cash flows.

The maturity profile of the Group's financial liabilities as at 31 December 2023, 2024 and 2025 and 31 May 2026, based on the contractual undiscounted payments, is as follows:

31 December 2023	Less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	63,354	–	–	63,354
Financial liabilities included in other payables and accruals	83,307	–	–	83,307
Lease liabilities	22,037	77,160	12,747	111,944
Interest-bearing bank borrowings	40,703	–	–	40,703
	209,401	77,160	12,747	299,308

31 December 2024	Less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	90,762	–	–	90,762
Financial liabilities included in other payables and accruals	102,084	–	–	102,084
Lease liabilities	34,778	80,641	3,635	119,054
Interest-bearing bank borrowings	95,859	–	–	95,859
	323,483	80,641	3,635	407,759

31 December 2025	Less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	130,038	–	–	130,038
Financial liabilities included in other payables and accruals	117,316	–	–	117,316
Lease liabilities	35,109	73,830	544	109,483
Interest-bearing bank borrowings	112,259	19,961	37,534	169,754
	394,722	93,791	38,078	526,591

31 May 2026	Less than 12 months	1 to 5 years	Over 5 years	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Trade payables	118,631	–	–	118,631
Financial liabilities included in other payables and accruals	177,511	–	–	177,511
Lease liabilities	34,921	60,455	334	95,710
Interest-bearing bank borrowings	75,251	34,505	65,017	174,773
	406,314	94,960	65,351	566,625

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise equity holders' value.

The Group regards paid-in capital, share capital, capital reserve and all other equity reserves as its capital and manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to equity holders, return capital to equity holders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the Relevant Periods.

The Group monitors capital using a debt-to-asset ratio, which is total liabilities divided by total assets. The ratios as at 31 December 2023, 2024 and 2025 and 31 May 2026 were as follows:

	31 December			31 May
	2023	2024	2025	2026
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Total assets	718,351	1,010,520	1,870,541	2,043,474
Total liabilities	462,337	569,483	738,685	739,107
Debt-to-asset ratio	64.36%	56.36%	39.49%	36.17%

39. EVENTS AFTER THE RELEVANT PERIODS

There were no significant events after the end of the Relevant Periods that require additional disclosure or adjustments.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies comprising the Group in respect of any period subsequent to 31 May 2026.

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

[**REDACTED**]

TAXATION OF SECURITY HOLDERS

Income tax and capital gains tax of holders of the H shares is subject to the laws and practices of the People's Republic of ("PRC") and of jurisdictions in which holders of the H shares are resident or otherwise subject to tax. The following summary of certain relevant taxation provisions is based on current laws and practices, and has not taken in to account the expected change or amendment to the relevant laws or policies and does not constitute any opinion or advice. The discussion does not deal with all possible tax consequences relating to an investment in the H shares, nor does it take into account the specific circumstances of any particular investor, some of which may be subject to special regulation. Accordingly, you should consult your own tax adviser regarding the tax consequences of an investment in the H shares. The discussion is based upon laws and relevant interpretations in effect as of the Latest Practicable Date, all of which are subject to change or adjustment and may have retrospective effect.

This discussion does not address any aspects of PRC taxation other than income tax, capital gains tax and profits tax, sales tax, value-added tax, stamp duty and estate duty. Prospective investors are urged to consult their financial advisors regarding the PRC and elsewhere tax consequences of owning and disposing of the H shares.

Taxation In Chinese Mainland

Tax on Dividends

Individual Investors

Pursuant to the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》), or the Individual Income Tax Law, lastly amended by the Standing Committee of the National People's Congress ("SCNPC") on 31 August 2018 and effective on 1 January 2019, and the Implementation Rules of the Individual Income Tax Law of the PRC (《中華人民共和國個人所得税法實施條例》) lastly amended by the State Council on 18 December 2018 and effective on 1 January 2019, dividends paid by Chinese Mainland companies to individual investors are ordinarily subject to a withholding income tax levied at a flat rate of 20%. Meanwhile, according to the Notice on Issues Concerning Differentiated Individual Income Tax Policies on Dividends and Bonus of Listed Companies (《關於上市公司股息紅利差別化個人所得税政策有關問題的通知》) jointly issued by the Ministry of Finance ("MOF"), the State Administration of Taxation ("SAT") and the CSRC on 7 September 2015 and effective on 8 September 2015, where an individual holds the shares of a listed company obtained from the public offering and market transfer, if the holding period is more than one year, the dividends and bonus income shall be temporarily exempted from individual income tax. Where an individual holds shares of a listed company from the public offering and market transfer, if the holding period is within one month (inclusive), the dividend income shall be included in the taxable income in full; if the holding period is more than one month but less than one year (inclusive), the dividend income shall be included in the taxable income at the rate of 50%; the aforesaid income shall be subject to individual income tax at a uniform rate of 20%.

Pursuant to the Arrangement between the Chinese Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), or the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, executed on 21 August 2006, the government may impose tax on dividends paid by a company in Chinese Mainland to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total amount of dividends payable. If a Hong Kong resident directly holds 25% or more of the equity interests in a company in Chinese Mainland and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total amount of dividends payable by the company in Chinese Mainland. The Fifth Protocol to the Arrangement between the Chinese

Mainland and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (《國家税務總局關於<內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排>第五議定書》), or the Fifth Protocol, issued by the SAT and effective on 6 December 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Enterprise Investors

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得税法》), or the EIT Law, lastly amended by the SCNPC and effective on 29 December 2018, and the Implementation Rules of the EIT Law of the PRC (《中華人民共和國企業所得税法實施條例》), or the Implementation Rules of the EIT Law, amended by the State Council and effective on 23 April 2019, a non-resident enterprise is subject to a 10% EIT on Chinese Mainland-sourced income, including dividends paid by a PRC resident enterprise that issues and lists shares in Hong Kong, if such non-resident enterprise does not have an establishment or place of business in the Chinese Mainland or has an establishment or place of business in the Chinese Mainland but the Chinese Mainland-sourced income is not actually connected with such establishment or place of business in the Chinese Mainland. The aforesaid income tax payable by non-resident enterprises shall be withheld at source, and the payer shall be the withholding agent, and the tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted pursuant to an applicable treaty for the avoidance of double taxation.

Pursuant to the Notice on the Issues Concerning Withholding the EIT on the Dividends Paid by Chinese Resident Enterprises to H Share Holders Which Are Overseas Non-resident Enterprises (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得税有關問題的通知》) issued by the SAT and effective on 6 November 2008, a PRC resident enterprise is required to withhold EIT at a unified rate of 10% on dividends paid to non-PRC resident enterprise holders of H shares which are derived out of profit generated since 2008. The Reply on the Collection of EIT on Dividends Received by Non-resident Enterprises from Holding B Shares and Other Shares (《關於非居民企業取得B股等股票股息徵收企業所得税問題的批覆》), promulgated by the SAT on 24 July 2009 and effective on the same day, further provides that PRC-resident enterprises listed on Chinese Mainland and overseas stock exchanges by issuing stocks must withhold EIT at a flat rate of 10% on dividends of 2008 and onwards that it distributes to non-resident enterprise shareholders. Such tax rates may be further modified pursuant to the tax treaty or agreement that the PRC government has concluded with a relevant country or region, where applicable.

According to the Arrangement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the PRC government may impose tax on dividends paid by a Chinese Mainland company to a Hong Kong resident (including natural person and legal entity), but such tax shall not exceed 10% of the total dividends payable by the Chinese Mainland company. If a Hong Kong resident directly holds 25% or more of equity interest in a Chinese Mainland company and the Hong Kong resident is the beneficial owner of the dividends and meets other conditions, such tax shall not exceed 5% of the total dividends payable by the Chinese Mainland company. The Fifth Protocol provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to applicable regulations, we intend to withhold tax at a rate of 10% from dividends paid to non-PRC resident enterprise holders of our H Shares (including HKSCC Nominees). Non-PRC resident enterprises that are entitled to be taxed at a reduced rate under an applicable income tax treaty will be required to apply to the tax authorities in Chinese Mainland for a refund of any amount withheld in excess of the applicable treaty rate, and payment of such refund will be subject to the Chinese Mainland tax authorities' verification.

Taxation for Share Transfer

Value-added Tax and Local Additional Tax

Pursuant to the Notice on Fully Implementing the Pilot Reform for the Transition from Business Tax to Value-added Tax (《關於全面推開營業税改徵增值税試點的通知》) (the "Circular 36"), which was implemented on May 1, 2016, entities and individuals engaged in the services sale in the PRC are subject to Value-added Tax ("VAT") and "engaged in the services sale in the PRC" means that the seller or buyer of the taxable services is located in the PRC. Circular 36 also provides that transfer of financial products, including transfer of the ownership of marketable securities, shall be subject to VAT at 6% on the taxable revenue (which is the balance of sales price upon deduction of purchase price), for a general or a foreign VAT taxpayer However, individuals who transfer financial products are exempt from VAT, which is also provided in the Notice of Ministry of Finance and State Administration of Taxation on Several Tax Exemption Policies for Business Tax on Sale and Purchase of Financial Commodities by Individuals (《財政部、國家税務總局關於個人金融商品買賣等營業税若干免税政策的通知》) effective on January 1, 2009. According to these regulations, if the holder is a non-resident individual, the PRC VAT is exempted from the sale or disposal of H shares, if the holder is a non-resident enterprise and the H-share buyer is an individual or entity located outside China, the holder is not necessarily required to pay the PRC VAT, but if the H-share buyer is an individual or entity located in China, the holder may be required to pay the PRC VAT. However, it is still uncertain whether the non-Chinese resident enterprises are required to pay the PRC VAT for the disposal of H shares in practice.

At the same time, VAT payers are also required to pay urban maintenance and construction tax, education surtax and local education surcharge (hereinafter collectively referred to as "Local Additional Tax"), which shall be usually subject to 12% of the value-added tax, business tax and consumption tax actually paid (if any).

Income tax

Individual Investors

Under the Individual Income Tax Law and its implementation rules, individuals are subject to individual income tax at a rate of 20% on gains realized on the sale of equity interests in PRC resident enterprises. Pursuant to the Circular on Continuing the Temporary Exemption of Individual Income Tax on Gains from Share Transfers by Individuals (《關於個人轉讓股票所得繼續暫免徵收個人所得税的通知》), which was promulgated by the MOF and the SAT on 30 March 1998 and effective on the same day, from 1 January 1997, income of individuals from the transfer of shares in listed companies continues to be temporarily exempted from individual income tax. The SAT does not specify whether to continue to exempt individuals from individual income tax on the income from the transfer of shares in listed company in the newly revised EIT Law and Implementation Rules of the EIT Law.

Enterprise Investors

Under the EIT Law and its implementation rules, a non-PRC resident enterprise is subject to EIT at the rate of 10% with respect to Chinese Mainland-sourced income, including gains derived from the disposal of shares in a Chinese Mainland resident enterprise, if it does not have an establishment or place of business in the Chinese Mainland or has an establishment or place of business in the Chinese Mainland but the Chinese Mainland-sourced income is not actually connected with such establishment or place of business in the Chinese Mainland. The aforementioned income tax payable by non-PRC resident enterprises is subject to source withholding, and the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Such tax may be reduced or exempted under the applicable tax treaties or arrangements on the avoidance of double taxation.

Shanghai-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on 31 October 2014 and effective on 17 November 2014, transfer spread income derived by enterprises in Chinese Mainland from stock investment listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in Chinese Mainland from investing in H shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of individual investors in Chinese Mainland to the H-share companies and withhold individual income tax at the rate of 20% on behalf of the H-share companies.

Pursuant to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated by the MOF, the SAT and the CSRC on 21 August 2023 and implemented on the same day, the transfer spread income derived by individual investors in Chinese Mainland from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December 2019 to 31 December 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shanghai-Hong Kong Stock Connect (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in Chinese Mainland from investing in shares listed on the Hong Kong Stock Exchange through Shanghai-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. Pursuant to which, dividend income obtained by resident enterprises in Chinese Mainland from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in Chinese Mainland. The tax payable shall be declared and paid by the enterprise itself.

Shenzhen-Hong Kong Stock Connect Taxation Policy

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》) promulgated by the MOF, the SAT and the CSRC on 5 November 2016 and effective on 5 December 2016, transfer spread income derived by enterprise investors in Chinese Mainland from stock investment listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be included in their total income and subject to EIT according to law. For dividends and bonuses received by individual investors in Chinese Mainland from investing in H shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect, the H-share companies shall apply to CSDCC for providing the register of individual investors in Chinese Mainland to the H-share companies and the H-share companies shall withhold individual income tax at the rate of 20% on behalf of the investors.

Pursuant to the Announcement on Extending the Implementation of the Individual Income Tax Policies Concerning the Shanghai-Hong Kong Stock Connect and the Shenzhen Hong Kong Stock Connect and the Mainland-Hong Kong Mutual Recognition of Funds (《關於延續實施滬港、深港股票市場交易互聯互通機制和內地與香港基金互認有關個人所得稅政策的公告》) which promulgated on 21 August 2023 and implemented on the same day, the transfer spread income derived by individual investors in Chinese Mainland from investing in shares listed on the Hong Kong Stock Exchange through Shenzhen-Hong Kong Stock Connect shall be exempted from individual income tax from 5 December 2019 to 31 December 2027.

Pursuant to the Notice on the Tax Policies Related to the Pilot Program of the Shenzhen-Hong Kong Stock Connect (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》), dividends derived by enterprise investors in Chinese Mainland from investing in shares listed on the Hong Kong

Stock Exchange through Shenzhen-Hong Kong Stock Connect are included in their total income and subject to EIT according to law. In particular, dividends and bonus income obtained by resident enterprises in Chinese Mainland from holding H shares for 12 consecutive months shall be exempted from EIT according to law. H-share companies shall not withhold income tax on dividends and bonus income for enterprise investors in Chinese Mainland. The tax payable shall be declared and paid by the enterprise itself.

Stamp Duty

Pursuant to the Stamp Duty Law of the PRC (《中華人民共和國印花稅法》), which was promulgated by the SCNPC on 10 June 2021 and came into effect on 1 July 2022, the purchase and disposal of H shares by non-Chinese Mainland investors outside of Chinese Mainland are not subject to the requirements of the Stamp Duty Law of the PRC.

Estate duty

Pursuant to the laws of Chinese Mainland, no estate duty is currently levied in Chinese Mainland.

MAJOR TAXATION OF OUR COMPANY IN THE PRC

EIT

According to the EIT Law, enterprises and other income-generating organizations (hereinafter collectively referred to as "enterprises") within the territory of the Chinese Mainland are the taxpayers of EIT and shall pay EIT in accordance with the provisions of the EIT Law. The EIT rate is 25%.

Enterprises are classified into resident enterprises and non-resident enterprises. A non-resident enterprise that does not have an establishment or place of business in the Chinese Mainland, or has an establishment or place of business in the Chinese Mainland but the income has no actual connection to such establishment or place of business, shall pay EIT on its income within the Chinese Mainland and withhold at source, where the payer is the withholding agent. The tax shall be withheld by the withholding agent from the payment or due payment every time it is paid or due. Meanwhile, any gains realized on the transfer of shares by such investors are subject to EIT and shall be withheld at source if such gains are regarded as income derived from the transfer of property within the Chinese Mainland.

VAT

Pursuant to the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》) lastly amended by the State Council on 19 November 2017 and effective on the same day and the Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》) lastly amended by the MOF on 28 October 2011 and effective on 1 November 2011, all entities and individuals in Chinese Mainland engaging in the sale of goods, the provision of processing, repairs and replacement services, and the importation of goods are required to pay VAT. For taxpayers selling or importing goods, the general tax rate shall be 17% unless otherwise specified in the aforesaid regulations.

Pursuant to the Notice on the Adjustment to VAT Rates (《關於調整增值稅稅率的通知》) (Cai Shui [2018] No. 32), promulgated by the MOF and the SAT on 4 April 2018, and became effective as of 1 May 2018, the VAT rates of 17% and 11% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 16% and 10%, respectively.

Pursuant to the Announcement on Relevant Policies for Deepening VAT Reform (《關於深化增值税改革有關政策的公告》) (2019 No. 39 of MOF, SAT and General Administration of Customs), promulgated by the MOF, the SAT and the General Administration of Customs on 20 March 2019 and became effective on 1 April 2019, the VAT rates of 16% and 10% applicable to the taxpayers who have VAT taxable sales activities or imported goods are adjusted to 13% and 9%, respectively.

On December 25,2024, the SCNPC promulgated the VAT Law of the PRC (《中華人民共和國增值税法》), which came into effective on January 1, 2026, and replace the Provisional Regulations on Value-added Tax of the PRC.

FOREIGN EXCHANGE ADMINISTRATION IN THE PRC

The lawful currency of Chinese Mainland is the Renminbi. The SAFE, authorized by the PBOC, is empowered with the functions of administering all matters relating to foreign exchange, including the enforcement of foreign exchange regulations.

Pursuant to the Regulations of the PRC on Foreign Exchange Control (《中華人民共和國外匯管理條例》) lately amended by the State Council on 5 August 2008 and effective on the same day, all international payments and transfers are classified into current account items and capital account items. Chinese Mainland does not impose restrictions on international payments and transfers under current account items. Foreign exchange income from the current account of enterprises in Chinese Mainland may be retained or sold to financial institutions engaged in the settlement and sale of foreign exchange in accordance with relevant provisions of the State. The retention or sale of foreign exchange receipts under capital accounts to financial institutions engaging in settlement and sale of foreign exchange shall be subject to the approval of foreign exchange administrative authorities, unless otherwise stipulated by the State.

Pursuant to the Regulations for the Administration of Settlement, Sale and Payment of Foreign Exchange (《結匯、售匯及付匯管理規定》) promulgated by the PBOC on 20 June 1996 and became effective on 1 July 1996, the remaining restrictions on convertibility of foreign exchange in respect of current account items are abolished while the existing restrictions on foreign exchange transactions in respect of capital account items are retained.

Pursuant to relevant laws and regulations of the Chinese Mainland, Chinese Mainland enterprises (including foreign-invested enterprises) which require foreign exchange for transactions relating to current account items, may, without the approval of SAFE, effect payment from their foreign exchange accounts at the designated foreign exchange banks, on the strength of valid receipts and proof of transactions. Foreign-invested enterprise that need to distribute profits to their shareholders in foreign exchange and Chinese enterprise that need to pay fixed dividends in foreign exchange in accordance with the requirements shall pay from its foreign exchange account or pay at the designated foreign exchange bank by a resolution of the board of directors on the distribution of profits.

Pursuant to the Decision of the State Council on Canceling and Adjusting a Group of Administrative Approval Items and Other Matters (《國務院關於取消和調整一批行政審批項目等事項的決定》) promulgated by the State Council and effective on 23 October 2014, the administrative approval of the SAFE and its branches on matters concerning the repatriation and settlement of foreign exchange of overseas-raised funds through overseas listing has been canceled.

Pursuant to the Circular of the SAFE on Relevant Issues Concerning the Foreign Exchange Administration of Overseas Listing (《國家外匯管理局關於境外上市外匯管理有關問題的通知》) promulgated by the SAFE on 26 December 2014 and effective on the same day, the relevant provisions on foreign exchange administration of domestic joint stock companies (hereinafter referred to as "domestic companies") listed overseas are as follows:

(i) The SAFE and its branches and the Foreign Exchange Management Department, or the Foreign Exchange Bureau, supervise, manage and inspect the business registration, account opening and use, cross-border income and expenditure, and capital exchange involved in the overseas listing of domestic companies.

(ii) A domestic company shall, within 15 working days after the completion of the overseas listing and issuance, register the overseas listing with the Foreign Exchange Bureau at the place where it is registered with relevant material.

(iii) A domestic company (other than banking financial institutions) shall, by virtue of its registration certificate for overseas listing business, open a "special foreign exchange account for overseas listing of domestic companies" with a domestic bank for its initial offering (or additional offering) and repurchase business to handle the remittance and transfer of funds for the relevant business.

According to the Notice of the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) issued on 13 February 2015 and effective on 1 June 2015, the SAFE has cancelled the confirmation of foreign exchange registration under domestic direct investment and the confirmation of foreign exchange registration under overseas direct investment, instead, banks shall directly examine and handle foreign exchange registration under domestic direct investment and foreign exchange registration under overseas direct investment, and the SAFE and its branch offices shall indirectly regulate the foreign exchange registration of direct investment through banks.

According to the Notice of the State Administration of Foreign Exchange of the PRC on Revolutionize and Regulate Capital Account Settlement Management Policies (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) issued by the SAFE on 9 June 2016 and effective on the same day, foreign currency earnings in capital account that relevant policies of willingness exchange settlement have been clearly implemented on (including the recalling of raised capital by overseas listing) may undertake foreign exchange settlement in the banks according to actual business needs of the domestic institutions. The tentative percentage of foreign exchange settlement for foreign currency earnings in capital account of domestic institutions is 100%, subject to adjustment by the SAFE in due time in accordance with international revenue and expenditure situations.

This appendix contains a summary of laws and regulations on companies and securities in the PRC. The principal objective is to provide an overview of the principal laws and regulations applicable to us. Laws and regulations relating to taxation in the PRC are discussed in "Appendix III — Taxation and Foreign Exchange". For the discussion of laws and regulations specifically governing the business of the Company, please see the section headed "Regulatory Overview".

THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》, the "Constitution"), which was adopted on December 4, 1982 and respectively amended on April 12, 1988, March 29, 1993, March 15, 1999, March 14, 2004 and March 11, 2018. The PRC legal system is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

The National People's Congress (the "NPC") and the SCNPC are empowered to exercise the legislative power of the State in accordance with the Constitution and the PRC Legislation Law (《中華人民共和國立法法》, the "Legislation Law"), which was adopted on July 1, 2000 and amended on March 15, 2015 and March 13, 2023. The NPC has the power to formulate and amend basic laws governing state organs, civil, criminal and other matters. The SCNPC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the matters concerning formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries and commissions of the State Council, PBOC, National Audit Office, the subordinate institutions with administrative functions directly under the State Council and the institutions required by the law may formulate departmental rules within the jurisdiction of their respective departments based on the laws and administrative regulations, and the decisions and orders of the State Council. The people's governments of the provinces, autonomous regions, municipalities and cities or autonomous prefectures divided into districts may formulate rules and regulations based on the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. Pursuant to the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) implemented on June 10, 1981, the Supreme People's Court of the PRC has the power to give interpretation on issues related to the application of laws in a court trial, and issues related to the application of laws in a prosecution process of a procuratorate should be interpreted by the Supreme People's Procuratorate. If there is any disagreement in principle between Supreme People's Court's interpretations and Supreme People's Procuratorate's interpretations, such issues shall be reported to the SCNPC for interpretation or judgment. The other issues related to laws other than the abovementioned should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws is vested in the regional legislative and administrative authorities which promulgate such laws.

THE PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organization of the People's Courts of the PRC (《中華人民共和國人民法院組織法》), which is adopted on January 1, 1980 and respectively amended on September 2, 1983, December 2, 1986, October 31, 2006 and October 26, 2018, the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts.

The Supreme People's Court can establish circuit courts to decide cases designated by the Supreme People's Court in accordance with laws. Circuit courts are part of the Supreme People's Court. Judgments, rulings, and decisions made by the circuit courts are deemed judgments, rulings and decisions of the Supreme People's Court. The local people's courts are comprised of the basic people's courts, the intermediate people's courts and the higher people's courts. The intermediate people's courts have divisions similar to those of the basic people's courts and may set up other special divisions if needed. These two levels of people's courts are subject to supervision by people's courts at higher levels. The Supreme People's Court is the highest judicial authority in the PRC. It supervises the administration of justice by the people's courts at all levels and special people's courts.

A people's court takes the rule of the second instance as the final rule. A party may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court, and judgments or rulings of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court finds some definite errors in a legally effective judgment, ruling or conciliation statement of the people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgment, ruling or conciliation statement of the people's court at a lower level, it has the authority

to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of all levels of people's courts finds some definite errors in a legally effective judgment, ruling or conciliation statement, and considers a retrial is preferred, such case shall be submitted to the judicial committee of the people's court at the same level for discussion and decision.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》, the "Civil Procedure Law") adopted on April 9, 1991 and respectively amended on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023, prescribes the conditions for instituting a civil action, the jurisdiction of the people's courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the Civil Procedure Law. Generally, a civil case is initially heard by the court located in the defendant's place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people's court having jurisdiction should be located at places substantially connected with the disputes, such as the plaintiff's or the defendant's place of domicile, the place where the contract is executed or signed or the place where the object of the action is located, provided that the provisions regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a PRC court. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment on the party.

Where a party applies for enforcement of a judgment or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or a people's court may apply to a foreign court with jurisdiction or recognition in accordance with the international treaties that China has concluded or acceded to or on a reciprocal basis. A foreign judgment or ruling may also be recognized and enforced by the people's court in accordance with the PRC enforcement procedures if the PRC has entered into, or acceded to, international treaties with the relevant foreign country, which provided for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless the people's court considers that the recognition or enforcement of such judgment or ruling would violate the basic legal principles of the PRC, its sovereignty or national security, or against the social and public interests.

THE PRC COMPANY LAW, TRIAL ADMINISTRATIVE MEASURES OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES AND THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION OF LISTED COMPANIES

The PRC Company Law (《中華人民共和國公司法》) was adopted by the 5th meeting of the Standing Committee of the 8th National People's Congress Session on December 29, 1993 and came into effect on July 1, 1994. It was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively. The latest revised PRC Company Law was implemented on July 1, 2024.

On February 17, 2023, with the approval of the State Council, the CSRC promulgated the Overseas Listing Trial Measures and relevant five guidelines, which came into force on March 31, 2023. The Overseas Listing Trial Measures are designated in accordance with the Securities Law and other laws and are applicable to domestic enterprises that issue securities overseas or list their securities for trading. On February 17, 2023, CSRC promulgated the Guidelines for the Applications of Regulatory Rules — Overseas Issuance and Listing Category No. 1, stipulating that direct issuance and listing by domestic companies shall abide by the relevant provisions of the Overseas Listing Trial Measures and refer to the Guidelines for Articles of Association of Listed Companies and other relevant provisions of CSRC on corporate governance to formulate its articles of association and standardize corporate governance.

Set out below is a summary of the major provisions of the PRC Company Law, the Overseas Listing Trial Measures and Guidelines for Articles of Association of Listed Companies.

General Provisions

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable for its debts with all its property.

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Where any laws stipulate that a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises, such requirements shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC. The promoters must convene an inaugural meeting within 30 days after the issued shares have been fully paid up, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be convened only with the presence of promoters or subscribers holding more than half of the voting rights. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and members of the Supervisory Committee of the company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors must apply to the registration authority for registration of the establishment of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

Share Capital

The promoters of a company may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights or land use rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation and verification of the fair value of the assets contributed must be carried out.

Allocation and issuance of shares

All issue of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. Shares may be offered at a price equal to or greater than, but not less than, par value.

The domestic enterprises that engage in the overseas issuance and listing of securities shall, in accordance with the Overseas Listing Trial Measures, submit to the CSRC a filing report, legal opinions and other relevant materials that truly, accurately and completely describe shareholder information and other circumstances for the record. In case of the direct overseas issuance and listing of domestic enterprises, the issuer shall report the matter to the CSRC for the record. In case of the indirect Overseas Issuance and Listing of domestic enterprises, the issuer shall designate a major domestic operating entity as the domestic responsible person to report the matter to the CSRC for the record.

Registered shares

Under the Company Law, when the company issues shares in registered form, it shall maintain a register of shareholders, stating the following matters:

- the name and domicile of each shareholder;
- the class and number of shares held by each shareholder;
- in case of shares issued in paper form, the serial numbers of share certificates; and
- the date on which each shareholder acquired the shares.

Increase in Share Capital

According to the Company Law, if a joint stock limited company issues new shares, the general meeting shall pass a resolution on the class and amount of new shares, the issuance price of the new shares, the commencement and termination dates of the issuance of the new shares and the class and amount of new shares to be issued to existing shareholders. When a company is approved by the securities supervision and administration department under the State Council to issue new shares to the public, it shall publish the document, its financial and accounting statements, and shall prepare the subscription form. Upon full receipt of the proceeds from the company's newly issued shares, the company shall carry out alteration registration with the company registration authority and shall make a public announcement.

After the issue of new shares the company has been paid up, the change must be registered with the company registration authorities and a public announcement must be made accordingly. Where an increase in registered capital of a company is made by means of an issue of new shares, the subscription of new shares by shareholders shall be made in accordance with the relevant provisions on the payment of subscription monies for the establishment of a company.

Reduction of Share Capital

When a company needs to reduce its registered capital, it shall prepare a statement of financial position and a property list. The company shall inform its creditors within 10 days and publish an announcement in the newspaper within 30 days after the resolution of the shareholders' meeting approving the reduction of registered capital has been passed. Creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

According to the Company Law, a joint stock limited company may not repurchase its own shares other than for one of the following purposes:

(i) to reduce its registered capital;

(ii) to merge with another company that holds its shares;

(iii) to grant its shares to its employees for the purpose of implementing the employee stock ownership plan or share incentive scheme;

(iv) to repurchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at the general meeting;

(v) to use for the conversion of the convertible corporate bonds issued by the listed company; and

(vi) to protect the value of the company and the rights and interests of shareholders of the listed company as required.

The acquisition of shares on the grounds set out in (i) to (ii) above shall be approved by the resolution of general meeting. The repurchase of its shares in cases (iii), (v) or (vi) above shall require a resolution of the board of directors by two-thirds of the directors present at the board meeting, in accordance with the provisions of the articles of association of the company or as authorized by the general meeting.

Following the repurchase of its shares in accordance with (i) above, such shares shall be canceled within 10 days from the date of repurchase; the shares repurchased in the case of (ii) or (iv) above shall be transferred or canceled within six months. The total number of shares held by the company after share repurchase under the circumstances in (iii), (v) or (vi) above shall not exceed 10% of the total number of the company's issued shares, and shall be transferred or canceled within three years.

A listed company that repurchases its own shares shall fulfill its disclosure obligations in accordance with the provisions of the Securities Law. If a share repurchase is made pursuant to (iii), (v) or (vi) above, it shall be publicly traded in a centralized manner.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. No modifications of registration in the share register caused by transfer of registered shares shall be carried out within 20 days prior to the convening of shareholder's general meeting or five days prior to the base date for determination of dividend distributions. However, where there are separate provisions by law on alternation of registration in the share register of listed companies, those provisions shall prevail.

Under the Company law, shares issued prior to the public issuance of shares shall not be transferred within one year from the date of the joint stock limited Company's listing on a stock exchange. Directors, supervisors and senior officers shall declare to the company their shareholdings in the Company and any changes of such shareholdings. They shall not transfer more than 25% of all the shares they hold in the Company annually during their tenure. They shall not transfer the shares they hold within one year from the date on which the Company's shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the Company.

Shareholders

Under the Company Law and the Articles of Association Guidelines, the rights of holders of ordinary shares of a joint stock limited company include:

- the right to attend or appoint a proxy to attend general meetings and to vote thereat;
- the right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;
- the right to inspect the Company's articles of association, share register, counterfoil of Company debentures, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the Supervisory Committee and financial and accounting reports and to make proposals or enquiries on the Company's operations;
- the right to bring an action in the people's court to rescind resolutions passed by general meetings and board of directors where the articles of association is violated by the above resolutions;
- the right to receive dividends and other forms of profit distribution according to the proportion of shares they hold;
- in the event of the termination or liquidation of the Company, the right to participate in the distribution of the residual properties of the Company in proportion to the number of shares held; and
- other rights granted by laws, administrative regulations, other regulatory documents and the Company's articles of association.

The obligations of a shareholder include the obligation to abide by the Company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the Company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the Company's articles of association.

Shareholders' General Meetings

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. Under the Company Law, the general meeting exercises the following powers and functions:

- to elect or replace the directors and supervisors (other than the supervisor representative of the employees) and to decide on matters relating to the remuneration of directors and supervisors;
- to review and approve reports of the Board;
- to review and approve reports of the Supervisory Committee;
- to review and approve annual financial budgets and final accounts;
- to review and approve profit distribution plans and loss recovery plans;
- to make resolutions concerning the increase or reduction of the registered capital;
- to resolve on the issue and listing of corporate bonds and other securities;
- to decide on issues such as merger, division, dissolution, liquidation and structure change;
- to modify the articles of association; and
- other powers and functions stipulated by the articles of association.

The annual general meeting is required to be convened once a year. Under the Company Law, an extraordinary general meeting is required to be held within two months after the occurrence of any of the following:

- the number of directors is less than the number stipulated by the law or less than two thirds of the number specified in the articles of association;
- the aggregate losses of the company which are not recovered reach one-third of the company's total paid-in share capital;
- shareholders alone or in aggregate holding 10% or more of the Company's shares request for the convening of an extraordinary general meeting;
- the Board considers it necessary;
- the Supervisory Committee proposes to hold; or
- other circumstances stipulated by the articles of association.

Under the Company Law, general meetings shall be convened by the Board, and presided over by the chairman of the Board. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or does not perform his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the Board of Directors is incapable of performing or does not perform its duties of convening the general meetings, the supervisory committee shall convene and preside over such meetings in a timely manner. In case the supervisory committee fails to convene and preside over such meetings, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meetings.

Under the Company Law, notice of general meetings shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. Notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting. According to the Articles of Association Guidelines, after the notice of the General Meeting is given, without cogent reason, the general meeting shall not be postponed or canceled, and the proposals set out in the notice shall not be canceled. Once the general meeting is adjourned or canceled, the convener shall make public announcement and explain the reasons at least 2 working days before the original holding date.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in Shareholders' meetings. According to the Articles of Association Guidelines, The board of directors and the board secretary shall cooperate for the general meeting convened by the Supervisory Committee or the Shareholders on their own. When the general meeting is held, all the directors, supervisors and board secretary of the company shall attend the meeting, while the general manager and other senior officers shall attend as a nonvoting delegate.

According to the Articles of Association Guidelines, the shareholders holding more than 1% of the shares of the Company separately or jointly may raise temporary proposal and submit it to the convener in writing 10 days before the general meeting is held. The convener shall supplement the notice of general meeting in 2 days after receiving the proposal and publicize the content of the temporary proposal.

Under the Company Law, shareholders present at general meetings have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the general meeting, the accumulative voting system may be adopted for the election of directors and supervisors at the general meeting. Under the accumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the general meetings and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law and the Articles of Association Guidelines, resolutions of the general meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the general meeting regarding the following matters shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of registered capital; (iii) the equity incentive plans; (iv) the amount of purchase or disposal of major assets or guarantee of the company within one year exceeding thirty percent of the company's total audited assets for the most recent period; (v) the merger, division, dissolution, liquidation or change in the form of the company; (vi) other matters considered by the general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and should be adopted by a special resolution, according to the laws, administrative regulations or the articles of association.

Under the Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the general meetings. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

Under the Company Law, a joint stock limited company shall have a board of directors. Members of the board of directors may include representatives of the employees of the company, who shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. The term of the directors shall be prescribed by the articles of association, provided that each term may not exceed 3 years. Upon the expiration of the term, the Directors may be re-elected and serve consecutive terms. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors mainly exercises the following powers and functions:

- to convene the general meetings and report on its work to the general meetings;
- to implement the resolutions of general meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the profit distribution plan and loss recovery plan of the Company;
- to formulate proposals for the increase or reduction of the Company's registered capital and the issuance of corporate bonds;
- to develop the scheme on the merger, separation, dissolution and change of company form of the Company;
- to formulate the basic management system of the Company; and
- any other powers and functions stipulated by the articles of association.

Board Meetings

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of voting rights, more than one-third of the directors or the supervisory committee. The chairman of the board shall convene and preside over a board meeting within ten days after receiving the proposal. Aboard meeting not be held unless half or more of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. In the voting process, one director shall represent one vote. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his behalf.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from that liability.

Board Chairman

Under the Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of the directors shall perform his duties.

Qualifications of Directors

The Company Law provides that the following persons may not serve as a director:

- a person who is unable or has limited ability to undertake any civil liabilities;
- a person who has been convicted of an offense of bribery, corruption, embezzlement or misappropriation of property, or the destruction of socialist market economy order; or who has been deprived of his political rights due to his crimes, in each case where less than five years have elapsed since the date of completion of the sentence, in case of a suspended sentence, not more than two years have elapsed since the date of expiry of the probationary period;
- a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation or the order for closure; or
- being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of debts which has fall due.

Other unsuitable circumstances for directorships are detailed in the Articles of Association Guidelines.

Audit Committee

A joint stock company can choose not to establish a board of supervisors or appoint any supervisors by setting up an audit committee in the board of directors comprised of directors in accordance with its articles of associations, to exercise the duty of the board of supervisors.

According to the Relevant Arrangements for the Transitional Period for Implementing the Supporting Systems and Rules for the New Company Law (《關於新<公司法>配套制度規則實施相關過渡期安排》) promulgated by the CSRC and became effective on December 27, 2024 as from January 1, 2026, enterprises applying for IPO that still establishes board of supervisors or appoint supervisors, shall formulate a plan to ensure that, prior to listing, a audit committee within the board

of directors will be established to exercise the duties of the board of supervisors, and the company shall cease to establish board of supervisors and shall no longer appoint any supervisors, in accordance with the Company Law.

An audit committee shall comprise of at least three members, and more than half of its members shall not hold any position other than directors in the company. No member of the audit committee shall have any relationship with the company that will affect its independence with objectivity in decision making.

Where a listed company have established an audit committee in its board of directors, the following issues shall be passed by more than half of all members of the audit committee before they are submitted to the board of directors:

- hiring, dismissing accounting firm hired for auditing the company;
- appointing or dismissing the chief finance officer;
- disclosing financial accounting report;
- any other matters required by the securities regulatory authority of the State Council.

Manager and Senior Officers

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall be responsible to the board of directors and shall exercise his duties and powers in accordance with the provisions of the company's articles of association or the authorization of the board of directors:

- to supervise the business and administration of the company and arrange for the implementation of resolutions of the board of directors;
- to arrange for the implementation of the company's annual business plans and investment proposals;
- to formulate the general administration system of the company;
- to formulate the specific rules of the company;
- to recommend the appointment and dismissal of deputy managers and person in charge of finance;
- to appoint or dismiss other administration officers (other than those required to be appointed or dismissed by the board of directors); and
- other powers conferred by the board of directors or the articles of association.

The manager shall comply with other provisions of the articles of association concerning his/her powers. The manager shall attend board meetings.

According to the Company Law, senior officers shall mean the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in the articles of association.

Duties of the Directors, Supervisors and Senior Officers

Directors, supervisors and senior officers of the Company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and shall owe a duty of loyalty to the company, shall take measures to avoid conflicts between their own interests and the interests of the company, and shall not make use of their positions to gain undue advantage. They shall also owe a duty of diligence to the company and shall perform their duties with the reasonable care normally expected of a manager in the best interests of the company. Furthermore, directors and senior officers are prohibited from:

- embezzlement of company properties and misappropriating the funds of the company;
- depositing the company funds into accounts under his own name or the name of other individuals;
- utilising power to accept bribe or accept other illegal income;
- accepting and possessing commissions paid by a third party for transactions conducted with the company;
- unauthorized divulgence of confidential business information of the Company; or
- other acts in violation of the duty of loyalty to the company.

A director, supervisor or senior officer who contravenes any law, regulation or the Company's articles of association in the performance of his duties and result in any loss to the Company shall be personally liable to the Company.

Finance and Accounting

Under the Company Law, a company shall establish financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council. The Company shall at the end of each financial year prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The Company's financial and accounting report shall be prepared in accordance with provisions of the laws, administrative regulations and the regulations of the financial department of the State Council.

Pursuant to the Company Law, the Company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting reports available at the Company for inspection by the shareholders at least 20 days before the convening annual general meeting. The joint stock limited company that has publicly issued its shares shall also publish its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After making allocation to the statutory common reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a Shareholders' meeting, allocate funds from the after-tax profits to the discretionary common reserve fund.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the Company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value, the amount of proceeds from the issuance of no-par value shares not included in the registered capital and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The Company's reserve fund shall be applied to make up losses of the Company, expand its business operations or be converted to increase the registered capital of the company. When utilising reserve funds to make up for a company's losses, the discretionary reserve fund and statutory reserve fund should be used first; if the losses still cannot be made up, the capital reserve fund may be used in accordance with regulations. Upon the conversion of statutory common reserve fund for increasing registered capital, the balance of the statutory common reserve fund shall not be less than 25% of the registered capital of the company before such conversion.

The Company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

Employment and Retirement of Accounting Firms

According to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of a company shall be determined by the general meeting, board of directors or supervisory committee in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting, board of directors or supervisory committee conducts a vote on the dismissal of the accounting firm. The company shall provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the hired accounting firm, and shall not refuse, conceal or make false reports.

The audit fee of an accounting firm shall be decided by the general meeting.

Profit Distribution

According to the Company Law, the Company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Revision of the Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In the event of a company registration, the amendments to the articles of association shall be registered with the relevant registration authorities.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following:

(i) the term of its operations set down in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred; (ii) the general meeting has resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business license is revoked; the company is ordered to close down or be dissolved; or (v)

the company is dissolved by the people's court in response to the request of shareholders holding shares that represent at least 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses to shareholders.

The company shall, within ten days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, make public the reasons for dissolution through the National Enterprise Credit Information Publicity System. In the event of (i) and (ii) above and in case that no assets have been distributed to shareholders, the company may carry on its existence by amending its articles of association or by a resolution of shareholders' meeting. The amendment of the articles of association or the resolution of a shareholders' meeting in accordance with provisions set out above shall require approval of at least two thirds of voting rights of shareholders attending the general meeting.

Where the company is dissolved in the circumstances described in subparagraphs (i), (ii), (iv), or (v) above, the liquidation shall be carried out. Directors shall be the liquidation obligors, and a liquidation committee shall be established within 15 days of the date on which the dissolution matter occurs.

The members of the company's liquidation committee shall be composed of its directors, unless the company's articles of association provide otherwise or the shareholders' meeting resolves to elect someone else. If the liquidation obligor fails to fulfil its liquidation obligations in a timely manner and causes losses to the company or creditors, it shall be liable for compensation. If a liquidation committee is not established within the stipulated period, or if the liquidation is not carried out after the establishment of the liquidation committee, the interested parties may apply to the people's court and request the court to appoint relevant personnel to form the liquidation committee. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

The liquidation committee shall exercise the following functions and power during liquidation:

- to liquidate the company's assets and to prepare a balance sheet and an inventory of the assets;
- to notify creditors through notice or public announcement;
- to deal with the outstanding business of the Company in connection with liquidation;
- to settle all outstanding tax payment and the tax payment which arise in the course of the liquidation process;
- to claim credits and pay off debts;
- to distribute the company's remaining assets after its debts have been paid off; and
- to represent the company in civil lawsuits.

The liquidation committee shall notify the company's creditors within 10 days after its establishment and issue public notices in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days after receiving notification, or within 45 days of the public notice if

he/she did not receive any notification. A creditor shall state all matters relevant to his creditor rights in making his/her claim and furnish evidence. The liquidation committee shall register such claims. The liquidation committee shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages, social insurance expenses and statutory compensation, outstanding taxes and debts shall be distributed to shareholders according to their shareholding proportion. It shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people's court for a declaration for bankruptcy.

Following the acceptance of application for bankruptcy by the people's court, the liquidation committee shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation committee shall submit a liquidation report to the shareholders' general meeting or the people's court for verification. Thereafter, the report shall be submitted to the registration authority of the company in order to cancel the company's registration.

When performing the duties in relation to the liquidation, members of the liquidation committee shall bear the duties of loyalty and diligence. If members of the liquidation committee are reluctant in performing their liquidation duties and cause losses to the company, they shall be liable for compensation; members of the liquidation committee who have caused the creditors to suffer from any loss due to intentional fault or gross negligence, should be liable for making compensations to the company or its creditors. In addition, liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

Overseas Listing

According to the Overseas Listing Trial Measures, overseas listing of a company shall be filed with CSRC. Where an issuer conducts an overseas initial public offering or listing, it shall file with CSRC within 3 working days after submitting the issuance and listing application documents overseas. The remittance and cross-border flow of funds related to overseas issuance and listing of domestic enterprises shall comply with national regulations on cross-border investment and financing, foreign exchange management and cross border RMB management.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Merger and Division

A merger agreement shall be signed by merging companies and the involved companies shall prepare respective statements of financial position and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a statement of financial position and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. Unless an agreement in writing is reached with creditors before the company's division in respect of the settlement of debts, the liabilities of the company which have accrued prior to the division shall be jointly borne by the divided companies.

In accordance with the laws, cancelation of a company shall be registered when a company is dissolved and incorporation of a company shall be registered when a new company is incorporated.

THE PRC SECURITIES LAWS AND REGULATIONS

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

On December 25, 1995, the State Council promulgated the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These regulations principally govern the issue, subscription, trading and declaration of dividends and other distributions of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

The Securities Law of the PRC (《中華人民共和國證券法》, the "PRC Securities Law") took effect on July 1, 1999 and was revised as of August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019, respectively. The PRC Securities Law, which was revised

on December 28, 2019 and came into effect on March 1, 2020, is divided into 14 chapters and 226 articles, regulating, among other things, the issue and trading of securities, the listing of securities, and takeovers by listed companies.

Article 224 of the PRC Securities Law provides that domestic enterprises which, directly or indirectly, issue securities or list and trade their securities outside the PRC shall comply with the relevant regulations of the State Council. Currently, the issue and trading of foreign issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The Arbitration Law of the PRC (《中華人民共和國仲裁法》, the "PRC Arbitration Law") was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995 and was amended on August 27, 2009 and September 1, 2017, respectively. It is applicable to, among other matters, economic disputes involving foreign parties where all parties have entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law.

The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court, unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement. The people's court can issue a ruling prohibiting the enforcement of an arbitral award made by an arbitration commission after verification by collegial bench formed by the people's court if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal or arbitration proceedings, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party who or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》, the "New York Convention") adopted on June 10, 1958 pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse enforcement under certain circumstances, including but without limitation to where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC's accession to the Convention, the SCNPC declared that (i) the PRC will only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (ii) the will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

An arrangement for mutual enforcement of arbitral awards between Hong Kong and the Supreme People's Court of China was reached. The Supreme People's Court of China adopted the Arrangements on the Mutual Enforcement of Arbitral Awards between the mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》) on June 18, 1999, which went into effect on February 1, 2000. The arrangement reflects the spirit of the New York Convention. Under the arrangements, the courts of the Hong Kong SAR have agreed to enforce arbitration awards made by Chinese Mainland arbitration organisations in accordance with the Arbitration Law of the People's Republic of China, and people's courts of the Chinese Mainland have agreed to enforce arbitration awards made in the Hong Kong SAR in accordance with the Arbitration Ordinate of the Hong Kong SAR. If the Mainland court finds that the enforcement of awards made by the Hong Kong arbitral bodies in the mainland will be against public interests of the mainland, or the court of Hong Kong SAR decides that the enforcement of the arbitral awards made by Chinese Mainland arbitration organisations in Hong Kong SAR will be against public policies of Hong Kong SAR, the awards may not be enforced. The Supreme People's Court of China adopted the Supplementary Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and Hong Kong SAR (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》, the "Supplemental Arrangement") on November 9, 2020. The Supplemental Arrangement mainly provide additional provisions to the Arrangement on Mutual Enforcement of Arbitral Awards between the Chinese Mainland and Hong Kong SAR (《關於內地與香港特別行政區相互執行仲裁裁決的安排》). Articles 1 and 4 of the Supplemental Arrangement shall come into effect on November 27, 2020, while Articles 2 and 3 shall come into effect on a date to be announced by the Supreme People's Court.

Judicial Judgment and its Enforcement

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court on January 25, 2024 and implemented on January 29, 2024, in the case of effective judgment of a civil and commercial case or civil damages in a criminal case made by the court of China and the court of the Hong Kong Special Administrative Region, any party concerned may apply to the People's Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement.

This Appendix mainly provides investors with an overview of the Articles of Association. The following information is provided for summary purposes only and does not constitute comprehensive information that may be important to investors.

SHARES AND REGISTERED CAPITAL

The shares of the Company shall be issued in an open, fair and equal manner. Each share of the same class shall rank pari passu with each other. Shares of a class in each issuance are issued under the same terms and at the same price. Subscribers pay the same price for each share subscribed for.

Domestic unlisted shares issued by the Company shall be centrally registered and deposited with domestic securities registration and settlement institutions. H shares may be deposited by a trustee-custodian company in accordance with the laws, securities regulatory rules and the requirements of securities registration and depository of the place where the Company's shares are listed, and may also be held by the shareholders in their own names, in the form of overseas depositary receipts, prescribed securities (as defined in the [**REDACTED**] Rules) or other derivative forms of shares.

The Company issues par value shares, which are denominated in Renminbi.

SHARE ADDITIONS, REPURCHASES AND TRANSFERS

Share increase or decrease

The Company may, in accordance with the needs of its business development, and in accordance with the provisions of laws and regulations, increase its registered capital in the following ways upon the resolutions of the shareholders' meeting:

(1) Public issuance of shares;

(2) Non-public issuance of shares;

(3) Distribution of bonus shares to existing shareholders;

(4) Capitalizing of common reserve fund;

(5) Other methods prescribed by laws, administrative regulations, the China Securities Regulatory Commission, the Hong Kong Stock Exchange, and other relevant regulatory authorities where the Company's shares are listed.

When a company needs to reduce its registered capital, it will prepare a balance sheet and an inventory of assets.

The Company shall notify creditors within ten days from the date of the shareholders' meeting resolution to reduce registered capital. Within thirty days, the Company shall publish an announcement in media outlets meeting the conditions specified by the China Securities Regulatory Commission or on the National Enterprise Credit Information Publicity System. Additionally, in accordance with the regulatory authorities where the Company's shares are listed, the Company shall disclose the announcement on the Hong Kong Stock Exchange's HKExnews website (www.hkexnews.hk) and the Company's official website. Creditors shall have the right to demand that the Company settle its debts or provide corresponding security within thirty days from the date of receiving notice, or within forty-five days from the date of the public notice if no notice was received.

Share repurchases

The Company shall not acquire the Company's shares except in any of the following circumstances:

(1) To reduce the registered capital of the Company;

(2) Merger with other companies which hold shares of the Company;

(3) The use of shares in employee shareholding plans or equity incentives;

(4) The shareholder requests the company to purchase its shares due to objection to the resolution on the merger or division of the company made by the shareholders' meeting;

(5) The conversion of shares into corporate bonds issued by the company that can be converted into share certificates;

(6) Necessary for the Company to safeguard the Company's value and shareholders' interests.

(7) Other circumstances permitted by laws, regulations, and the regulatory authorities where the Company's shares are listed.

Any subsidiary controlled by the Company shall not acquire the shares of the Company.

The Company may repurchase its shares through public and centralized trading or other methods as permitted by laws, administrative regulations, the CSRC, and the regulatory authorities where the Company's shares are listed When the Company repurchases its shares in the circumstances as set out in items (3), (5) and (6) above, such repurchase shall be conducted by way of public and centralized trading.

The Company's acquisition of its own shares in the circumstances as set out in items (1) and (2) above shall be subject to the resolution of the shareholders' meeting. The Company's acquisition of its own shares in the circumstances as set out in items (3), (5) and (6) above shall be subject to compliance with the securities regulatory rules of the place where the Company's shares are listed, and in accordance with the provisions of the Articles of Association, or approval by way of resolution at the Board meeting attended by over two-thirds of the Directors, as authorized by the shareholders' meeting.

For unlisted shares within the territory, where the Company acquires its own shares in accordance with the provisions of the first paragraph above and falls under circumstance (1), such shares shall be canceled within ten days from the date of acquisition; For situations falling under items (2) and (4), the shares shall be transferred or canceled within six months; for situations falling under items (3), (5), and (6), the total number of shares held by the company shall not exceed ten percent of the Company's total issued shares, and such shares shall be transferred or canceled within three years. If laws, regulations, and the securities regulatory authorities of the place where the Company's shares are listed have other provisions regarding matters related to share repurchases, those provisions shall prevail.

When the Company acquires its own shares, it shall fulfill the obligation of information disclosure in accordance with laws, regulations, the regulatory rules of the place where the Company's shares are listed, and other relevant provisions.

Transfer of shares

Shares issued by the Company prior to its [**REDACTED**] shall not be transferable within one year from the date on which the shares of the Company are [**REDACTED**] and [**REDACTED**] in a stock exchange.

The Company's directors and senior executives shall report the shares (including preferred shares) they hold in the Company and any changes in them to the Company. The number of shares transferred annually during the term of office shall not exceed 25% of the total number of shares of the same class held by him in the Company; the shares held by the Company's directors and senior executives shall not be transferred within one year from the date of [**REDACTED**] and [**REDACTED**] of the Company's shares. The above personnel shall not transfer the Company's shares held by them within half a year after their departure. Where laws, regulations, the CSRC, and/or the listing rules of the place where the Company's shares are [**REDACTED**] provide otherwise in respect of the restrictions on the transfer of shares, such rules shall prevail.

SHAREHOLDERS AND SHAREHOLDERS' MEETINGS

Shareholders

The Company shall, based upon the share certificates and/or paperless records provided by the Company's approved share registrar, or the certificates provided by the securities registration and settlement authority, establish a register of shareholders which is sufficient evidence for the holding of shares in the Company by a shareholder. Shareholders shall have rights and assume obligations as per the class of their shares; shareholders holding shares of the same class shall have the same rights and assume the same obligations.

Shares of the Company shall not be deemed as different classes of shares merely because they are in certificated or paperless form. To the extent necessary, if no other alternative can be reasonably adopted, the Company may make arrangements to calculate the rights of a shareholder separately for the portion of shares held in certificated form and the portion of shares held in paperless form.

Holder of shares of the Company shall enjoy the following rights:

(1) Exercise voting and speaking rights in accordance with relevant laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association, unless required to abstain from voting on specific matters under the Hong Kong Stock Exchange Listing Rules;

(2) To receive dividends and other forms of distributions of benefits in proportion to their shareholdings;

(3) To request, convene and preside over, attend (in person, by electronic means, or by proxy) shareholders' meeting in accordance with law, and to exercise the corresponding speaking and voting rights;

(4) To supervise the operation of the Company, and to make proposals or enquiries in relation thereto;

(5) To transfer, donate or pledge shares in accordance with laws and administrative regulations and the provisions of these Articles of Association;

(6) To inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meeting, resolutions of meetings of the Board of Directors and financial accounting reports, and shareholders who meet the requirements may inspect the Company's accounting books and certificates of account;

(7) In the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in proportion to the number of shares held;

(8) With respect to shareholders who vote against any resolution adopted at the shareholders' meeting on the merger or division of the Company, to require the Company to acquire the shares held by them;

(9) To inspect at the Hong Kong branch register of shareholders of the Company. However, the register of shareholders of the Company may be closed on terms equivalent to Section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);

(10) Other rights conferred by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

If a resolution passed at the shareholders' meeting or meeting of the Board of the Company violates the laws or administrative regulations, the shareholders shall have the rights to submit a petition to the People's Court to render the same invalid.

If the procedures for convening, or the method of voting at, the shareholders' meeting or meeting of the board of directors violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall have the rights to submit a petition to the People's Court to revoke such resolution within sixty days from the date on which such resolution is adopted. However, this shall not apply when there are only minor defects in the convening procedures or voting method of the shareholders' meeting or meeting of the board of directors, which do not materially affect the resolution.

The Company's shareholders shall have the following obligations:

(1) To comply with the laws, administrative regulations and these Articles of Association;

(2) To pay capital contribution as per the shares subscribed for and the method of subscription;

(3) Not to withdraw capital contribution, unless in the circumstances stipulated by the laws and regulations;

(4) Not to damage any of the interests of the Company or other shareholders by abusing the shareholder's rights, nor damage the interests of any creditor of the Company by abusing the independent status of the Company as a legal person and limited liability of shareholders;

(5) Any other obligations prescribed by the laws, administrative regulations, the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed.

General requirements of shareholders' meetings

The shareholders' meeting of the Company shall comprise all shareholders. The shareholders' meeting is the organ of authority of the Company and shall exercise the following functions and rights in accordance with the law:

(1) Elect and replace directors and make decisions on matters relating to the remuneration of such directors;

(2) To consider and approve the reports of the board of directors;

(3) To consider and approve the profit distribution plan and plan for making up losses of the Company;

(4) To decide on increasing or reducing the registered capital of the Company;

(5) To make resolutions on the issuance of corporate bonds;

(6) Resolve on the merger, division, dissolution, liquidation (including voluntary liquidation), or change of corporate form of the Company;

(7) Amend the Articles of Association;

(8) To pass resolutions on the engagement or dismissal of accounting firms undertaking the Company's audit work and determining their remuneration by the Company;

(9) To consider and approve the guarantees as stipulated in Article 47 of the Articles of Association;

(10) To consider matters relating to the purchase or disposal of material assets by the Company within one year in an amount representing more than 30 percent of the Company's latest audited total assets;

(11) To consider and approve the change of use of proceeds;

(12) To consider equity incentive plans and employee stock ownership schemes;

(13) To consider other matters that require to be resolved by the shareholders' meeting as prescribed by laws, administrative regulations, departmental rules, the Articles of Association and the securities regulatory rules of the place where the Company's shares are listed.

The following external guarantees of the Company must be subject to consideration and passing at the shareholders' meeting:

(1) Any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the Company's latest audited net assets;

(2) A guarantee provided after the total external guarantees of the Company exceed 30% of the latest audited total assets;

(3) A guarantee provided to others with an amount exceeding 30% of the latest audited total assets of the Company within one year;

(4) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;

(5) The amount of a single guarantee exceeding 10% of the latest audited net assets;

(6) Provision of guarantee to shareholders, de facto controllers and their connected parties;

(7) Other guarantee situations required to be reviewed by the shareholders' meeting as stipulated by laws, regulations, the securities regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

An extraordinary shareholders' meeting shall be convened by the Company within two months of the occurrence of any of the following circumstances:

(1) The number of directors is less than the number specified in the Company Law or two-thirds of the number as required by the Articles of Association;

(2) When the Company's accumulated losses not yet made up have reached one-third of its total share capital;

(3) Where shareholders who individually or jointly hold no less than 10% of the Company's shares (including preferred shares with restored voting rights) request holding of such a meeting;

(4) When the Board deems it necessary to convene the meeting;

(5) When the Audit Committee proposes to convene a meeting;

(6) Any other circumstance conferred by laws, administrative regulations, departmental rules and the Articles of Association.

Convening of the Shareholders' Meeting

The Board shall timely convene the shareholders' meeting within the timeframe as required.

With the approval by a majority of all independent directors, the independent directors shall have the right to propose to the Board convene an extraordinary shareholders' meeting. The Board shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders' meeting within ten days of receiving the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution; if the Board does not agree to convene an extraordinary shareholders' meeting, it shall explain the reasons.

The Audit Committee has the right to propose to the Board to convene an extraordinary shareholders' meeting and shall submit the proposal in writing to the Board. The Board, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback on whether to agree to convene an extraordinary shareholders' meeting within ten days of receiving the proposal. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution, and any changes to the original proposal in the notice shall be agreed upon by the Audit Committee. If the Board does not agree to convene an extraordinary shareholders' meeting or fails to provide feedback within 10 days of receiving the proposal, it shall be deemed that the Board is unable or unwilling to perform its duties of convening the shareholders' meeting, and the Audit Committee may convene and preside over the meeting on its own.

Shareholders who individually or jointly hold 10% or more of the Company's shares have the right to request the Board to convene an extraordinary shareholders' meeting and shall submit the request in writing to the Board. The Board shall, in accordance with laws, administrative regulations, and the Articles of Association, provide written feedback within ten days after receiving the request, indicating whether it agrees or disagrees to convene the extraordinary shareholders' meeting. If the Board agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of making the board resolution, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Board does not agree to convene an extraordinary shareholders' meeting or fails to respond within 10 days after receiving the request, shareholders holding more than 10% of the

Company's shares (including preferred shares with restored voting rights, etc.) either individually or jointly who propose to the Audit Committee to convene an extraordinary shareholders' meeting shall submit a written request to the Audit Committee.

If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of receiving the request, and any changes to the original request in the notice shall be agreed upon by the relevant shareholders. If the Audit Committee fails to issue the notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee is unable or unwilling to convene and preside over the shareholders' meeting, and shareholders holding 10% or more of the Company's shares (including preferred shares with restored voting rights, etc.) separately or jointly for 90 consecutive days or more may convene and preside over the meeting on their own.

Notice of Shareholders' Meeting

The convener shall notify shareholders in writing at least twenty days prior to the annual shareholders' meeting. For extraordinary shareholders' meetings, notification shall be provided at least fifteen days in advance in writing. The calculation of the starting date shall not include the date on which the meeting is convened. Notice of a shareholders' meeting shall be given to shareholders in a manner that complies with laws, administrative regulations, the Hong Kong Stock Exchange Listing Rules, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

The notice of the shareholders' meeting shall include the following content:

(1) The time, place, and duration of the meeting;

(2) The matters and proposals to be reviewed at the meeting;

(3) Particulars shall be in clear text that all shareholders are entitled to attend shareholders' meeting and may appoint their proxies in writing or by electronic means to attend and vote at the meetings. Such proxies need not be shareholders of the Company;

(4) The record date for shareholders entitled to attend the shareholders' meeting;

(5) The name and telephone number of the standing contact person for the meeting;

(6) The time and procedure for voting by network or other means.

(7) Other information required to be disclosed under the Hong Kong Stock Exchange Listing Rules. The notice of the shareholders' meeting and any supplementary notices shall fully and completely disclose the full details of all proposals.

Proposals of the Shareholders' Meeting

The content of the proposals shall fall within the scope of the shareholders' meeting's authority, have clear topics and specific resolution matters, and comply with the provisions of laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

When the Company convenes a shareholders' meeting, the Board, the Audit Committee, and shareholders who individually or collectively hold 1% or more of the Company's shares shall have the right to submit proposals to the Company.

Shareholders holding 1% or more of the Company's shares separately or jointly may submit temporary proposals in writing to the convener ten days before the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days of receiving the proposal, announce the content of the temporary proposal, and submit the temporary proposal to the shareholders' meeting for review. However, temporary proposals that violate laws, administrative regulations, or the Articles of Association, or do not fall within the scope of the shareholders' meeting's authority, shall be excluded.

Except for the circumstances stipulated in the preceding paragraph, the convener shall not modify the proposals already listed in the notice of the shareholders' meeting or add new proposals after issuing the notice of the shareholders' meeting.

Proposals not listed in the notice of the shareholders' meeting or not in compliance with the Articles of Association shall not be voted on or resolved at the shareholders' meeting.

Proxy of the Shareholders' Meeting

Shareholders may attend the shareholders' meeting in person or by electronic means, or entrust proxies to attend and vote on their behalf. Shareholders have the right to appoint one or more proxies, but the proxies need not be shareholders of the Company. An individual shareholder may appoint a maximum of two proxies. The shareholder's proxies may, in accordance with the shareholder's entrustment, exercise the following rights:

(1) The shareholder's right to speak at the shareholders' meeting;

(2) The right to demand a poll, either on their own or jointly with others;

(3) Except as otherwise provided by relevant laws, administrative regulations, and the Listing Rules of the Hong Kong Stock Exchange or the regulatory rules of the place where the Company's shares are listed, the right to vote shall be exercised by a show of hands or by poll, provided that the proxies of a shareholder who has appointed more than one proxies may only vote by poll.

Individual shareholders who attend the meeting in person or by electronic means shall produce their identity cards or other effective documents or proofs of identity. Proxies who attend the meeting shall produce their effective identification documents and the proxy form.

Corporate Shareholder shall be represented at the meeting by its legal representative or a proxy appointed by the legal representative. If a legal representative attends the meeting, he/she should produce his/her identity card, valid proof that can prove his/her qualification as a legal representative; if a proxy attends the meeting, the proxy should produce his/her identity card, proxy form issued by the legal representative of the corporate shareholder according to laws (except for shareholders who are recognized clearing houses or their nominees as defined in the relevant ordinances of the laws of Hong Kong in effect from time to time or the securities regulatory rules of the place where the Company's shares are listed (hereinafter referred to as "Recognized Clearing House")).

If a shareholder is a Recognized Clearing House (or its nominee), the Recognized Clearing House may authorize one or more persons as it thinks fit to act as its representative(s) at any shareholders' meetings or creditors' meetings; however, if more than one person are so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is authorized. The person so authorized may exercise the rights on behalf of the Recognized Clearing House (without being required to present share certificate, notarized authorization and/or further evidence to prove that he/she is duly authorized), as if he/she was an individual shareholder of the Company.

A proxy form issued by a shareholder to appoint another person as his/her proxy to attend the shareholders' meeting shall contain the following information:

(1) the name or title of the appointer, the class and number of the Company's shares represented;

(2) the name or title of the proxy;

(3) the matters for which the proxy is appointed and the scope of authorization, specific instructions given by the shareholder, including instructions as to cast votes for, against or abstain on each proposal set out in the agenda of the shareholders' meeting;

(4) the signing date and validity period of the proxy form;

(5) signature (or seal) of the appointing shareholder. If the appointing shareholder is a corporate shareholder, the proxy form shall be affixed with the seal of the legal person (if applicable).

Voting of Shareholders' Meetings

The resolutions of the shareholders' meeting are divided into ordinary resolutions and special resolutions.

An ordinary resolution at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

A special resolution at a shareholders' meeting shall be passed by over two-thirds of the voting rights held by the shareholders present at the shareholders' meeting (including proxies).

The following matters shall be approved by ordinary resolutions at the shareholders' meeting:

(1) work reports of the Board;

(2) the profit distribution plan and the plan for making up losses prepared by the Board;

(3) appointment or removal of the members of the Board, and their remuneration and the payment methods;

(4) engagement, dismissal or non-reappointment of the accounting firm and its remuneration;

(5) annual report of the Company;

(6) other matters other than those shall be approved by special resolutions stipulated in the laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The following matters shall be approved by special resolutions at the shareholders' meeting:

(1) the increase or reduction of the registered capital of the Company;

(2) the division, spin-off, merger, dissolution and liquidation of the Company;

(3) amendment to the Articles of Association;

(4) the purchase and sale of material assets or amount of guarantee provided to other persons by the Company within one year valued at more than 30% of the audited total assets of the Company as at the most recent period;

(5) stock incentive plans;

(6) other matters as required by the laws, administrative regulations, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, and considered by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and shall be passed by a special resolution.

Shareholders (including proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall be entitled to one vote. On a poll taken at a meeting, shareholders (including proxies) having two or more votes need not cast all their votes for, against or abstain from voting. However, the shares of the Company held by the Company shall have no voting right, and shall not be included in the total number of shares with voting rights of shareholders present at the shareholders' meeting.

If any shareholder, under applicable laws and regulations and the Listing Rules of the Hong Kong Stock Exchange, is required to abstain from voting on any particular matter being considered or is restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted towards the total number of shares with voting rights.

If a shareholder purchases shares with voting rights of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, the voting rights of such shares in excess of the prescribed proportion shall not be exercised and shall not be counted towards the total number of shares with voting rights present at the shareholders' meeting for thirty-six months after the purchase.

The Company's Board, independent non-executive Directors, shareholders holding more than 1% of the shares with voting rights or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, the specific voting intentions and other information shall be fully disclosed to the persons whose voting rights are being solicited. Compensation or disguised compensation for soliciting shareholders' voting rights is prohibited. The Company shall not impose minimum shareholding restrictions on the solicitation of voting rights other than the statutory conditions.

Directors and Board of Directors

Directors

Directors shall be elected or replaced at the shareholder's meeting and may be dismissed by the shareholders' meeting prior to the expiry of the term of their office. A Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiration of his/her terms.

The term of office of a Director shall commence from the date of taking the position until the expiry of the term of office of the current session of the Board. Where a re-election fails to be carried out in a timely manner upon the expiry of the term of office of a Director, such Director shall continue to perform his/her duties as a Director until a re-elected Director takes office in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

A Director appointed by the Board to fill a casual vacancy or as an addition to the Board shall hold office for a term commencing from the date of his/her appointment until the first annual general meeting after his/her appointment, and shall then be eligible for re-election and re-appointment.

Chairman

The Company shall have a Board of Directors, which shall have one chairman. The chairman shall be elected by more than half of all the members of the Board of Directors.

The chairman of the Board shall exercise the following functions and powers:

(1) to preside over shareholders' meetings, convene and preside over the Board meetings;

(2) to monitor and check the implementation of the Board's resolutions;

(3) other functions and powers as authorized by the Board.

Where the chairman of the Board is unable or fails to perform his/her duties, the duties shall be performed by a Director jointly elected by more than half of the Directors.

Board of Directors

The Board of Directors consists of eight Directors, including five executive Directors (including one employee representative Director) and three independent non-executive Directors. The employee representative Director shall be elected by the employees of the Company through the employee representatives' meeting.

The Board shall exercise the following functions and powers:

(1) to convene shareholders' meetings and report its work to the shareholders' meetings;

(2) to implement the resolutions of the shareholders' meetings;

(3) to determine the business operation plans and investment plans of the Company;

(4) to determine the Company's annual financial budget and final accounting proposals;

(5) to approve the annual report of the Company;

(6) to formulate the Company's profit distribution plan and the plan for making up losses;

(7) to formulate debt and financial policies of the Company, plans of the Company regarding increase or reduction of the registered capital, issuance of bonds or other securities and listing;

(8) to formulate plans for significant acquisitions of the Company, the purchase of shares of the Company, merger, division, dissolution or change of the form of the Company;

(9) to determine, to the extent authorized by the shareholders' meeting, on such matters as the external investments, acquisition or disposal of assets, assets mortgage, external guarantee, entrusted wealth management, connected transactions and external donations of the Company;

(10) to determine the establishment of the Company's internal management organization;

(11) to determine the appointment or dismissal of the general manager of the Company, the secretary to the Board and other senior management personnel, and determine their remuneration, rewards and penalties; and based on the nomination of the general manager, to determine the appointment or dismissal of the senior management personnel including the deputy general manager and chief financial officer of the Company and determine their remuneration, rewards and penalties;

(12) to formulate the basic management system of the Company;

(13) to formulate proposals for any amendment to the Articles of Association;

(14) to manage the information disclosure of the Company;

(15) to propose to the shareholders' meeting for appointment or replacement of the accounting firms which provide audit services to the Company;

(16) to listen to work reports of the general manager of the Company and review the work of the general manager;

(17) other functions and powers as stipulated in laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed, the Articles of Association or as authorized by the shareholders' meeting.

Matters beyond the scope of authorization of the shareholders' meeting shall be submitted to the shareholders' meeting for consideration.

The Board shall convene at least four meetings each year, which shall be convened by the chairman of the Board. The regular meeting of the Board of Directors referred to in this article shall be notified in writing to all Directors fourteen (14) days prior to the convening of the meeting.

Shareholders representing over 1/10 of the voting rights, over 1/3 of the Directors or the Audit Committee may propose to convene an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the Board meeting within 10 days from the receipt of the proposal.

The notice of an extraordinary meeting of the Board shall be served by: phone and/or in writing (including personal delivery, post, facsimile or e-mail). The time limit of such notice shall be: five (5) days prior to the convening of the meeting, and all Directors shall be notified. Upon unanimous consent of all Directors, extraordinary meetings of the Board may not be subject to the above time limit for notice, however, all Directors shall be notified in a timely manner, and this should be recorded in the Board of Directors minutes and signed by all Directors attending the meeting.

The first meeting after the change of session of the Board of Directors may be convened on the date of the change of session, and the time of convening the meeting is not subject to the restrictions on the method and time of notice in the first paragraph.

The quorum of a Board meeting shall be more than half of all Directors. A resolution of the Board shall be passed by more than half of all Directors.

As for the voting on a Board resolution, each Director shall have one vote.

Where a Director has any connected relationship with the enterprise or individuals involved in the matter to be decided at the Board meeting, he/she shall report to the Board in writing timely and shall not exercise his/her voting rights on the resolution, nor shall he/she exercise voting rights

on behalf of other Directors. The quorum of such a Board meeting shall be more than half of all the non-connected Directors, and the resolutions made at such Board meeting shall be approved by more than half of all the non-connected Directors. If the number of non-connected Directors present at the Board is less than 3, the matter shall be submitted to the shareholders' meeting for consideration.

Directors shall attend Board meetings in person. If any Director is unable to attend the meeting for any reason, he/she may by a written power of attorney appoint another Director to attend the meeting on his/her behalf. The power of attorney shall include the name of the proxy, the subject, scope of authorization and validity period, which shall be signed or officially sealed by the appointing Director. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authorization. Where a Director does not attend a Board meeting and does not appoint a proxy to attend the meeting on his/her behalf, he/she shall be deemed to abstain from voting at such meeting.

Audit Committee of the Board

The Board of Directors of the Company shall establish an audit committee, which shall perform the functions and powers of a supervisory committee as stipulated under the Company Law.

The Audit Committee shall consist of three members and shall be elected by the Board of Directors. All of the members shall be Directors who do not hold any senior management positions within the Company, with a majority being independent non-executive Directors. The convener of the committee shall be an independent non-executive Director with professional accounting qualifications.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audits and internal controls. The following matters shall be submitted to the Board of Directors for consideration only after obtaining the consent of more than half of all members of the Audit Committee:

(1) disclosure of financial information in financial and accounting reports and periodic reports, as well as the internal control evaluation reports;

(2) appointment or dismissal of the accounting firm responsible for auditing of the Company;

(3) appointment or dismissal of the chief financial officer of the Company;

(4) changes to accounting policies or accounting estimates, or corrections of significant accounting errors, except those resulting from changes in accounting standards;

(5) other matters as stipulated by laws, administrative regulations, requirements of the CSRC, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

The Audit Committee shall convene at least one meeting each quarter. An interim meeting may be convened upon the proposal of two or more members or when the convener deems it necessary. Meetings of the Audit Committee shall be held only when more than two-thirds of its members are in attendance.

Other Special Committees of the Board

The Board of the Company shall establish other special committees such as the Nomination Committee and the Remuneration Committee, which shall perform their duties in accordance with the Articles of Association and the authorization of the Board. Proposals from the special

committees shall be submitted to the Board for consideration and decision. The working rules of the special committees shall be formulated by the Board. The composition of the special committees shall comply with the relevant requirements of the laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange and other securities regulatory rules of the place where the Company's shares are listed or as required by relevant regulatory authorities.

Senior Management Personnel

The Company shall have a general manager and several deputy general managers, all of whom shall be appointed or dismissed by the Board of Directors.

The Company shall have a chief financial officer and a secretary to the Board who shall be appointed or dismissed by the Board of Directors upon the proposal of the general manager.

The general manager, deputy general managers, chief financial officer, secretary to the Board and other senior management personnel shall serve terms of three years and may serve consecutive terms if reappointed.

The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(1) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report on his or her work to the Board of Directors;

(2) to arrange for the implementation of the Company's annual business operation plans and investment plans;

(3) to formulate the plan for establishment of the Company's internal management organization;

(4) to formulate the basic management system of the Company;

(5) to formulate the specific rules and regulations of the Company;

(6) to propose to the Board of Directors on the appointment or dismissal of the Company's deputy general managers, chief financial officer, secretary to the Board and other senior management personnel;

(7) to determine the appointment or dismissal of management personnel other than those required to be appointed or dismissed by the Board of Directors;

(8) to consider and approve the general connected transactions, except for the connected transactions which require to be submitted to the Board of Directors or the shareholders' meeting for approval in accordance with the Articles of Association;

(9) to consider and approve other significant transactions, external investments and external guarantees, except for those which require to be submitted to the Board of Directors or the shareholders' meeting for approval in accordance with the Articles of Association;

(10) to decide on the establishment of wholly-owned subsidiaries and/or branches of the Company;

(11) other functions and powers as stipulated in the Articles of Association, the securities regulatory rules of the place where the shares of the Company are listed, or as authorized by the Board of Directors.

The general manager shall be present at the Board meeting in a non-voting capacity.

Qualifications and Obligations of Directors and Senior Management Personnel of the Company

Article 1 A person may not serve as a Director of the Company in case of any of the following circumstances:

(1) the person without capacity or with limited capacity for civil acts;

(2) the person who has committed an offense of corruption, bribery, embezzlement of property, misappropriation of property or disrupting the order of the socialist market economy and has been punished therefor, or who has been deprived of political rights as a result of any criminal offenses, in each case where less than 5 years have elapsed since the date of the completion of such punishment or deprivation; in the case of a suspended sentence, for a period not exceeding two years from the date of expiration of the probation period;

(3) the person who is a former director, factory director or manager of a company or enterprise which is insolvent and under liquidation and he/she is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of such insolvency and liquidation of the company or enterprise;

(4) the person who is a former legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed since the date of such revocation of the business license and being ordered to close down;

(5) the person listed as a judgment defaulter by the people's court because a comparatively large amount of debt has fallen due but has not been settled;

(6) the person has been banned by the CSRC from access to the securities market, and the period of such ban has not expired;

(7) the person has been deemed by the securities regulatory rules of the place where the shares of the Company are listed to be unfit for the position of director or senior management personnel of a listed company, and the period of such prohibition has not expired;

(8) other contents stipulated by laws, administrative regulations, departmental rules or the securities regulatory rules of the place where the shares of the Company are listed.

Where a Director is elected or appointed in violation of the provisions of this Article, the election, appointment or engagement shall be void. If a Director is involved in the circumstances set out in this Article during his/her term of office, the Company shall remove him/her from office and suspend his/her performance of duties.

FINANCIAL ACCOUNTING SYSTEM

The Company shall formulate its financial accounting systems in accordance with the laws, administrative regulations, the regulatory rules of the place where the shares of the Company are listed and requirements of relevant departments.

The Company shall prepare its annual financial accounting reports within 4 months from the end date of each fiscal year, and prepare its interim financial accounting reports within 2 months from the end date of the first 6 months of each fiscal year.

The aforesaid financial accounting reports are prepared and issued in accordance with the relevant laws, administrative regulations, departmental rules, the Listing Rules of the Hong Kong Stock Exchange and other securities regulatory rules of the place where the shares of the Company are listed.

The Company shall not establish accounts books other than the statutory account books. The funds of the Company shall not be deposited in any personal account.

When distributing after-tax profits of the year, the Company shall allocate 10% of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50% or more of the Company's registered capital, no further allocation is required.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up for the said losses before any statutory reserve fund is withdrawn according to the provision of the preceding paragraph.

Subject to a resolution passed at a shareholders' meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund from its after-tax profits.

Except for those not distributed in proportion to the shareholdings as prescribed in the Articles of Association, the remaining after-tax profits, after recovery of losses and allocation to the reserve funds, shall be distributed to shareholders in proportion to their shareholdings.

If the Company distributes profits to shareholders in violation of the Company Law, shareholders shall return to the Company the profits distributed in violation of the provisions; if losses are caused to the Company, the shareholders and the responsible Directors and senior management personnel shall be liable for compensation.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

The Company shall appoint one or more receiving agents in Hong Kong for holders of H shares. The receiving agent shall receive and safekeep the dividends and other amounts payable by the Company in respect of the H shares on behalf of the holders of H shares concerned, pending payment to such holders of H shares. The receiving agent appointed by the Company shall comply with the requirements of the laws and regulations and the securities regulatory rules of the place where the Company's shares are listed.

The reserve fund of the Company shall be used for making up for the losses, expansion of the operation or increase of registered capital of the Company.

The discretionary reserve fund and the statutory reserve fund shall first be used in making up for the losses of the Company, and for any losses left to be set off, the capital reserve fund may be utilized in accordance with the provisions.

When the statutory reserve fund is converted into an increase in registered capital, the retained portion of the fund shall not be less than 25% of the registered capital of the Company before the capitalization.

Internal Audit

The Company implements an internal audit system, which clarifies the leadership system, responsibilities and powers, staffing, financial guarantees, application of audit results, and accountability for internal audit work.

The Company's internal audit system shall be implemented after being approved by the Board of Directors.

Appointment of an Accounting Firm

The Company shall appoint such accounting firm which has complied with the Securities Law, for carrying out the audit for the accounting statements, net asset verification and other relevant consultancy services. The term of appointment shall be 1 year and can be re-appointed.

The appointment and dismissal of an accounting firm by the Company shall be subject to the approval of the shareholders' meeting. The Board shall not appoint an accounting firm before the approval of the shareholders' meeting.

The Company guarantees that it shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any refusal, withholding and misrepresentation.

Merger, Division, Capital Increase and Capital Reduction

Merger of the Company may take the form of merger by absorption or merger by new establishment.

In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

Where the consideration for the merger payable by the Company does not exceed 10% of the net assets of the Company, the merger is not subject to the resolution of the shareholders' meeting, unless otherwise provided for in the Articles of Association. Any merger of the Company not subject to the resolution of the shareholders' meeting under the preceding paragraph shall be subject to the resolution of the Board.

If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement, and shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the resolution for the merger and shall publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 30 days, and shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

The creditors may request the Company to repay its debts or provide corresponding guarantees within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement for those who have not received the notice.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded by the company surviving the merger or the new company established subsequent to the merger.

Where there is a division of the Company, its assets shall be divided accordingly.

Where there is a division of the Company, a balance sheet and an inventory of assets shall be prepared. The Company shall notify its creditors within 10 days from the date of the resolution for the division and shall publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 30

days, and shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

Unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before the division, the debts of the Company before the division shall be jointly assumed by the surviving companies after the division.

Where the Company reduces its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of approval of the resolution for the reduction of the registered capital at the shareholders' meeting and shall publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 30 days, and shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company's official website in accordance with the securities regulatory rules of the place where the shares of the Company are listed. The creditors have the right to request the Company to repay its debts or provide corresponding guarantees within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement for those who have not received the notice.

In case of any reduction in registered capital, unless otherwise provided by laws or the Articles of Association, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the shareholdings of the shareholders.

If the Company remains in a loss position after making up for its losses in accordance with paragraph 2 of Article 148 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the Company shall not make any distribution to the shareholders; nor shall the shareholders be exempted from the obligation to make capital contribution or payment on shares. The provisions of paragraph 2 of Article 172 of the Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. However, the Company shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) in accordance with the securities regulatory rules of the place where the shares of the Company are listed, and publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 30 days from the date of approval of the resolution for the reduction of the registered capital at the shareholders' meeting. Upon reduction of its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of the statutory reserve fund and the discretionary reserve fund reaches 50% of the Company's registered capital.

In the event of a merger or division of the Company, if there is a change in the registration items, the Company shall register such changes with the company registration authority in accordance with the laws. If the Company is dissolved, deregistration shall be registered in accordance with the laws. If a new company is established, its establishment shall be registered in accordance with the laws.

If the Company increases or reduces its registered capital, changes shall be registered with the company registration authority in accordance with the laws.

Dissolution and Liquidation

The Company shall be dissolved in any of the following circumstances:

(1) expiry of the term of business provided in the Articles of Association or other cause of dissolution as specified therein;

(2) a resolution on dissolution is passed by a shareholders' meeting;

(3) dissolution is required due to the merger or division of the Company;

(4) the business license of the Company is revoked or the Company is ordered to close down or dissolved in accordance with the laws;

(5) the Company has serious difficulties in operation and management, and its continued existence would cause significant losses to the shareholders' interests, and such issues cannot be resolved through other means, shareholders representing 10% or above of the total voting rights of the Company may request the people's court to dissolve the Company.

In the event that the Company has the causes of dissolution as prescribed in the preceding paragraph, it is obligated to disclose the causes of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

(1) to categorize the Company's assets and prepare a balance sheet and an inventory of assets, respectively;

(2) to notify the creditors or to publish public announcements;

(3) to deal with and liquidate any unfinished businesses of the Company;

(4) to pay all outstanding taxes and any tax that arises during the liquidation process;

(5) to settle claims and debts;

(6) to allocate the remaining assets after repayment by the Company of its debts;

(7) to represent the Company in any civil proceedings.

The liquidation committee shall notify the creditors within 10 days since its establishment, publish an announcement on the media in compliance with the conditions prescribed by the CSRC or the National Enterprise Credit Information Publicity System within 60 days, and shall make an announcement on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) in accordance with the securities regulatory rules of the place where the shares of the Company are listed. The creditors shall declare their claims to the liquidation committee within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement for those who have not received the notice.

Creditors shall explain the relevant particulars of their claims and provide supporting materials upon their declarations of such claims. The liquidation committee shall register the claims.

The liquidation committee shall not pay off any debts to any creditors during the period of claim declaration.

After clearing the assets of the Company and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same at the shareholders' meeting or the people's court for confirmation.

The remaining assets of the Company, after the payment for liquidation expenses, wages, social insurance premiums and statutory compensation of the staff, outstanding taxes and debts of the Company, shall be distributed by the Company to shareholders in proportion to their shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The assets of the Company shall not be distributed to the shareholders until the settlement of debts in accordance with the preceding provisions.

If the liquidation committee, after clearing the assets of the Company and preparing a balance sheet and an inventory of assets, finds that the assets of the Company are insufficient to pay off its debts, it shall immediately file an application to the people's court for bankruptcy liquidation.

After the people's court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and submit the same at the shareholders' meeting or the people's court for confirmation, and submit the report to the company registration authority to apply for deregistration of the Company.

Amendments to the Articles of Association

Under any of the following circumstances, the Company shall amend the Articles of Association:

(1) after amendments are made to the Company Law or relevant laws, administrative regulations or the securities regulatory rules of the place where the shares of the Company are listed, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed;

(2) there are changes in the Company which result in inconsistences with the matters recorded in the Articles of Association;

(3) the shareholders' meeting has resolved to amend the Articles of Association.

Where the amendments to the Articles of Association passed by resolutions of the shareholders' meeting require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration particulars of the Company, registration for such changes shall be made in accordance with the laws.

The Board shall amend the Articles of Association in accordance with the resolutions of the shareholders' meeting regarding the amendments to the Articles of Association and the review comments from relevant competent authorities.

Where the amendments to the Articles of Association constitute information that shall be disclosed according to the laws, regulations or the securities regulatory rules of the place where the shares of the Company are listed, the amendments shall be announced as required.

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was established as a limited liability company in the PRC on April 11, 2017 and was converted into a joint stock limited company on June 11, 2025 under the laws of the PRC. As of the Latest Practicable Date, the registered capital of the Company was RMB117,394,590. Immediately upon [**REDACTED**] (assuming the [**REDACTED**] is not exercised), our Company will have (i) [**REDACTED**] Domestic [**REDACTED**] Shares, representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**]; and (ii) [**REDACTED**] H Shares, representing approximately [**REDACTED**]% of our total issued Shares upon [**REDACTED**].

Our principal place of business in Hong Kong is at Room 1917, 19th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on December 31, 2025. Mr. Yau Tsz Lun (游子麟) has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is Room 1917, 19th Floor, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As our Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in "Regulatory Overview" in this document and Appendix V to this document, respectively.

2. Changes in Share Capital

On April 11, 2017, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB100,000.

The following sets out the changes in the share capital of our Company within two years immediately preceding the date of this document:

On June 11, 2025, our Company was converted from a limited liability company into a joint stock limited company.

On August 12, 2025, the registered capital of our Company was increased from RMB101,522,843 to RMB108,003,023.

On November 13, 2025, the registered capital of our Company was increased from RMB108,003,023 to RMB117,394,590.

Save as disclosed above, the share capital of our Company did not change during the two years immediately preceding the date of this document.

3. Changes in Share Capital of our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in note 1 to the Accountants' Report as set out in Appendix I to this document.

The following subsidiaries have been incorporated within two years immediately preceding the date of this document:

On February 8, 2025, Foshan Miantoushi Food and Beverage Management Co., Ltd. (佛山市面頭師餐飲管理有限公司) was established in Guangdong Province, the PRC with the registered capital of RMB2 million.

On April 16, 2025, Sichuan Yuantuo Food Co., Ltd. (四川元拓食品有限公司) was established in Sichuan Province, the PRC with the registered capital of RMB20 million.

On June 19, 2025, YUEN KEE FOOD HOLDING LIMITED was established in Cayman Islands with the share capital of USD50 thousand.

On July 9, 2025, YUEN KEE FOOD (S) PTE. LTD. was established in Singapore with the share capital of SGD2 million.

On August 1, 2025, YUEN KEE FOOD (S) MANAGEMENT PTE. LTD. was established in Singapore with the share capital of SGD0.5 million.

On September 4, 2025, YUEN KEE DUMPLINGS (M) SDN. BHD. was established in Malaysia with the share capital of MYR1 million.

On September 11, 2025, YUAN'S DUMPLINGS LIMITED (袁記餃子有限公司) was established in Hong Kong SAR with the share capital of HKD2 million.

On October 15, 2025, YUEN KEE FOOD (UK) CO., LTD was established in UK with the share capital of GBP50 thousand.

On March 16, 2026, YUEN KEE DUMPLINGS JAPAN CO., LTD was established in Japan with the share capital of JPY30 million.

On March 18, 2026, YUEN KEE DUMPLINGS MANAGEMENT (M) SDN. BHD. was established in Malaysia with the share capital of MYR3 thousand.

On April 29, 2026, YUEN KEE DUMPLINGS (S) MANUFACTURING PTE. LTD. was established in Singapore with the share capital of SGD1 million.

On July 31, 2026, PT YUEN KEE DUMPLINGS INDONESIA was established in Indonesia with the share capital of IDR10 billion.

On September 7, 2026, YUEN KEE DUMPLINGS (VN) COMPANY LIMITED was established in Vietnam with the share capital of VND1,323,050 thousand.

On September 16, 2026, YUEN KEE KOREA CO., LTD was established in Korea with the share capital of KRW100 million.

On September 16, 2026, YUEN KEE FOOD (SPAIN) SL was established in Spain with the share capital of EUR3 thousand.

On October 29, 2026, Foshan Yuanji Craft Brewing Catering Management Co., Ltd. (佛山袁記精釀餐飲管理有限公司) was established in Guangdong Province, the PRC with the registered capital of RMB500 thousand.

On November 6, 2026, Langfang Yuanhong Food Co., Ltd. (廊坊市元宏食品有限公司) was established in Hebei Province, the PRC with the registered capital of RMB20 million.

Save as disclosed above, there has been no changes in the share capital of our Subsidiaries during the two years immediately preceding the date of this document.

4. Resolutions of our Shareholders

On December 22, 2025, resolutions of our Company were passed by the Shareholders that, among other things, conditional upon the satisfaction (or, if applicable, waiver) of the conditions set out in "Structure of the [**REDACTED**] – Conditions of the [**REDACTED**]" and pursuant to the terms set out therein:

(a) the issue by the Company of H Shares with a nominal value of RMB1.00 each and such H Shares be [**REDACTED**] on the Hong Kong Stock Exchange;

(b) the number of H shares to be issued shall be no more than [**REDACTED**]% of the total issued share capital of our Company as enlarged by the [**REDACTED**];

(c) authorization of the Board or its authorized individual to handle all matters relating to, among other things, the [**REDACTED**], the issue and the [**REDACTED**] of H Shares on the Hong Kong Stock Exchange; and

(d) subject to the completion of the [**REDACTED**], the conditional adoption of the revised Articles of Association, which shall become effective on the [**REDACTED**].

Pursuant to the resolutions passed at the extraordinary general meeting of our Shareholders on September 29, 2026, it was resolved, among others things:

(a) subject to the completion of the [**REDACTED**], the granting of a general mandate to the Board to allot and issue Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes as the Board in its absolute discretion deem fit, provided that the number of Shares to be issued shall not exceed 20% of the number of Shares in issue as of the [**REDACTED**]; and

(b) subject to the completion of the [**REDACTED**], the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding 10% of the total number of H Shares in issue as of the [**REDACTED**].

5. Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. The Board believes that, where appropriate, repurchases of Shares may help stabilize or support the market performance of the Shares, enhance investors' confidence in the Company, and safeguard the interests of the Company and its Shareholders as a whole. Such repurchases will only be made when the Board considers that they would benefit the Company and its Shareholders as a whole.

(b) Exercise of the general mandate to repurchase Shares

Subject to the passing of the special resolution approving the grant of the general mandate to repurchase Shares at annual general meetings, the Board will be granted general mandate to repurchase Shares until the end of the relevant period. The general mandate to repurchase Shares would expire on the earlier of:

(i) the conclusion of the next annual general meeting of the Company to be held after the [**REDACTED**] of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or

(ii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

Furthermore, we need to complete registration and approval procedures with relevant government authorities for the actual grant of the repurchase mandate to the Board, as applicable. The exercise in full of the general mandate to repurchase H Shares would result in a maximum of 10% of the total number of issued H Shares as of the [**REDACTED**] being repurchased by the Company during the relevant period.

(c) Source of funds

In repurchasing its Shares, the Company intends to apply funds from the Company's internal resources legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of 30 days immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

None of the core connected persons of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

(f) Status of repurchased Shares

Any Shares to be repurchased will be cancelled or kept as treasury shares, subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations.

(g) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

(h) General

On the basis of the current financial position as disclosed in this document and taking into account the current working capital position, the Directors consider that, if the general mandate to repurchase Shares were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Company as compared with the position disclosed in this document. However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material adverse effect on our working capital or gearing position.

The Directors will exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and the laws of the PRC. To the best knowledge of the Directors, neither the explanatory statement contained herein nor the proposed share repurchase has unusual features.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

(a) the investment agreement dated August 7, 2025 entered into among our Company, Mr. Yuan, Guangdong Yuen Kee Investment Co., Ltd. (廣東省袁記投資有限公司), Zhangjiagang Xinghan Chuangxiang Investment Partnership (Limited Partnership) (張家港星翰創饗投資合夥企業(有限合夥)), Shanghai Yiyong Enterprise Management Consulting Partnership (Limited Partnership) (上海翼甬企業管理諮詢合夥企業(有限合夥)), Platinum Summit Hong Kong Limited, Shanghai Bird Nest Enterprise Management Partnership (Limited Partnership) (上海鳥窩企業管理合夥企業(有限合夥)), Hainan Silverpine Investment Partnership (Limited Partnership) (海南銀淞投資合夥企業(有限合夥)) and Lingyue Flavor (Guangzhou) Venture Capital Partnership (Limited Partnership) (領粵美味(廣州)創業投資合夥企業(有限合夥)) pursuant to which Zhangjiagang Xinghan Chuangxiang Investment Partnership(Limited Partnership) (張家港星翰創饗投資合夥企業(有限合夥)), Shanghai Yiyong Enterprise Management Consulting Partnership (Limited Partnership) (上海翼甬企業管理諮詢合夥企業(有限合夥)), Platinum Summit Hong Kong Limited, Shanghai Bird Nest Enterprise Management Partnership (Limited Partnership) (上海鳥窩企業管理合夥企業(有限合夥)), Hainan Silverpine Investment Partnership (Limited Partnership) (海南銀淞投資合夥企業(有限合夥)) and Lingyue Flavor (Guangzhou) Venture Capital Partnership (Limited Partnership) (領粵美味(廣州)創業投資合夥企業(有限合夥)) subscribed for an increased registered capital of RMB2,160,060, RMB1,080,030, RMB1,080,030, RMB864,024, RMB864,024 and RMB432,012 at a consideration of RMB50 million, RMB25 million, RMB25 million, RMB20 million, RMB20 million and RMB10 million;

(b) the supplemental agreement dated August 7, 2025 entered into among our Company, Mr. Yuan, Guangdong Yuen Kee Investment Co., Ltd. (廣東省袁記投資有限公司), Xiamen Black Ant No. 3 Equity Investment Partnership (Limited Partnership) (廈門黑蟻三號股權投資合夥企業(有限合夥)), Zhangjiagang Xinghan Chuangxiang Investment Partnership (Limited Partnership) (張家港星翰創饗投資合夥企業(有限合夥)), Shanghai Yiyong Enterprise Management Consulting Partnership (Limited Partnership) (上海翼甬企業管理諮詢合夥企業(有限合夥)),Platinum Summit Hong Kong Limited, Shanghai

Bird Nest Enterprise Management Partnership (Limited Partnership) (上海鳥窩企業管理合夥企業(有限合夥)), Hainan Silverpine Investment Partnership (Limited Partnership) (海南銀淞投資合夥企業(有限合夥)) and Lingyue Flavor (Guangzhou) Venture Capital Partnership (Limited Partnership) (領粵美味(廣州)創業投資合夥企業(有限合夥)), regarding the shareholders' right in our Company;

(c) the investment agreement dated November 13, 2025 entered into among our Company, Mr. Yuan, Guangdong Yuen Kee Investment Co., Ltd. (廣東省袁記投資有限公司), Zhangjiagang Xinghan Chuangxiang Investment Partnership (Limited Partnership) (張家港星翰創饗投資合夥企業(有限合夥)), Xiamen Qimei Gongxiang Investment Partnership (Limited Partnership) (廈門啟美共饗投資合夥企業(有限合夥)), Shanghai Yiyong Enterprise Management Consulting Partnership (Limited Partnership) (上海翼甬企業管理諮詢合夥企業(有限合夥)), Platinum Summit Hong Kong Limited, Xiamen Jianfa Emerging Industries Equity Investment No. 11 Partnership (Limited Partnership) (廈門建發新興產業股權投資拾壹號合夥企業(有限合夥)), Yihai Kerry Arawana Holdings Co.,Ltd. (益海嘉里金龍魚食品集團股份有限公司), Ms. Yang Yongyin (楊詠茵), Mr. Zhang Luyong (張鷺勇), Mr. Dai Xiongwei (戴雄偉), pursuant to which Zhangjiagang Xinghan Chuangxiang Investment Partnership (Limited Partnership) (張家港星翰創饗投資合夥企業(有限合夥)), Xiamen Qimei Gongxiang Investment Partnership (Limited Partnership) (廈門啟美共饗投資合夥企業(有限合夥)), Shanghai Yiyong Enterprise Management Consulting Partnership(Limited Partnership) (上海翼甬企業管理諮詢合夥企業(有限合夥)), Platinum Summit Hong Kong Limited, Xiamen Jianfa Emerging Industries Equity Investment No. 11 Partnership (Limited Partnership) (廈門建發新興產業股權投資拾壹號合夥企業(有限合夥)),Yihai Kerry Arawana Holdings Co., Ltd. (益海嘉里金龍魚食品集團股份有限公司), Ms.Yang Yongyin (楊詠茵), Mr. Zhang Luyong (張鷺勇), Mr. Dai Xiongwei (戴雄偉) subscribed for an increased registered capital of RMB2,767,158, RMB670,826, RMB1,718,992, RMB1,718,992, RMB1,006,240, RMB503,120, RMB335,413, RMB335,413 and RMB335,413 at a consideration of RMB82.5 million, RMB20 million, RMB51.25 million, RMB51.25 million, RMB30 million, RMB15 million, RMB10 million, RMB10 million and RMB10 million;

(d) the supplemental agreement dated November 13, 2025 entered into among our Company, Mr. Yuan, Guangdong Yuen Kee Investment Co., Ltd. (廣東省袁記投資有限公司), Xiamen Black Ant No. 3 Equity Investment Partnership (Limited Partnership) (廈門黑蟻三號股權投資合夥企業(有限合夥)), Zhangjiagang Xinghan Chuangxiang Investment Partnership (Limited Partnership) (張家港星翰創饗投資合夥企業(有限合夥)), Shanghai Yiyong Enterprise Management Consulting Partnership (Limited Partnership) (上海翼甬企業管理諮詢合夥企業(有限合夥)), Platinum Summit Hong Kong Limited, Shanghai Bird Nest Enterprise Management Partnership (Limited Partnership) (上海鳥窩企業管理合夥企業(有限合夥)), Hainan Silverpine Investment Partnership (Limited Partnership) (海南銀淞投資合夥企業(有限合夥)),Lingyue Flavor (Guangzhou) Venture Capital Partnership (Limited Partnership) (領粵美味(廣州)創業投資合夥企業(有限合夥)), Xiamen Qimei Gongxiang Investment Partnership (Limited Partnership) (廈門啟美共饗投資合夥企業(有限合夥)), Xiamen Jianfa Emerging Industries Equity Investment No. 11 Partnership (Limited Partnership) (廈門建發新興產業股權投資拾壹號合夥企業(有限合夥)), Yihai Kerry Arawana Holdings Co., Ltd. (益海嘉里金龍魚食品集團股份有限公司), Ms. Yang Yongyin (楊詠茵), Mr. Zhang Luyong (張鷺勇), Mr. Dai Xiongwei (戴雄偉), regarding the shareholders' right in our Company;

(e) [**REDACTED**]; and

(f) [**REDACTED**]

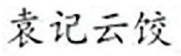
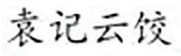
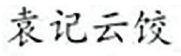
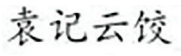
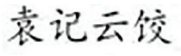
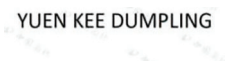
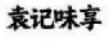
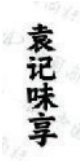
2. Intellectual Property Rights

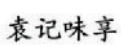
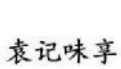
Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material to our business:

No.	Trademark	Place of Registration	Registered Owner	Class	Expiry Date
1.	袁记云饺	PRC	The Company	1	March 20, 2030
2.	袁记云饺	PRC	The Company	2	March 20, 2030
3.	袁记云饺	PRC	The Company	3	March 20, 2030
4.	袁记云饺	PRC	The Company	4	March 20, 2030
5.	袁记云饺	PRC	The Company	5	March 20, 2030
6.	袁记云饺	PRC	The Company	6	March 20, 2030
7.	袁记云饺	PRC	The Company	7	March 20, 2030
8.	袁记云饺	PRC	The Company	8	March 20, 2030
9.	袁记云饺	PRC	The Company	9	March 20, 2030
10.	袁记云饺	PRC	The Company	10	March 20, 2030
11.	袁记云饺	PRC	The Company	11	March 20, 2030
12.	袁记云饺	PRC	The Company	12	March 20, 2030
13.	袁记云饺	PRC	The Company	13	March 20, 2030
14.	袁记云饺	PRC	The Company	14	March 20, 2030
15.	袁记云饺	PRC	The Company	15	March 20, 2030

No.	Trademark	Place of Registration	Registered Owner	Class	Expiry Date
16. .	袁记云饺	PRC	The Company	16	March 27, 2030
17. .	袁记云饺	PRC	The Company	17	March 27, 2030
18. .	袁记云饺	PRC	The Company	18	March 27, 2030
19. .	袁记云饺	PRC	The Company	19	March 27, 2030
20. .	袁记云饺	PRC	The Company	20	March 27, 2030
21. .	袁记云饺	PRC	The Company	21	March 20, 2030
22. .	袁记云饺	PRC	The Company	22	March 27, 2030
23. .	袁记云饺	PRC	The Company	23	March 27, 2030
24. .	袁记云饺	PRC	The Company	24	March 20, 2030
25. .	袁记云饺	PRC	The Company	25	March 27, 2030
26. .	袁记云饺	PRC	The Company	26	March 20, 2030
27. .	袁记云饺	PRC	The Company	27	March 27, 2030
28. .	袁记云饺	PRC	The Company	28	March 27, 2030
29. .	袁记云饺	PRC	The Company	30	September 20, 2030
30. .	袁记云饺	PRC	The Company	31	March 27, 2030
31. .	袁记云饺	PRC	The Company	32	March 20, 2030
32. .	袁记云饺	PRC	The Company	33	March 27, 2030
33. .	袁记云饺	PRC	The Company	34	March 27, 2030
34. .	袁记云饺	PRC	The Company	36	March 27, 2030
35. .	袁记云饺	PRC	The Company	37	March 27, 2030
36. .	袁记云饺	PRC	The Company	38	March 20, 2030
37. .	袁记云饺	PRC	The Company	39	March 20, 2030
38. .	袁记云饺	PRC	The Company	40	March 20, 2030

No.	Trademark	Place of Registration	Registered Owner	Class	Expiry Date
39. .		PRC	The Company	41	March 27, 2030
40. .		PRC	The Company	42	March 20, 2030
41. .		PRC	The Company	43	April 6, 2029
42. .		PRC	The Company	44	March 27, 2030
43. .		PRC	The Company	45	March 20, 2030
44. .		PRC	The Company	35	March 13, 2035
45. .		PRC	The Company	16	April 13, 2033
46. .		PRC	The Company	18	April 13, 2033
47. .		PRC	The Company	20	March 20, 2033
48. .		PRC	The Company	24	April 13, 2033
49. .		PRC	The Company	40	May 20, 2035
50. .		PRC	The Company	43	August 6, 2030
51. .		PRC	The Company	40	May 13, 2035
52. .		PRC	Guangdong Yuen Kee Taste Brand Management Co., Ltd. ("Yuen Kee Taste Brand Management")	30	July 13, 2034
53. .		PRC	Yuen Kee Taste Brand Management	30	July 13, 2034
54. .		PRC	Yuen Kee Taste Brand Management	29	December 27, 2029
55. .		PRC	Yuen Kee Taste Brand Management	30	December 27, 2029

No.	Trademark	Place of Registration	Registered Owner	Class	Expiry Date
56. .		PRC	Yuen Kee Taste Brand Management	30	July 6, 2029
57. .		PRC	Yuen Kee Taste Brand Management	30	May 27, 2029

Copyrights

As at the Latest Practicable Date, we had registered the following copyright which we consider to be material to our business:

No.	Copyright	Place of Application	Registered Owner	Registration Date
1. . .	袁記餃子	PRC	The Company	August 10, 2018
2. . .	顆顆飽滿 用料實足	PRC	The Company	August 17, 2021
3. . .	皮薄餡足 超級滿足	PRC	The Company	August 17, 2021
4. . .	純手工現包	PRC	The Company	August 17, 2021
5. . .	袁選好餡 袁選麵皮 袁記手工 袁記標準	PRC	The Company	February 24, 2022
6. . .	袁選好餡 袁選麵皮 袁記手工 袁記標準	PRC	The Company	February 24, 2022
7. . .	袁記雲餃	PRC	The Company	April 14, 2022
8. . .	袁記雲餃 大國鮮餃, 袁記現包	PRC	The Company	May 6, 2022
9. . .	袁記雲餃	PRC	The Company	June 8, 2022
10. .	袁記雲餃	PRC	The Company	June 8, 2022
11. .	中華鮮餃 袁記現包	PRC	The Company	July 26, 2022
12. .	袁記食品集團 YUAN JI FOOD GROUP	PRC	The Company	June 7, 2023
13. .	袁記雲餃 冬菇馬蹄鮮肉餃	PRC	The Company	July 4, 2023
14. .	餃 現包鮮餃 始於貳零壹貳年	PRC	The Company	March 1, 2024
15. .	袁記雲餃	PRC	The Company	March 1, 2024
16. .	袁記雲餃	PRC	The Company	May 29, 2024
17. .	袁記雲餃 YUANJI DUMPLING	PRC	The Company	June 19, 2024
18. .	袁記雲餃 YUEN KEE DUMPLING(豎版)	PRC	The Company	August 22, 2025
19. .	1946 將中國餃子文化帶向世界 YUEN KEE	PRC	The Company	August 22, 2025
20. .	袁記雲餃 YUEN KEE DUMPLING(橫版)	PRC	The Company	August 22, 2025

Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent Name	Patentee	Place of Registration	Registration Date
1. .	Packaging box (Dumplings) (包裝盒(雲餃))	The Company	PRC	December 2, 2022
2. .	Packaging box (Dumplings 02) (包裝盒(雲餃02))	The Company	PRC	December 2, 2022

No.	Patent Name	Patentee	Place of Registration	Registration Date
3. .	Packaging box (Dumplings 03) (包裝盒(雲餃03))	The Company	PRC	February 3, 2023
4. .	Food booth (餐亭)	The Company	PRC	December 2, 2022
5. .	Condiment bottle (vinegar) (調料瓶(醋))	The Company	PRC	December 2, 2022
6. .	Condiment bottle (dumpling sauce) (調料瓶(餃子醬汁))	The Company	PRC	February 3, 2023
7. .	Sauce dish (碟子)	The Company	PRC	December 2, 2022
8. .	Canvas bag (dumplings) (帆布袋(雲餃))	The Company	PRC	December 2, 2022
9. .	Plate (dumpling-shaped) (盤子(餃形))	The Company	PRC	December 2, 2022
10. .	Plate (round) (盤子(圓形))	The Company	PRC	December 2, 2022
11. .	Spoon (round) (勺子(圓形))	The Company	PRC	February 3, 2023
12. .	Bowl (01) (碗(01))	The Company	PRC	December 2, 2022
13. .	Bowl (02) (碗(02))	The Company	PRC	December 2, 2022
14. .	Bowl (03) (碗(03))	The Company	PRC	December 2, 2022
15. .	Beverage cup (飲料杯)	The Company	PRC	December 2, 2022
16. .	Packaging box (condiment jar) (包裝盒(調料罐))	The Company	PRC	March 10, 2023
17. .	Spoon (waterdrop-shaped) (勺子(水滴))	The Company	PRC	March 10, 2023
18. .	An anti-caking powder-sprinkling machine for wonton wrapper production (一種防結塊的雲吞皮生產用撒粉機)	Guangdong Yuanhong, the Company	PRC	February 9, 2024
19. .	An anti-clogging dough mixer for wonton wrapper production (一種防堵塞的雲吞皮生產用和面機)	Guangdong Yuanhong, the Company	PRC	February 9, 2024
20. .	A dough-sheet multi-function machine with drying effect for wonton wrapper production (一種具有烘乾效果的雲吞皮生產用面料複合機)	Guangdong Yuanhong, the Company	PRC	February 9, 2024
21. .	A wrapper-stacking machine for wonton wrapper production (一種雲吞皮生產用疊皮機)	Guangdong Yuanhong, the Company	PRC	February 9, 2024
22. .	A slicing machine with waste conveying function for wonton wrapper production (一種具有廢料傳輸功能的雲吞皮生產用切片機)	Guangdong Yuanhong, the Company	PRC	February 9, 2024
23. .	A composite slitting device for wonton wrapper production (一種雲吞皮生產用複合分切設備)	Guangdong Yuanhong, the Company	PRC	April 9, 2024
24. .	A controlled-resting and conveying device for wonton wrapper production (一種雲吞皮生產用熟化傳輸設備)	Guangdong Yuanhong, the Company	PRC	April 9, 2024
25. .	Automatic conveying and distributing system (自動輸送分料系統)	Guangdong Yuanhong	PRC	November 1, 2024

No.	Patent Name	Patentee	Place of Registration	Registration Date
26..	A detection device for hard kernels such as beans (一種豆類硬實粒檢測裝置)	Guangdong Yuanhong	PRC	November 19, 2024
27..	Dicing and conveying system (切丁機輸送系統)	Guangdong Yuanhong	PRC	December 3, 2024

Domain Name

As of the Latest Practicable Date, we had registered the following internet domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1. . .	ylhgp.com	The Company	December 13, 2027
2. . .	yjspgp.cn	The Company	January 13, 2028
3. . .	yjspgp.com.cn	The Company	January 13, 2028
4. . .	yjspjt.cn	The Company	January 13, 2028
5. . .	yjspjt.com.cn	The Company	January 13, 2028
6. . .	yjspjt.com	The Company	January 12, 2028
7. . .	ylh.com	The Company	December 13, 2027
8. . .	yuanlianghong.com.cn	The Company	April 21, 2031
9. . .	yuanjiyunjiao.com.cn	The Company	April 21, 2031
10. .	yuansu56.com	Guangdong Yuansu	March 4, 2029

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors' Service Contracts

Each of the Directors [has entered] into a service contract with the Company. The principal particulars of these service contracts comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service contract with any member of the Group (excluding contracts expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

Details of our Company's remuneration policy is described in section headed "Directors and Senior Management – Remuneration of Directors."

2. Remuneration of Our Directors

Save as disclosed in "Directors and Senior Management" and "Appendix I – Accountants' Report – Directors' and Supervisor's Remuneration" for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026, none of our Directors received other remunerations or benefits in kind from us.

3. Disclosure of Interests of Directors and Chief Executive of Our Company

Save as disclosed below, immediately following the completion of the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised), so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Interests in our Company

Name	Position	Nature of interest[1]	Number of Domestic [REDACTED] Shares/H Shares held following completion of the [REDACTED]	Approximate percentage of shareholding in Domestic [REDACTED] Shares/H Shares immediately after the [REDACTED][2]	Approximate percentage of shareholding in the total issued Shares immediately after the [REDACTED][2]
Mr. Yuan[3] . .	Founder, executive Director, chairman of the Board and general manager	Beneficial Interests	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
		Interest in controlled corporation	[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%
			[**REDACTED**]	[**REDACTED**]%	[**REDACTED**]%

Notes:

(1) All interests stated are long position.

(2) The calculation is based on the total number of [**REDACTED**] Domestic [**REDACTED**] Shares in issue, [**REDACTED**] H Shares to be converted from Domestic [**REDACTED**] Shares in issue and [**REDACTED**] H Shares to be issued pursuant to the [**REDACTED**] (assuming that the [**REDACTED**] is not exercised).

(3) For details of interests of Mr. Yuan, see "Substantial Shareholders".

Save as disclosed above, none of the Directors or the chief executive of the Company will, immediately following completion of the [**REDACTED**], have any interests and/or short positions in the Shares, underlying Shares and debentures of our Company's associated corporations (within the meaning of Part XV of the SFO), which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

4. Disclosure of Interests of Substantial Shareholders

(a) Interests in our Company

For information on the persons who will, immediately following the completion of the [**REDACTED**], having or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the

provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see the section headed "Substantial Shareholders."

(b) Interests of substantial shareholders of other members of our Group

As of the Latest Practicable Date, our Directors are not aware of any persons (other than our Directors or chief executive) who will, immediately following the completion of the [**REDACTED**], directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

5. Disclaimers

Save as disclosed in this document:

(a) none of our Directors or any of the parties listed in "– E. Other Information – 5. Consents and Qualification of Experts" below is:

(i) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company;

(ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;

(b) save in connection with the [**REDACTED**] and the [**REDACTED**], none of the parties listed in "– E. Other Information – 5. Consents and Qualification of Experts" below:

(i) is interested legally or beneficially in any shares in any member of our Group; or

(ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

(c) none of the Directors or the experts named in the paragraph headed "– E. Other Information – 5. Consents and Qualification of Experts" in this section has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group; and

(d) none of our Directors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers.

D. EMPLOYEE INCENTIVE SCHEME

(a) Background

The Company adopted the Employee Incentive Scheme by a resolution of our then sole director in December 2023. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme does not involve the grant of new option or awards by our Company after the [**REDACTED**].

In order to implement the Employee Incentive Scheme, we have established Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan as the Employee Incentive Platforms, holding an aggregate of 15,000,000 Shares. For details of Foshan Yueshanhe, Foshan Yuanyunjiao and Foshan Xinxiangyuan, see "History, Development and Corporate Structure".

(b) Purposes

The purposes of the Employee Incentive Scheme are to establish and further long-term incentive and constraint mechanisms for the Group's employees, to enhance corporate governance structures, to fully mobilize the initiative and creativity of employees, and to elevate the Company's sustainability and profitability.

(c) Administration

The Board is responsible for implementing the Employee Incentive Scheme, including, inter alia, (i) determining the details, (ii) monitoring the implementation, and (iii) explaining the Employee Incentive Scheme. The share incentive committee of the Company (the "Committee") is responsible for carrying out the Board's decisions, including, inter alia, (i) developing incentive plan for specific employees, (ii) determining the eligibility and the list of employees and the number of shares and the exercising price of the award under the Employee Incentive Scheme (the "Award"), (iii) setting the rights and obligations of the eligible participants under the Employee Incentive Scheme (the "Participant(s)") (including the lock-up, vesting and repurchase in relation to the Award), and (iv) internal explanation and communication with the Participants.

(d) Participants

Individuals who have entered into labour contracts with our Group are eligible for the Award, except for employees who, inter alia, violated the laws, regulations applicable to our Company or the articles of association of our Company, was disloyal to the Group, including but not limited to resigning from the Group and working for a competitor of our Company, breached any agreement entered into with the Group, not performed or refused to perform employee obligations, violated any protocols and policies of the Group and caused loss, damage or injury to the property, reputation or other employees of the Group, or were dismissed due to any misconduct, gross negligence or underperformance for two consecutive years.

(e) Awards

An Award under the Employee Incentive Scheme gives a Participant equity interests in the Employee Incentive Platforms.

The Employee Incentive Platforms hold an aggregate of 15,000,000 Shares, representing approximately 12.78% of the aggregate amount of the Shares immediately before the completion of the [**REDACTED**] and approximately [**REDACTED**]% of the Shares immediately upon completion of the [**REDACTED**] assuming the [**REDACTED**] is not exercised.

As of the Latest Practicable Date, all the underlying Shares subject to the Employee Incentive Scheme have been granted to 99 Participants. No further awards or options will be granted under the Employee Incentive Scheme after the [**REDACTED**].

Details of the underlying Shares under the Employee Incentive Scheme granted to the Directors, senior management and other connected persons of the Company are set out below:

Name	Relationship with the Company	Number of underlying Shares granted under the Employee Incentive Scheme	Underlying Shares granted as a percentage of total issued share capital immediately upon the completion of the [REDACTED]
Mr. Tian Wei	Executive Director and deputy general manager of our Company	131,980	[**REDACTED**]%
Mr. Xu Le	Executive Director and deputy general manager of our Company	131,980	[**REDACTED**]%
Mr. Zhang Liangliang .	Executive Director and deputy general manager of our Company	284,264	[**REDACTED**]%
Mr. Yuan Yongbo	Executive Director, employee representative Director and the head of Southwestern China Business Division of our Company	203,046	[**REDACTED**]%
Mr. Xia Ni	Chief financial officer of our Company	304,569	[**REDACTED**]%
Mr. Zheng Boqi	Deputy general manager of our Company	187,716	[**REDACTED**]%
Mr. Liu Yong	Deputy general manager of our Company	203,045	[**REDACTED**]%
Ms. Cao Shan	Board secretary of our Company	81,218	[**REDACTED**]%
Mr. Yan Bin (嚴斌) . . .	Executive director and general manager of one of our subsidiaries	187,716	[**REDACTED**]%
Mr. Wu Yatao (吳亞濤) .	A supervisor of one of our subsidiaries	60,914	[**REDACTED**]%
Mr. Deng Fang (鄧方) .	Executive director and general manager of one of our subsidiaries	152,284	[**REDACTED**]%

(f) Vesting of Awards

The vesting of the underlying Shares granted is subject to the conditions under the share incentive award agreement (the "Award Agreement"), including the Participant shall continue serving at the Company during the period commencing from the date of grant of the Award to the [**REDACTED**] (the "Service Period") and comply with the lock-up requirements under the applicable rules and regulations.

In the event that the Participants become no longer eligible for the Award, retire, decease or are declared dead, or become incapacitated during the Service Period, the general partner of the Employee Incentive Platform or his/her designated third party shall have the right to repurchase the Award.

(g) Restrictions on transfer

After the [**REDACTED**], in addition to the restrictions under the Employee Incentive Scheme, the transfer or sale by Participants shall be subject to the lock-up requirements under the relevant laws and regulations and the stock exchange rules, or, in the case of Directors and senior management, the respective restrictions on trading and disclosure requirements under the relevant laws and regulations applicable to directors and senior management promulgated by the Stock Exchange and the SFC.

(h) Realization of economic benefits attached to the underlying Shares

Participants may realize the economic benefits attached to the underlying Shares by applying to the general partner of corresponding Employee Incentive Platforms, who shall then sell the underlying Shares in the open market and distribute the sale proceeds to the relevant Participants after deducting relevant expenses and taxes.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

Save as disclosed in this document and so far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an [**REDACTED**] on our behalf to the [**REDACTED**] for the [**REDACTED**] of, and [**REDACTED**], our H Shares. All necessary arrangements have been made to enable the securities to be [**REDACTED**] into [**REDACTED**].

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

Pursuant to the engagement letters entered into between our Company and the Joint Sponsors, the total sponsors' fee paid and payable to the Joint Sponsors in connection with the [**REDACTED**] is USD900,000.

4. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

5. Consents and Qualification of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services) and type 9 (asset management) of the regulated activities under the SFO
GF Capital (Hong Kong) Limited	A licensed corporation under the SFO for type 6 (advising on corporate finance) regulated activity under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance
CM Law Firm	Legal Advisor to our Company as to PRC laws
China Insights Industry Consultancy Limited	Industry consultant

Save as disclosed in this document, as of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

6. Promoters

The promoters of our Company comprised all of the 8 then shareholders of our Company as at June 11, 2025 before our conversion into a joint stock limited liability company. Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or benefit has been paid, allotted or given, or is proposed to be paid, allotted or given to the promoters named above in connection with the [**REDACTED**] or the related transactions described in this document.

7. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

8. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

9. Compliance Advisor

Our Company has appointed Maxa Capital Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

10. No Material Adverse Change

The Directors confirm that there has been no material adverse change in our financial or trading position since May 31, 2026.

11. Miscellaneous

(a) Save as disclosed in this document, within the two years immediately preceding the date of this document:

(i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise; and

(ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(b) Save as disclosed in this document:

(i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(ii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(iii) there are no arrangements under which future dividends are waived or agreed to be waived;

(iv) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(v) there have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months;

(vi) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(vii) no part of the equity or debt securities of our Company, if any, is currently [**REDACTED**] on or [**REDACTED**] in on any stock exchange or trading system, and no such [**REDACTED**] or [**REDACTED**] to [**REDACTED**] on any stock exchange other than the Stock Exchange is currently being or agreed to be sought; and

(viii) our Company has no outstanding convertible debt securities or debentures.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

(a) a copy of each of the material contracts referred to in "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix VI to this document; and

(b) the written consents referred to in "Statutory and General Information — E. Other Information — 5. Consents and Qualification of Experts" in Appendix VI to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.yuanjiyunjiao.com.cn** during a period of 14 days from the date of this document:

(a) the Articles of Association;

(b) the Accountants' Report prepared by Ernst & Young, the text of which is set forth in Appendix I to this document;

(c) the audited consolidated financial statements of our Group for the years ended December 31, 2023, 2024, 2025 and the five months ended May 31, 2026;

(d) the report from Ernst & Young on the unaudited [**REDACTED**] financial information of our Group, the text of which is set out in Appendix II to this document;

(e) the material contracts referred to in "Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contracts" in Appendix VI to this document;

(f) the service contracts referred to in "Statutory and General Information — C. Further Information about our Directors and Substantial Shareholders — 1. Particulars of Directors' Service Contracts" in Appendix VI to this document;

(g) the written consents referred to in "Statutory and General Information — E. Other Information — 5. Consents and Qualification of Experts" in Appendix VI to this document;

(h) the legal opinions issued by CM Law Firm, our PRC Legal Advisor, in respect of, among other things, the general corporate matters and the property interests of our Group under PRC laws;

(i) the industry report issued by China Insights Industry Consultancy Limited, the summary of which is set forth in "Industry Overview" in this document; and

(j) the PRC Company Law, PRC Securities Law and Overseas Listing Trial Measures, together with their unofficial English translations.