

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. You should read the whole [REDACTED] 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 the section headed “Risk Factors” in this document. You should read that section carefully in full before you decide to invest in the [REDACTED].

OVERVIEW

We are the largest community-based fresh product chain company in China, with the household brand Qdama (“錢大媽”  钱大妈). “Community-based” refers to store locations that are strategically located within residential neighborhoods to serve the daily needs of local residents. According to CIC, the community-based fresh product chains accounted for 10.2% of the overall China’s fresh product retail market in 2025.

We are dedicated to offering consumers fresh, value-for-money products and a convenient shopping experience focusing on the needs of “everyday meal”. We primarily operate under a franchise model, and most of our revenue was generated from product sales to our franchisees during the Track Record Period. Our diversified product portfolio primarily include primary fresh animal proteins (namely, (i) pork products, (ii) meat, poultry and eggs (excluding pork products) and (iii) seafood), fresh produce (namely, vegetables and fruits), as well as chilled and prepared foods. Driven by our commitment to “no overnight meat” (“不賣隔夜肉”), which has now been extended to all product categories, we introduced the “End of the Day Discount and Clearance” sales model (the “**D&C Model**”), earning widespread consumer recognition of “freshness” and enabling effective product assortment and inventory management for our franchisees. We have built an extensive store network across China, supported by an efficient supply chain. As of the Latest Practicable Date, we operated 16 integrated distribution centers across China, serving as hubs for sorting, processing and distribution. The vast majority of our products have an integrated distribution center turnover time of no more than 12 hours, and are sold in stores on the same day, outperforming the industry average of two to four days, according to CIC.

In 2025, our total GMV reached RMB14.3 billion. According to CIC, we ranked first among community-based fresh product chains in China by GMV of fresh product for six consecutive years. Meanwhile, in China’s broader fresh product retail market, we ranked seventh among fresh product chain operators by fresh products GMV in 2025, representing a market share of 0.9%, and were the only community-based fresh product chain brand among the seven largest market players.

OUR STRENGTHS

We believe that our business success and market position are underpinned by the following key strengths: (i) strong market presence in China’s community-based fresh product chain industry, benefiting from significant industry tailwinds; (ii) community-based small-store format, with a stable consumer base of high consumption frequency, resulting in high sales per square meter; (iii) efficient franchise model and long-term partnership with franchisees; (iv) continued efforts in product assortment optimization, online channels development and store network expansion; (v) efficient supply chain of fresh products that was refined over a decade of experience, ensuring freshness and cost efficiency; (vi) digitalized systems driving efficiency improvements; (vii) professional, progressive and long-term-oriented management team. See “Business — Our Competitive Strengths.”

OUR STRATEGIES

We plan to implement the following strategies to consolidate and enhance our market position in the industry: (i) enhance store network coverage and serve a broader consumer base; (ii) leverage our value-for-money advantage to broaden categories and deepen scenario-based assortment to increase single-store sales; (iii) expand online channels and build an efficient omnichannel retail network; (iv) continue to strengthen supply chain capabilities and drive gross margin expansion; and (v) continue to strengthen our digital and intelligent operating system to improve efficiency and reduce costs. See “Business — Our Strategies.”

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OUR PRODUCT OFFERINGS

We offer quality, competitively priced products covering primary fresh animal proteins (namely, (i) pork products, (ii) meat, poultry and eggs (excluding pork products) and (iii) seafood), fresh produce (namely, vegetables and fruits), as well as chilled and prepared foods. In the six months ended June 30, 2026, we offered an aggregate of 766 SPUs. Leveraging our commitment to everyday freshness and supply chain capabilities, we have established our product portfolio under the Qdama Fresh Series (錢大媽“鮮”系列), further strengthening our brand recognition. The following table sets forth a breakdown of our revenue from product sales by product type and product category in absolute amounts and as a percentage of our total revenue from product sales for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i> (unaudited)										
Primary fresh animal proteins										
Pork products	2,688,003	23.4	2,739,981	23.8	2,529,573	22.9	1,208,945	23.9	1,056,701	21.3
Meat, poultry and eggs ⁽¹⁾	1,899,403	16.6	1,853,358	16.1	1,767,851	16.0	775,446	15.3	836,498	16.9
Seafood	913,902	8.0	856,613	7.5	818,995	7.5	372,767	7.4	364,984	7.4
Sub-total	5,501,308	48.0	5,449,952	47.4	5,116,419	46.4	2,357,158	46.5	2,258,183	45.6
Fresh produce										
Vegetables	2,944,536	25.6	2,974,220	25.9	2,957,713	26.8	1,295,721	25.6	1,320,801	26.7
Fruits	1,394,216	12.2	1,411,899	12.3	1,358,879	12.3	650,074	12.8	640,821	12.9
Sub-total	4,338,752	37.8	4,386,119	38.2	4,316,592	39.1	1,945,795	38.4	1,961,622	39.6
Chilled and prepared food	1,475,018	12.9	1,524,945	13.3	1,513,246	13.7	712,456	14.1	695,782	14.1
Others⁽²⁾	144,974	1.3	129,641	1.1	92,403	0.8	49,757	1.0	35,885	0.7
Total	11,460,052	100.0	11,490,657	100.0	11,038,660	100.0	5,065,166	100.0	4,951,472	100.0

Notes:

- (1) The meat, poultry and egg product category excludes pork products.
(2) Others primarily include (i) sales of daily groceries through online sales channels, (ii) sales of packaging materials and consumables to franchisees for their store operations, and (iii) offset of sales discounts.

See “Business — Our Product Offerings.”

OUR SALES NETWORK

We operate a sales network that integrates both offline and online channels. Our offline sales channels consist of franchise and self-operated stores, while online channels primarily include our proprietary Qdama Mini Programs and third-party food delivery platforms. Since our inception in 2014, we have established an extensive store network spanning Chinese Mainland, Hong Kong and Macau, comprising franchise and self-operated stores. Our stores typically have a gross floor area of approximately 40 to 80 sq.m., featuring in-store product displays that allow consumers to browse and select high-frequency products in person while enjoying warm and attentive service. As of June 30, 2026, we had 3,014 stores, consisting of 2,946 franchise stores and 68 self-operated stores. On the other hand, our online sales channels offer enhanced convenience and product diversity, enabling consumers to browse and purchase a wider selection of products anywhere any time. Consumers may discover a product in-store but purchase it online for convenience or price benefits, or find a product online but buy it in-store to ensure freshness and quality. Such online sales are recorded as sales revenue of the stores which processed and delivered the orders. See “Business — Our Sales Network.”

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OUR SUPPLY CHAIN INFRASTRUCTURE

During the Track Record Period, we primarily procured products in Chinese Mainland through a dynamic procurement approach comprising sourcing from farming bases, supplier procurement, and order-based farming. We have established a network of integrated distribution centers and logistics operations designed to maintain an efficient flow of fresh products from suppliers to our stores. As of the Latest Practicable Date, we operated 16 integrated distribution centers across China, primarily serving as hubs for sorting, processing and distribution. Products are then delivered to stores through our efficient cold-chain logistics network. We have achieved 100% cold-chain coverage from our integrated distribution centers to our stores, and as of June 30, 2026, we cooperated with over 80 logistics partners, arranging an average of over 600 cold-chain vehicles everyday for delivery of products to our stores. See “Business — Supply Chain Infrastructure.”

CUSTOMERS AND SUPPLIERS

We sell our products primarily to franchisees and consumers in Chinese Mainland, Hong Kong and Macau. During the Track Record Period, our customers primarily comprised (i) franchisees and (ii) consumers who purchased products directly in our self-operated stores. Revenue generated from our five largest customers in each year/period of the Track Record Period amounted to RMB303.6 million, RMB352.1 million, RMB315.3 million and RMB154.9 million, respectively, amounting to 2.7%, 3.1%, 2.9% and 3.0% of our total revenue for the same years/periods. Revenue generated from our largest customer in each year/period of the Track Record Period amounted to RMB115.0 million, RMB106.4 million, RMB82.9 million and RMB41.4 million, respectively, amounting to 1.0%, 0.9%, 0.7% and 0.8% of our total revenue for the same years/periods. See “Business — Our Customers.”

Our suppliers mainly include suppliers for food products and logistic services. Purchases from our five largest suppliers in each year/period of the Track Record Period amounted to RMB1,043.8 million, RMB1,139.4 million, RMB1,217.8 million and RMB500.3 million, respectively, representing 14.4%, 11.1%, 12.2% and 11.5% of our total purchases for the same years/periods. Among our five largest suppliers, we procure pork products from Zhaozhao Fresh. See “Connected Transactions — Non-Exempt Continuing Connected Transactions — 3. Procurement of Pork Products.” In addition, purchases from our largest supplier in each year/period of the Track Record Period amounted to RMB256.9 million, RMB303.6 million, RMB311.1 million and RMB133.6 million, respectively, representing 3.5%, 3.0%, 3.1% and 3.1% of our total purchases for the same years/periods. See “Business — Our Suppliers.”

OUR DIGITALIZATION

Since establishing our information technology function in 2015, we have developed in-house digital capabilities that cover the entire business chain, from consumer engagement to supply-chain management and store operations, which enhance our operational efficiency, data visibility and decision-making precision. As of June 30, 2026, our IT team consisted of 205 dedicated personnel. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our research and development expenses amounted to RMB19.5 million, RMB16.4 million, RMB11.3 million, RMB6.3 million and RMB5.3 million, respectively. See “Business — Our Digitalization.”

COMPETITION

We compete in China’s community-based fresh product chains industry, which, according to CIC, accounted for 10.2% of China’s overall fresh product retail market in 2025. According to CIC, the market in which we operate is relatively fragmented and highly competitive, with top five market players accounting for 6.5% of market shares in terms of GMV of fresh products. According to the same source, in terms of fresh products GMV from 2020 to 2025, we have been the largest community-based fresh product chain brand in China for six consecutive years. In 2025, our fresh products GMV in China reached RMB13.0 billion, accounting for a 1.9% market share of the community-based fresh product chains

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industry. Meanwhile, in China’s broader fresh product retail market, we ranked seventh among fresh product chain operators by fresh products GMV in 2025, representing a market share of 0.9%, and were the only community-based fresh product chain brand among the seven largest market players. In addition, in 2025, our sales per square meter ranked highest among the top five community-based fresh product chain brands in China and exceeded the industry average over the same year. See “Industry Overview.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The tables below present our consolidated financial results during the Track Record Period and should be read in conjunction with “Financial Information” of this document and the Accountant’s Report set out in Appendix I to this document, together with the respective accompanying notes.

Consolidated Statements of Comprehensive Income

The following table sets forth a summary of our consolidated statements of comprehensive income for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
	(unaudited)				
Revenue	11,744,089	11,787,796	11,343,644	5,202,302	5,095,356
Cost of sales	(10,595,626)	(10,585,926)	(10,075,578)	(4,622,207)	(4,511,333)
Gross profit	1,148,463	1,201,870	1,268,066	580,095	584,023
Selling and marketing expenses	(605,742)	(607,348)	(569,275)	(276,754)	(286,838)
Administrative expenses	(414,092)	(432,738)	(371,051)	(176,269)	(193,350)
Fair value gains/(losses) on convertible redeemable preferred shares (“CRPS”)	73,418	163,847	419,052	84,972	(1,985)
Share-based payment expenses for modification of CRPS	–	–	(954,563)	–	–
Profit/(loss) for the year/period	168,563	288,389	(278,637)	176,050	68,051

Non-HKFRS Financial Measure

We define adjusted net profit (non-HKFRS measure) as profit/(loss) for the year/period adjusted by (i) fair value gains/(losses) on CRPS, (ii) share-based payment expenses for modification of CRPS, (iii) share-based payment to employees, and (iv) [REDACTED]. The following table presents our non-HKFRS measures for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
	(unaudited)				
Profit/(loss) for the year/period	168,563	288,389	(278,637)	176,050	68,051
Adjusted by deducting:					
Fair value gains/(losses) on CRPS ⁽¹⁾	73,418	163,847	419,052	84,972	(1,985)
Share-based payment expenses for modification of CRPS ⁽¹⁾	–	–	(954,563)	–	–
Share-based payments to employees ⁽²⁾	(18,147)	(51,735)	(23,221)	(8,993)	(25,929)
[REDACTED] ⁽³⁾	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Adjusted net profit (non-HKFRS measure)	116,378	193,206	295,767	100,071	103,742

Notes:

- (1) The CRPS we issued to Pre-[REDACTED] investors will be re-classified from liabilities to equity as a result of automatic conversion into Ordinary Shares upon [REDACTED]. We adjust fair value gains/(losses) on CRPS and share-based payment expenses for modification of CRPS because they are non-cash in nature.

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- (2) Share-based payments to employees mainly represent expenses associated with the equity incentive plans designed for management and employees who have demonstrated outstanding performance. We adjust equity settled share-based payments to employees because they are non-cash in nature.
- (3) [REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We adjust [REDACTED] because they are related to this [REDACTED].

Prior to the Track Record Period and as of January 1, 2023, we had accumulated losses of RMB2,964.2 million, primarily resulting from net losses incurred in previous years. Such losses were mainly attributable to: (i) our rapid business expansion during the previous years, which led to higher operating expenses and the provision of higher discounts and vouchers to support newly opened stores in gaining market presence, thereby temporarily constraining gross margin; and (ii) an increase in losses arising from fair value losses in CRPS as our valuation increased. Benefiting from our net profits in the subsequent years, our accumulated losses continued to narrow to RMB2,796.8 million as of December 31, 2023 and further to RMB2,509.2 million as of December 31, 2024. Our accumulated losses then increased to RMB2,789.4 million as of December 31, 2025, primarily due to our net loss of RMB278.6 million in 2025. Our accumulated losses subsequently decreased to RMB2,719.1 million as of June 30, 2026, primarily due to profit for the period of RMB68.1 million.

Our net profit increased from RMB168.6 million in 2023 to RMB288.4 million in 2024, primarily due to (i) an increase in net fair value gains on CRPS, reflecting the fluctuation in our valuation, and (ii) an increase in gross profit. In 2025, we recorded net loss of RMB278.6 million, primarily due to share-based payment expenses for modification of CRPS of RMB954.6 million in 2025, arising from the new Ordinary Shares we issued to our Shareholders, including our Pre-[REDACTED] investors, pursuant to the supplemented shareholders’ agreement dated on September 8, 2025, partially offset by an increase in gross profit. Our net profit decreased from RMB176.1 million in the six months ended June 30, 2025 to RMB68.1 million the six months ended June 30, 2026, primarily due to fair value losses on CRPS reflecting fluctuation in our valuation. Eliminating the impact of items including (i) fair value gains/(losses) on CRPS, (ii) share-based payment expenses for modification of CRPS, (iii) share-based payments to employees, and (iv) [REDACTED], we recorded an adjusted net profit (non-HKFRS measure) of RMB[REDACTED], RMB[REDACTED], RMB[REDACTED], RMB[REDACTED], RMB[REDACTED] and RMB[REDACTED] in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

Revenue by Business Segment

During the Track Record Period, we derived revenue from product sales, royalty and franchising services, and others. The following table sets forth a breakdown of our revenue by business segment for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
<i>(unaudited)</i>										
Product sales										
Sales to franchisees	10,883,144	92.7	10,946,021	92.9	10,636,742	93.8	4,858,823	93.4	4,759,382	93.4
Direct sales via self-operated stores . .	496,336	4.2	505,289	4.3	381,704	3.4	194,677	3.7	183,840	3.6
Sales to non-franchisee customers ⁽¹⁾ . .	80,572	0.7	39,347	0.3	20,214	0.2	11,666	0.2	8,250	0.2
Sub-total	11,460,052	97.6	11,490,657	97.5	11,038,660	97.3	5,065,166	97.4	4,951,472	97.2
Royalty and franchising services										
Sales-based royalty	158,098	1.3	154,594	1.3	149,198	1.3	68,487	1.3	69,301	1.3
Franchising services	17,952	0.2	14,795	0.1	9,871	0.1	5,715	0.1	4,194	0.1
Sub-total	176,050	1.5	169,389	1.4	159,069	1.4	74,202	1.4	73,495	1.4
Others ⁽²⁾	107,987	0.9	127,750	1.1	145,915	1.3	62,934	1.2	70,389	1.4
Total	11,744,089	100.0	11,787,796	100.0	11,343,644	100.0	5,202,302	100.0	5,095,356	100.0

Notes:

- (1) Non-franchisee customers include food wholesalers, supermarkets, restaurants and other corporate customers.
- (2) Others primarily include (i) premium service fees and delivery charges in respect of instant delivery services operated through Qdama Mini Programs, App and other third-party food delivery platforms, and (ii) service fees from providing operational support to franchisees to ensure consistency of store operations, including design and decoration services and the sales of store equipment to franchisees.

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During the Track Record Period, revenue from product sales consistently accounted for over 95.0% of our total revenue for each period. Our revenue from product sales remained relatively stable in 2023 and 2024, and experienced a slight decrease in 2025, primarily due to a decrease in sales of pork products and meat, poultry and eggs, which was mainly attributable to a decline in the prices of our pork and egg products in line with overall market price trends. Our revenue from product sales decreased from the six months ended June 30, 2025 to the same period in 2026, primarily due to a decrease in sales of pork products, which was mainly attributable to a decline in the prices of our pork products in line with overall market price trends.

Revenue by Sales Channel

The following table sets forth a breakdown of our revenue by sales channel in absolute amounts and as percentages of our total revenue for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
Sales to franchisees ⁽¹⁾	11,091,579	94.5	11,140,421	94.5	10,812,560	95.3	4,940,036	95.0	4,840,342	95.0
Direct sales via self-operated stores	496,336	4.2	505,289	4.3	381,704	3.4	194,677	3.7	183,840	3.6
Others ⁽²⁾	156,174	1.3	142,086	1.2	149,380	1.3	67,589	1.3	71,174	1.4
Total	11,744,089	100.0	11,787,796	100.0	11,343,644	100.0	5,202,302	100.0	5,095,356	100.0

Notes:

- (1) Sales to franchisees mainly include (i) product sales to franchise stores, (ii) royalty and franchising service fees, and (iii) service fees from providing operational support to franchisees to ensure consistency of store operations, including design and decoration services and the sales of store equipment to franchisees.
- (2) Others mainly include (i) premium service fees and delivery charges in respect of instant delivery services operated through Qdama Mini Programs, App and other third-party food delivery platforms, and (ii) sales to certain non-franchisee customers, including food wholesalers, supermarkets, restaurants and other corporate customers.

Cost of Sales

Our cost structure remained relatively stable during the Track Record Period. Costs of inventories sold or consumed represented the largest component of our cost of sales, accounting for 96.7%, 96.9%, 97.3%, 96.9% and 97.3% of our total cost of sales in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, which mainly constitute primary fresh animal proteins and fresh produce. In particular, costs of sales of products accounted for 96.3%, 96.5%, 96.9%, 96.6% and 97.0% of our total cost of sales during the same periods, reflecting the fact that product sales constituted the substantial majority of our revenue. The remaining components primarily comprised labor costs, depreciation and amortization and others.

Gross Profit and Gross Profit Margin by Business Segment

The following table sets forth our gross profit and gross profit margin by business segment for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
Product sales	896,399	7.8	935,992	8.1	984,862	8.9	451,799	8.9	450,617	9.1
Royalty and franchising services ⁽¹⁾	176,050	100.0	169,389	100.0	159,069	100.0	74,202	100.0	73,495	100.0
Others	76,014	70.4	96,489	75.5	124,135	85.1	54,094	86.0	59,911	85.1
Total	1,148,463	9.8	1,201,870	10.2	1,268,066	11.2	580,095	11.2	584,023	11.5

Note:

- (1) The gross profit margin for royalty and franchising services is 100%, primarily because we do not incur significant direct costs in connection with franchise management and support functions. The related indirect costs, such as training, marketing assistance, operational support, and contract administration, are insignificant and recorded as selling and marketing expenses.

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We operate in a highly competitive community based fresh product retail industry that is generally characterized by relatively low profit margins. As a result, our profitability is sensitive to changes in procurement costs, logistics expenses, labor costs and other operating expenses. Our gross profit margin increased throughout the Track Record Period, primarily driven by an improvement in the gross profit margin of product sales, benefiting from economies of scale, changes in product mix and cost-saving initiatives.

Consolidated Statements of Financial Position

The following table sets forth selected information from our consolidated statements of financial position as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Total current assets	1,282,622	1,284,917	1,608,259	1,613,782
Total non-current assets	363,153	267,983	308,898	322,923
Total assets	1,645,775	1,552,900	1,917,157	1,936,705
Total current liabilities	4,093,627	3,838,327	3,349,050	2,943,875
Total non-current liabilities	237,891	165,818	324,146	630,099
Total liabilities	4,331,518	4,004,145	3,673,196	3,573,974
Net current liabilities	(2,811,005)	(2,553,410)	(1,740,791)	(1,330,093)
Net liabilities	(2,685,743)	(2,451,245)	(1,756,039)	(1,637,269)

We recorded net current liabilities and net liabilities position throughout the Track Record Period, primarily due to (i) accumulated losses incurred in years prior to the Track Record Period, which mainly resulted from our rapid business expansion during the previous years, and (ii) convertible redeemable preferred shares issued to Pre-[REDACTED] Investors, which will be re-classified as equity upon [REDACTED].

Our net current liabilities decreased by 9.2% from RMB2,811.0 million as of December 31, 2023 to RMB2,553.4 million as of December 31, 2024, primarily due to a decrease in convertible redeemable preferred shares of RMB197.8 million, reflecting the fluctuation in our valuation. Our net current liabilities decreased by 31.8% from RMB2,553.4 million as of December 31, 2024 to RMB1,740.8 million as of December 31, 2025, primarily due to (i) an increase in cash and cash equivalents of RMB477.9 million, and (ii) a decrease in convertible redeemable preferred shares of RMB428.2 million. Our net current liabilities decreased from RMB1,740.8 million as of December 31, 2025 to RMB1,330.1 million as of June 30, 2026, primarily due to a decrease in bank borrowings of RMB299.0 million.

Our net liabilities decreased from RMB2,685.7 million as of December 31, 2023 to RMB2,451.2 million as of December 31, 2024, primarily due to profit for the year of RMB288.4 million, partially offset by repurchases of Ordinary Shares of RMB110.0 million. Our net liabilities further decreased from RMB2,451.2 million as of December 31, 2024 to RMB1,756.0 million as of December 31, 2025, primarily due to issuance of shares of RMB954.6 million, partially offset by net loss of RMB278.6 million. Our net liabilities decreased from RMB1,756.0 million as of December 31, 2025 to RMB1,637.3 million as of June 30, 2026, primarily due to (i) profit for the period of RMB68.1 million, and (ii) fair value gains of CRPS due to own credit risk of RMB27.3 million. The issuance of shares represents new Ordinary Shares we issued to our Shareholders, including Pre-[REDACTED] investors, pursuant to the supplemented shareholders’ agreement dated September 8, 2025. Our convertible redeemable preferred shares we issued to Pre-[REDACTED] investors will be re-classified from liabilities to equity as a result of automatic conversion into Ordinary Shares upon [REDACTED]. Our net liabilities position would turn into net assets upon [REDACTED].

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Consolidated Statements of Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)			(unaudited)	
Net cash inflow from operating activities	115,199	133,146	437,352	163,500	83,791
Net cash (outflow)/inflow from investing activities	(5,989)	73,195	7,360	933	(134,757)
Net cash (outflow)/inflow from financing activities	(187,777)	(145,944)	34,863	113,649	59,351
Net (decrease)/increase in cash and cash equivalents	(78,567)	60,397	479,575	278,082	8,385
Cash and cash equivalents at beginning of year/period	791,507	714,243	775,358	775,358	1,253,296
Effect of currency translation differences	1,303	718	(1,637)	(750)	(3,502)
Cash and cash equivalents at end of the year/period	714,243	775,358	1,253,296	1,052,690	1,258,179

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	Year ended/As of December 31,			Six months ended/ As of June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Gross margin (%)	9.8	10.2	11.2	11.2	11.5
Net margin (%)	1.4	2.4	(2.5)	3.4	1.3
Adjusted net margin (non-HKFRS measure) (%)	1.0	1.6	2.6	1.9	2.0
Debt-to-asset ratio (%)	263.2	257.8	191.6	N/A	184.5

RISK FACTORS

Our business and the [REDACTED] involve certain risks as set out in the section headed “Risk Factors” in this document. You should read that section in its entirety carefully before you decide to invest in our Shares. Some of the major risks we face include: (i) we face intense competition in the markets in which we operate. Failure to compete effectively could materially and adversely affect our customer base, market share and profitability; (ii) growth of our business depends on our brand, and any failure to maintain, protect and enhance our brand could materially and adversely affect our business prospects and results of operations; (iii) growth of our business depends on our ability to attract and retain a large community of consumers, and any failure to meet the evolving demand and preference of consumers or maintain superior consumer experience could materially and adversely affect our brand reputation, business prospects and results of operations; (iv) failure by us, our franchisees or suppliers to maintain effective quality control systems of our products or any industry-wide food safety concerns could have a material adverse effect on our brand reputation, business and results of operations; and (v) our future growth depends on our ability to continuously expand our store network and manage the operational performance of such network. See “Risk Factors.”

[REDACTED]

SUMMARY

[REDACTED]

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Ms. Feng, through FWH Holding Ltd., Feng WH, WH Feng Ltd. and Qdama Talent, was entitled to control the exercise of 51.26% voting rights of the issued Shares of our Company. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Ms. Feng, through FWH Holding Ltd., Feng WH, WH Feng Ltd. and Qdama Talent, will be entitled to control the exercise of [REDACTED]% voting rights of the issued Shares of our Company, and therefore will constitute a group of our Controlling Shareholders. See “Relationship with Our Controlling Shareholders.”

PRE-[REDACTED] INVESTMENTS

Since our establishment, we have attracted certain Pre-[REDACTED] Investors and completed several rounds of equity financing in the past few years to raise funds for the development of our business. For further information of the principal terms of the Pre-[REDACTED] Investments and the identity and background of our principal Pre-[REDACTED] Investors, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments.”

USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated [REDACTED] payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of 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] for the purposes and in the amounts set forth as follows: (i) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the development and management of our store network; (ii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for strengthening supply chain capabilities; (iii) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for enriching our product portfolio and developing our branding and marketing efforts; (iv) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for upgrading our digital and AI-assisted systems for our management of franchise stores and the operations of our distribution centers; (v) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for potential investment, merger and acquisition opportunities; and (vi) approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], as working capital and for general corporate uses.

[REDACTED]

	Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED]
Market [REDACTED] of our Shares ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share ⁽²⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of market [REDACTED] is based on [REDACTED] total issued Shares immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised).
- (2) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that [REDACTED] Shares (representing [REDACTED] Shares excluding 81,624,648 shares which are unvested but issued upon the completion of the

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[REDACTED]) are in issue, but takes no account of any Shares which may be issued upon the exercise of the [REDACTED], or any Shares which may be allotted and issued or repurchased by the Company under the general mandates for the allotment and issue or repurchase of Shares granted to the Directors as described in the section headed “Share Capital”. For the purpose of this unaudited [REDACTED] statement of adjusted consolidated net tangible assets, the balance stated in Renminbi is converted into Hong Kong dollars at rate of RMB[0.8650] to HK\$1.00. No representation is made that Renminbi amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, we did not declare or distribute any dividend. According to our Articles of Association and applicable laws and regulations, the decision on whether to pay dividends will be made at the discretion of our Directors and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends and other factors that our Directors may consider relevant. As advised by our Cayman Islands Legal Advisor, under the Cayman Companies Act, a position of accumulated losses does not necessarily restrict us from declaring and paying dividends to our Shareholders as dividends may be declared and paid out of our share premium account, provided that immediately after the date on which the dividend is proposed to be paid, we will be able to pay our debts as they fall due in the ordinary course of business. We do not have a predetermined dividend payout ratio. We will evaluate our dividend policy in light of our financial condition and the prevailing economic environment. See “Financial Information — Dividends and Dividend Policy.”

[REDACTED]

[REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We estimate that our [REDACTED] will be approximately HK\$[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] of RMB[REDACTED], of which RMB[REDACTED] was charged to the consolidated statements of comprehensive income as administrative expenses, and RMB [REDACTED] will be deducted from equity. We expect to incur [REDACTED] of approximately HK\$[REDACTED], of which approximately HK\$[REDACTED] is expected to be recognized in the consolidated statements of comprehensive income and approximately HK\$[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] are composed of (i) [REDACTED] of approximately HK\$[REDACTED], and (ii) non-[REDACTED] related expenses of approximately HK\$[REDACTED], which consist of fees and expenses of legal advisors and the Reporting Accountant of approximately HK\$[REDACTED] and other fees and expenses of approximately HK\$[REDACTED].

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

We have maintained stable business operations and development since June 30, 2026. We continued to expand our store network. As of July 31, 2026, we had over 3,020 stores. Meanwhile, we have continued to enrich our private-label product portfolio and introduced new private-label SPUs, covering a wide range of product categories such as dim sum, soy products, surimi-based products and meatballs and marinated steaks. In addition, our membership base continued to grow. As of July 31, 2026, our accumulated members registered across various channels reached over 31 million. 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 June 30, 2026, being the end date of the periods reported in the Accountant’s Report in Appendix I to this document, and there has been no event since June 30, 2026 which would materially affect the information shown in the Accountant’s Report in Appendix I in this document.