

RISK FACTORS

You should carefully consider all of the information set out in this document before making an investment in the Shares, including the risks and uncertainties described below in respect of our business and our industry and the [REDACTED].

The occurrence of any of the following events could materially and adversely affect our business, results of operations, financial condition or prospects. If any of these events occurs, the [REDACTED] price of our Shares could decline and you may lose all or part of your investment. You should seek professional advice from your relevant advisors regarding your prospective investment in the context of your particular circumstances.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

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.

The industry in which we operate is intensely competitive with respect to, among other things, brand recognition, consistent food quality, services, prices and store locations. According to CIC, China’s community-based fresh product chains industry is highly fragmented, with the five largest market players accounting for a combined market share of 6.5% in terms of fresh products GMV in 2025. Our competitors include domestic and international fresh product chain operators, as well as new entrants and market players from other food sectors offering similar products or targeting similar consumers. Some competitors have greater financial, marketing or operational resources and are well established in regions where we operate or plan to expand. Our ability to effectively compete will depend on various factors, including the successful implementation of our store network expansion strategy, consistent consumer demand for our fresh products, stable and effective food processing and logistics capabilities, reliable and quality fresh product suppliers, and our ability to continuously source quality fresh products, to expand product portfolio, and to enhance our operational efficiency. Failure to successfully compete may prevent us from increasing or sustaining our revenue and profitability and potentially lead to a loss of market share, which could have a material and adverse effect on our business, results of operations and cash flows.

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.

We have cultivated a household brand “Qdama (錢大媽)” with the value proposition of freshness in consumers’ minds. We believe that the recognition of our brand among consumers will promote word-of-mouth marketing and will contribute significantly to the growth and success of our business. Accordingly, to maintain, protect and enhance our brand recognition is critical to our business and market share. Many factors, some of which are beyond our control, are of importance to maintain, protect and enhance our brand. These factors, among others, include our ability to: (i) maintain and improve the diversity, quality and attractiveness of the products and services we offer; (ii) extend our geographic reach and enhance the integration of online and offline channels to provide superior shopping experience; (iii) enhance the responsiveness, functionality and features of our Qdama Mini Programs and App; (iv) increase brand awareness through marketing and brand promotion activities; (v) maintain or improve satisfaction with our franchising services and after sales services; (vi) compete effectively against existing or future competitors; (vii) preserve our reputation and goodwill generally and in the event of any unfavorable publicity on our products and services, malicious competition, food safety and data privacy, or other issues affecting us or China’s fresh product industry; (viii) maintain adequate protection of our IP; and (ix) maintain our cooperative relationships with business partners, including, among others, franchisees, suppliers and third-party service providers. If our brand or reputation deteriorates, our overall business, prospects and results of operations could be materially and adversely affected.

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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.

Our business depends heavily on the number of consumers who purchase products from our online and offline sales channels. Our ability to attract and retain consumers depends on a number of factors, including but not limited to: (i) our ability to constantly source and offer high-quality products that meet the evolving demand and preference of our consumers; (ii) our ability to provide superior shopping experience for consumers through online and offline channels based on our D&C model; (iii) the effectiveness of our franchise programs and other sales and marketing efforts; and (iv) our ability to respond to the changes of the general public’s consumption or dietary habits. As China’s fresh product industry continues to evolve, we must keep pace with changing consumer expectations and new developments by our competitors. If our store staff fail to offer satisfactory shopping experience, maintain attractive in-store product assortments or effectively maintain consumer relationships, our brand image may be undermined and our results of operations may be adversely affected. In addition, as we are expanding our online sales channels to capture the growth of the e-commerce economy and meet consumer demand for more convenient shopping experiences, failure to successfully expand our online business presence may make us unable to capture such market opportunities. See “Business — Our Sales Network — Online Sales Channels.” In addition, our efforts to expand our consumer base and to increase consumer engagement may not always be successful. If our existing consumers no longer find our products appealing or are unsatisfied with our products or services, or if our competitors offer more attractive products, prices, discounts or better services, our existing consumers may lose interest in us, reduce their purchases or even stop purchasing from us. If we fail to attract and retain consumers, our brand image may be undermined and our business as well as results of operations may be adversely affected.

Industry-wide food safety concerns could have a material adverse effect on our brand reputation, business and results of operations.

The food industry in which we operate is subject to concerns over food safety and quality. From time to time, media reports and regulatory announcements have highlighted food safety and quality incidents in the broader industry, including, among others, incidents involving excessive pesticide residues in agricultural products, the use of prohibited additives, contamination during processing or transportation, improper storage conditions, mislabeling of product origin or expiration dates, and the sale of expired or substandard products. According to the data released by the State Administration for Market Regulation of the PRC, approximately 462.8 thousand food safety violations were investigated and handled nationwide across China’s food industry in 2025. Such incidents have, in certain cases, resulted in product recalls, administrative penalties, suspension of operations, and increased regulatory inspections across the industry. As advised by our PRC Legal Advisor, pursuant to the Food Safety Law of the People’s Republic of China, food producers and distributors bear responsibility for the safety of the food they produce or sell. Accordingly, where a food safety incident occurs, we and our franchisees are each responsible for food safety issues arising from our respective food production and trading activities. Even though the reports and allegations were not targeted at us, the food industry could be negatively impacted by such incidents. The following downturn in the whole industry could take a long time to recover. A public perception that we, or other industry participants do not provide satisfactory products with safety and quality, even if factually incorrect or based on isolated incidents, could damage our reputation, diminish the value of our brand, undermine the trust and credibility we have established and have a negative impact on our ability to attract and retain consumers, and our business and results of operations may be materially and adversely affected.

Our future growth depends on our ability to continuously expand our store network and manage the operational performance of such network.

During the Track Record Period, we generated substantially all of our revenue from product sales to our franchisees. Accordingly, our future growth depends significantly on our

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ability to operate and expand our store network. Expanding into new geographic markets could expose us to different competitive conditions, consumer preferences and regulatory requirements. We cannot assure you 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. To increase our brand awareness in new geographical markets, we might need to invest more in advertising and promotional activities than originally planned. If we cannot successfully enter these new geographical markets or if there is a delay in our expansion in these markets, our business, financial position, and results of operations might be adversely affected. For existing geographical markets, increasing store density requires corresponding enhancements to our supply chain infrastructure to support higher volumes while maintaining product quality and freshness, which may result in higher operating costs. Changes in local market conditions, consumer preference or consumer spending may lead to a decrease in the number of orders and the average sales amount of a single transaction for our franchisees. Further, intensified competition or our inability to maintain relationships with existing franchisees may result in franchisees choosing to cooperate with competing brands, which could adversely affect our market share. 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. Moreover, our expansion could place considerable demands on our management and our operational, technological, and financial resources. If we cannot manage these demands, our business, financial position, and results of operations could be negatively affected.

Our results of operations are largely subject to franchisees' willingness to join our network and the performance of the franchise stores, and we cannot control and may not be able to effectively monitor the operations of these franchise stores or maintain our current relationship with the franchisees.

Our offline sales network primarily consists of franchise stores that are operated by third parties, and our revenue is primarily derived from sales to our franchisees. See "Business — Our Sales Network." Therefore, our results of operations are significantly subject to the performance of our franchise stores. Generally, our franchisees independently manage their businesses, and are responsible for the daily operation of their own franchise stores, and bear the profits and losses arising from the operation of franchise stores. Poor performance of the franchise stores will materially and adversely affect our revenue, profitability and brand. We also rely on franchisees to implement our strategic initiatives and marketing programs. Therefore, the success and quality of the franchise stores are ultimately dependent on the market environment, business environment in which they operate and the consumption capacity of consumers. In addition, our franchisees face various litigation risks, including consumer claims, personal-injury claims, environmental claims, and employee allegations of improper termination. These complaints may increase the costs of operations for our franchisees, have a negative impact on their profitability, and limit the funds available for their business operations, or affect our ability to renew our franchise arrangements. Such impact would subsequently adversely affect our business operations and results of operations and may negatively impact our brand image. We may not be able to monitor and manage their operations as directly and effectively as our self-operated stores. If our franchisees fail to successfully and effectively operate franchise stores, or if our franchisees do not satisfactorily fulfill their responsibilities and commitments, our franchise stores may experience sales declines and our brand image may be negatively impacted, which may consequently result in our failure to maintain and increase our revenue and profitability.

Fluctuations in prices and changes in the quality of fresh products could materially and adversely affect our profitability and results of operations.

Fresh products such as pork, fruits, vegetables, seafood, meat, eggs and dairy products are crucial to the operation of our stores. As a result, any fluctuation in the prices of fresh products could significantly affect our business operations and profitability. According to CIC, the prices of certain animal husbandry products, pork in particular, experienced significant fluctuations from 2021-2025, primarily due to factors such as disease outbreaks and subsequent supply recovery. Such price volatility in pork could affect our business as we derived over 20% of our revenue from the sales of pork products for each period of the Track Record Period. The vegetables price index hovered between 95.9 and 105.6 over the period

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from 2021 to 2025. The fruits and seafood products indices also saw mild fluctuations around 100, with readings ranging from 95.8 to 106.6 and 98.4 to 108.8 respectively. See “Industry Overview.” Our ability to control our costs depends on our ability to secure fresh products that meet our quality standards from our suppliers at reasonable prices. However, fresh products are subject to price volatility caused by, among others, adverse weather conditions, pest disaster, commodity price fluctuations, changes in supply and demand, logistics and processing costs, our bargaining power with suppliers, inflation, and governmental regulations and policies. Unfavorable conditions can reduce both yield and quality of such fresh products and may create substantial volatility in the price of certain fresh products in any given period, which in turn could have a material and adverse effect on our business and results of operations. In addition, our bargaining power with suppliers may vary depending on the product category, seasonality and prevailing market conditions. For example, certain fresh products may be sourced from designated production regions or suppliers that satisfy our quality, food safety and traceability requirements, which may limit the number of alternative suppliers available to us and thus increase such suppliers’ bargaining power. While the upstream production of fresh products is generally fragmented, our pool of qualified suppliers may be limited by our quality control, food safety and sourcing standards. In periods of tight supply or heightened demand, suppliers may have greater leverage in pricing and commercial negotiations, and we may have limited ability to secure more favorable terms or switch to alternative suppliers in a timely manner. Any increase in the procurement price of fresh products may prompt us to increase our pricing of products, reducing their competitiveness. If we are unable to pass the increased cost on to our franchisees or consumers, our profitability may be adversely affected. As such, any significant fluctuation in the availability, quality or prices of fresh products could have a material adverse effect on our business and results of operations.

Moreover, 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. Even relatively small fluctuations in the prices of fresh products or increases in operating costs may have a disproportionate impact on our margins and results of operations. Given our low margin business model, our ability to absorb cost increases without materially affecting our profitability is limited, especially during periods of heightened competition or weakened consumer demand. If adverse market conditions, including rising input costs, intensified price competition or reduced order volumes from franchisees, persist for an extended period, our results of operations, financial condition and prospects could be materially and adversely affected.

We rely on third-party warehousing and logistics providers to store and deliver our products to our stores, and risks associated with logistics may adversely impact our reputation, business and financial performance.

We rely on third-party warehousing facilities for the storage and distribution of fresh products. Any disruption in these facilities, such as capacity constraints and equipment failures, could significantly impact our ability to fulfill store demand. If our warehousing partners experience financial distress, operational inefficiencies, or fail to meet food safety and quality standards, we may face delays, increased costs, or reputational damage. Given the perishable nature of our products, even short-term interruptions in warehousing services could materially and adversely affect our business, financial condition, and results of operations. In addition, we partner with third-party logistics service providers to deliver our products efficiently. The services provided by our third-party logistics providers may be suspended, canceled or delayed for various reasons beyond our control, including improper handling, labor disputes or strikes, acts of war or terrorism, outbreaks of epidemics, earthquakes and other natural disasters, which could cause delivery delays, increased costs or difficulties in securing suitable alternatives in a timely manner. Any increase in the service costs of our logistics providers may also lead to an increase to our logistics expenses, which may in turn negatively affect our results of operations.

If our suppliers do not deliver quality food products at competitive prices or in a timely manner or have insufficient production capacity, we may experience supply shortages and increased procurement costs.

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

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RMB500.3 million, respectively, representing 14.4%, 11.1%, 12.2% and 11.5% of our total purchases for the same periods. In addition, purchases from our largest supplier in each year 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 periods. We cannot guarantee that we will maintain good and stable relationships with our suppliers. If any of our suppliers do not perform adequately or otherwise fail to distribute quality products to us in a timely manner due to deteriorated relationships with us or insufficient production capacity, we cannot guarantee that we will be able to secure alternative suppliers on commercially acceptable terms in a timely manner, or at all. Any failure to do so could increase our procurement costs and could cause shortages of products, which will further lead to the shortages of our products and may cause us to replace certain products with others that may affect the tastes of our products. In addition, the productivity of our suppliers may also be negatively affected by labor shortages, unexpected mechanical failures, utility shortages or outage, fire, acts of God or other calamities of our suppliers, which would render our suppliers unable to maintain their supply at the same or a similar level of product quality and quantity in the future. Any significant changes to the tastes of our products for a prolonged period could result in a significant reduction in revenue during the time affected by the shortage and could adversely affect our business and results of operations.

We face risks associated with our operation outside Chinese Mainland.

We have expanded our business footprints into Hong Kong and Macau. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, the revenue from sales in Hong Kong and Macau accounted for 6.0%, 7.4%, 8.2%, 8.7% and 8.5% of our total revenue for the same periods. Risks associated with our cross-border operations may include, among other things: (i) challenges in providing products, services and support, recruiting personnel, and managing sales networks effectively; (ii) difficulties in dealing with regulatory regimes, regulatory bodies and government policies with which we may be unfamiliar, to obtain necessary permits, licenses and approvals; (iii) adverse changes in customs laws, regulations, tariffs and quotas set by the local government and PRC government affecting the import or export of our products or materials across jurisdictions where we operate; (iv) inability to effectively manage logistics services due to different regulatory environments; (v) differences in accounting treatment, potential adverse tax implications and foreign exchange losses; (vi) inability to effectively enforce contractual or legal rights; and (vii) changes in laws, regulations and policies as well as political, economic and market instability or civil unrest in the relevant countries and jurisdictions. Our cross-border operations are also susceptible to uncertainties in local financial environment and foreign exchange risks arising from currency fluctuations and changes in foreign exchange controls. We may not be able to adjust our business practices in time to avoid or mitigate adverse effects such risks, which could materially and adversely affect our business. If we are unable to effectively avoid or mitigate these risks, our ability to expand into other markets will be impaired, or our cross-border business may not be able to achieve or sustain profitability, which could have a material and adverse effect on our business, results of operations and prospects.

If we fail to effectively expand our business, our results of operations and financial condition could be materially and adversely affected.

Our growth strategy depends in part on our ability to expand and optimize our store network, including both self-operated stores and franchise stores. As we pursue this expansion, we expect to deploy a significant portion of the net [REDACTED] from the [REDACTED] and other operating resources to support our store network growth and related initiatives, including enhancements to our supply chain capabilities, digitalization and intelligent infrastructure, and branding and marketing efforts. See “Future Plans and Use of [REDACTED].” Executing an expansion of this scale is capital- and resource-intensive and may require significant upfront investments. As a result, our cost and operating expenses may increase, our cash flows and working capital may come under pressure, and our profit margins or profitability may be adversely affected in the short to medium term. In addition, expansion may increase operational complexity and place additional demands on our management, organizational structure and operational systems. We cannot assure you that our expansion efforts will achieve the anticipated improvements in sales growth, operating efficiency or

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economies of scale as planned, or at all. If we are unable to expand our business effectively, including by executing our expansion initiatives in a timely and cost-effective manner, or if the expected benefits fail to materialize, our business, results of operations and financial condition could be materially and adversely affected.

Our success relies on key management and other highly qualified personnel.

Our future success is dependent upon the continued service of our management and highly qualified personnel. Our continued ability to compete effectively depends on our ability to retain and motivate existing employees and attract new employees. We may need to offer higher compensation and other benefits to attract and retain key personnel and our compensation and benefits payments may increase unexpectedly or at a greater rate than expected. If we lose the services of any member of management or qualified personnel, we may not be able to locate suitable or qualified replacements in a timely manner on reasonable terms, or at all. Our failure to attract and retain key management or qualified personnel and any increase in staffing costs to retain such personnel could have a negative impact on our ability to maintain our competitive position and grow our business, and may also have a material adverse effect on our results of operations and growth prospects. In addition, despite the confidentiality terms and non-compete arrangements, we cannot assure you that such terms or arrangements can be fully and legally enforced. If any of our management or other key personnel joins or establishes a competing business, we may lose some of our franchisees and consumers, which may have a material adverse effect on our business.

Our integrated distribution centers are susceptible to interruption, damage or loss caused by power outages or other events beyond our control.

As of the Latest Practicable Date, we leased 16 integrated distribution centers across China, all of which are operated by us directly. Our procurement, sorting, processing and logistics involve many different, often interrelated phases and are complex to manage. Even when technical and safety standards for the operation and maintenance of our integrated distribution centers are observed, operational disruptions and delays cannot be ruled out. As such, interruptions, damage or loss to our integrated distribution centers caused by fire, severe weather, earthquakes or other force majeure events, government intervention or other events which are beyond our control could harm our business, operating results and prospects. In addition, the operation of integrated distribution centers requires a stable supply of utilities, such as electricity, water and gas. If there are any shortages of power, water, gas or other utilities, the local authorities may require our integrated distribution centers to be shut down periodically, which may disrupt our production. This may adversely affect our ability to fulfill our sales orders and consequently may have an adverse effect on our business, results of operations and financial condition.

Since we and our franchisees require various approvals, licenses and permits to operate businesses, changes in regulatory requirements, renewal procedures or regulatory interpretations could materially and adversely affect our businesses and results of operations.

We are required to obtain and maintain various approvals, licenses, and permits to operate our business, pursuant to the PRC laws and regulations, which mainly include Food Operation License and Filing for Prepackaged Food Sales Only. See “Business — Licenses, Approvals and Permits.” Most of these licenses are subject to examinations or verifications by relevant authorities and some are valid only for a fixed period of time subject to renewal and accreditation. The application, examination and renewal processes may be time-consuming and subject to the relevant authorities, and we cannot assure you that future renewals will be granted on terms consistent with our expectations, which could increase our compliance costs or affect our operations. Our franchisees are also required to obtain and maintain relevant approvals, licenses and permits relating to food operation. Delays or deficiencies in the administrative application or renewal process may result in temporary operational disruptions at the relevant stores, which may have a negative impact on our reputation and brand image and ultimately our business, financial position and results of operations. Any delays by franchisees in completing administrative formalities or providing documentation

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required by regulatory authorities may have a negative impact on our reputation and brand image, and ultimately affect our financial position and results of operations.

We cooperate with third-party food delivery platforms. The performance of, and our long-term relationships with, such platforms may affect our business, financial condition, and results of operations.

We cooperate with third-party food delivery platforms for the promotion and delivery of our products via online channels, which allows consumers to place orders online without physically visiting our stores. Interruptions or failures in the systems of such third-party food delivery platforms could affect consumers’ shopping experience. If our products are not delivered on time and in proper condition, our consumers may refuse to accept and have less confidence in our products, in which case our business and reputation may be adversely affected. In addition, we cannot assure you that we will maintain long-term relationships with the third-party food delivery platforms. If our relationships terminate, deteriorate or become less cost-effective, our business, financial condition, and results of operations may be materially and adversely affected.

Failure to renew the current leases or locate desirable alternatives for our existing stores could materially and adversely affect our business.

Our growth strategy includes opening and operating stores at desirable and suitable locations, which depends on the ability to find and remain in suitable locations. Leases for our self-operated stores and franchise stores generally have a term of five years and range from three to five years, respectively, and may be renewed upon mutual agreement. We also lease properties for our integrated distribution centers as well as our offices premises. However, we or our franchisees may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all. If relocation is required, we or our franchisees may incur additional costs or experience operational disruptions if suitable alternative locations cannot be secured in a timely manner, which may adversely affect our business operations and results of operations.

In addition, we and our franchisees compete with other businesses for premises at certain locations or of desirable sizes, which may result in increased rental costs or limited availability of suitable sites. Any inability to renew leases or relocate affected operations could materially and adversely affect our business operations and results of operations.

We may not be successful in promoting our promotion programs.

We have launched our membership program, prepaid card program and gift card program to enhance consumer loyalty and stimulate sales. See “Business — Branding and Marketing — Member-targeted Marketing Activities.” However, our ability to track and analyze information regarding consumers and transactions and the success of these promotion programs will largely depend on consumer acceptance of our promotion programs as well as their attractive operations. We may not accurately predict the rate or extent to which our consumers will accept such promotion programs. We cannot assure you that our promotion programs will be implemented successfully or remain sustainable, nor can we assure you that the promotion programs will be effective in retaining existing members. If any of the foregoing risks materializes, our businesses and results of operations may be materially and adversely affected.

Our results of operations are affected by seasonal fluctuations.

As our fresh products contributed significantly to our revenue, we have been subject to certain levels of seasonal fluctuations with respect to consumer demand due to the seasonal patterns for food consumption. For instance, we typically have more consumer orders and generate higher sales from June to September, and lower sales during the Chinese New Year as the public travel to celebrate the holidays. Historically, we experienced lower sales during the winter months, particularly from November through February. Reduced consumer demand during these months could negatively impact store-level performance and our overall revenue.

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In addition, major holiday periods often lead to changes in consumer behavior, as customers may travel or dine out rather than purchase fresh products for home consumption. Such patterns can result in temporary declines in foot traffic and sales at our stores during extended holidays. Certain product categories, such as fruits and seafood, are inherently subject to the seasonality of their harvest. Limited availability or higher procurement costs during off-harvest periods may constrain our ability to maintain consistent supply and pricing, which could adversely affect our profitability and customer satisfaction. If we are unable to effectively manage these seasonal fluctuations, our financial condition and results of operations could be materially and adversely affected. We cannot guarantee that such diversified product portfolio would reduce the impacts of seasonal fluctuations in consumer demands. Going forward, our results of operations may fluctuate due to seasonality as we continue to expand our store network and our historical results of operations may not be comparable to or indicative of our future results of operations.

Our historical results of operations may not be indicative of our future performance.

We recorded net profit of RMB168.6 million and RMB288.4 million and net loss of RMB278.6 million in 2023, 2024 and 2025, respectively. We recorded net profit of RMB176.1 million and RMB68.1 million in the six months ended June 30, 2025 and 2026, respectively. See “Financial Information — Consolidated Statements of Comprehensive Income.” Our future growth and profitability are affected by factors such as our ability to optimize and enrich our product portfolio, our ability to successfully implement our business development strategies in a cost-effective manner and our ability to effectively manage our costs and expenses and continuously improve operational efficiency. Accordingly, you should not rely on the revenue of any prior period as an indication of our future performance. We may also incur unforeseen expenses, or encounter difficulties, complications or delays in deriving revenue or achieving profitability. If we are unable to generate adequate revenue and manage our expenses, we may continue to incur significant losses and have accumulated losses in the future and may not be able to achieve profitability.

Our pricing control mechanisms may not fully prevent cannibalization or pricing-related disputes within our store network.

We centrally control pricing across our franchise network and require franchisees to obtain our prior approval before implementing any downward price adjustments. However, we do not impose a single uniform pricing standard across all franchise stores, and approved pricing and discount levels may vary by location in response to local market circumstances and conditions. In certain circumstances, such pricing differentiation may potentially result in overlapping catchment areas, customer diversion, or cannibalization between nearby franchise stores, particularly in densely populated urban areas. In addition, franchisees may hold differing views regarding the appropriateness, scope, or timing of pricing adjustments, which could give rise to operational friction, dissatisfaction, or disputes within our franchise network. The need to monitor compliance and take enforcement actions may also increase our management burden or strain relationships with franchisees. Any of the foregoing could adversely affect the stability of our franchise network, our brand reputation, and our overall operating results.

A substantial portion of our business is concentrated in Guangdong Province, China, and we are exposed to changes in the economic conditions and regulatory environment in that region.

Guangdong Province is our earliest and most developed market and represents a significant portion of our operations. As of June 30, 2026, approximately 66.1% of our stores were located in Guangdong Province. Our operating performance therefore depends, to a significant extent, on economic conditions, consumer spending patterns and market developments in Guangdong Province. Any adverse changes in the regional economy, demographic trends, competitive landscape, consumer preferences or purchasing power in Guangdong Province could reduce demand for our products and adversely affect our business, financial condition and results of operations. In addition, we are subject to PRC laws, regulations and governmental policies. Any changes in the regulatory environment in Guangdong Province, including those relating to food safety, environmental protection, labor

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and employment, taxation, franchising, logistics or retail operations, may increase our compliance costs, restrict our operations or otherwise adversely affect our business. As a result of our significant geographic concentration in Guangdong Province, any adverse economic or regulatory developments in the region could have a significant impact on our business, financial condition and results of operations.

We may be subject to complaints, disputes and lawsuits in the ordinary course of our business.

We may be subject to various complaints, disputes and lawsuits arising out of the ordinary course of our business, including, from time to time, actual or threatened litigation relating to commercial transactions, product liability, food safety, workers compensation, intellectual property claims and regulatory actions. If any complaint, dispute and lawsuit is dealt with improperly, we may be subject to litigation and required to pay substantial damages. Any complaints, disputes and lawsuits filed by or against us, whether or not meritorious, could result in significant costs and diversion of resources, and could cause serious damage to our reputation. Specifically, we sell fresh products that create exposure to food liability claims. Legal claims initiated by our consumers against us in connection with personal injuries related to food poisoning or tampering, which could subject us to claims for damages. The PRC government, media outlets and public advocacy groups have been increasingly focused on consumer protection in recent years. See “Regulatory Overview — Regulations Relating to Consumer Protection.” Defending such claims and paying damages, if any, may be costly, and adverse publicity could harm our reputation and reduce consumer confidence. In addition, potential damages claimed by customers or consumers or issues relating to food safety or quality could negatively affect the market acceptance of our other products, the risk of which could have a material adverse effect on our business and results of operations. In addition, complaints, disputes and lawsuits filed against us may result from our suppliers, who may not compensate us for any costs incurred by us as a result of such complaints, disputes and lawsuits in a timely manner, or at all. In that case our business and results of operations may be negatively affected.

Negative publicity, allegations or public perception relating to persons associated with us may adversely affect our brand, reputation and business.

Our brand and reputation are important to consumer trust, customer loyalty and our relationships with suppliers, franchisees, business partners and other stakeholders. From time to time, our Controlling Shareholders, Directors, founders, senior management, employees, business partners or other persons associated with us may be subject to media reports, social media commentary, allegations, complaints, disputes, investigations, litigation or other negative publicity, whether in connection with their personal conduct, business activities or otherwise. Such matters may attract significant public attention regardless of whether they are ultimately substantiated, resolved in our favor or directly related to our business operations, and may adversely affect public perception of us, impair confidence in our brand and management, distract management attention, and adversely affect our relationships with customers, suppliers, franchisees, business partners, regulators and investors. If any such negative publicity, allegation, dispute, investigation, litigation or social media commentary occurs or persists, our brand image, reputation, business, financial condition, results of operations and prospects may be materially and adversely affected.

Public scrutiny and negative publicity or allegations involving us, our shareholders, directors, officers, employees, franchisees and business partners may affect our reputation and, as a result, our business and results of operations may be negatively affected.

Our extensive business network creates the possibility of heightened attention from the public, regulators and the media. Heightened regulatory and public concerns over consumer protection and consumer safety issues may subject us to legal and social responsibilities and increased scrutiny and negative publicity over these issues. We cannot assure you that we would not become a target for regulatory or public scrutiny in the future or that scrutiny and public exposure would not severely damage our reputation as well as our business and prospects. Negative publicity and allegations involving us, our shareholders, directors, officers, employees and business partners as a whole may materially and adversely harm our

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brand image and reputation and cause deterioration in the level of market recognition of and trust in the products provided by us, thereby resulting in a decrease in revenue, potential loss of business partners as well as the loss of highly qualified personnel with specialized skills. In addition, such negative publicity may come from malicious harassment or unfair competition acts by third parties, which are beyond our control. Such negative publicity may also result in the diversion of management’s attention, and governmental investigations or other forms of scrutiny, which may have a material and adverse effect on our business, results of operations and prospects.

We are subject to certain risks relating to third-party settlements and payment processing-related risks.

Historically, certain of our franchisees (individual or collectively, the “**Relevant Customer(s)**”) settled their payments with us through the accounts of third parties designated by these Relevant Customers (the “**Third-party Payment Arrangement**”). In 2023, 2024, 2025 and the six months ended June 30, 2026, the aggregate amount of payment from designated third parties to us was RMB33.7 million, nil, nil and nil, respectively, representing approximately 0.3%, nil, nil and nil of the total revenue for the same periods. During the Track Record Period, no individual Relevant Customer had made material contribution to our Group’s revenue. See “Business — Third-party Payment Arrangements.” Since January 1, 2024, we have ceased the Third-party Payment Arrangement. We are subject to various risks relating to such Third-party Settlement Arrangements during the Track Record Period, such as possible claims from third-party payors for return of funds as they were not contractually indebted to us and possible claims from liquidators of third-party payors. In the event of any claims from third-party payors, or legal proceedings instituted or brought against us in respect to the demand for refund, return of third-party payment or for violation or non-compliance of laws and regulations, we will have to spend significant financial and managerial resources to defend against such claims and legal proceedings, and we may be forced to comply with the court ruling and return the payment for the products that we sold. Our financial condition and results of operations may as a result be adversely affected.

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

During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for certain employees as prescribed under relevant PRC laws and regulations, primarily due to our large labor force and relatively high mobility, and the preference of many of our employees not to contribute to such funds. During the Track Record Period, the aggregate shortfall for social insurance and housing provident fund contributions amounted to RMB28.0 million, RMB32.6 million, RMB39.9 million and RMB23.9 million, respectively. In 2023, 2024, 2025 and the six months ended June 30, 2026, we made provisions of RMB6.1 million, RMB3.9 million, RMB4.1 million and RMB2.1 million, respectively in respect of the estimated shortfall in social insurance plans and housing provident fund contributions. Our Directors are of the view that such provisions are sufficient. For the rules governing social insurance and housing provident funds, see “Regulatory Overview — Regulations Relating to Labor — Social Insurance and Housing Provident Fund.” Under the Interpretation II issued by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (the “**Interpretation**”), any arrangement waiving the full payment of social insurance contributions would be deemed invalid and if the employer fails to pay social insurance contributions in accordance with the law, the employee is entitled to terminate the employment contract and seek economic compensation from the employer. If we fail to pay the full amount of housing provident fund contributions as required, the housing provident fund management center may order us to make the outstanding payment within a prescribed time limit. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. According to the Regulation on the Administration of Housing Accumulation Funds, there is no late payment penalty or fine for delayed payment of the housing provident funds. As a result, we may be exposed to legal claims from employees for economic compensation, which could result in increased labor costs, potential litigation, administrative penalties and reputational risks. See “Business — Employees.” We cannot assure you that we will not be subject to any order to rectify this non-compliance incident in the future.

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In addition, certain PRC subsidiaries of us engaged third-party human resource agencies to pay social insurance premiums and housing provident funds for certain of our employees. If such agencies fail to pay the social insurance premiums or housing provident funds for and on behalf of our employees as they agreed or if such arrangements are challenged by government authorities, we may be subject to additional contribution, late payment fees and/or penalties imposed by the relevant PRC authorities for failing to discharge our obligations in relation to payment of social insurance and housing provident funds as an employer or be ordered to rectify. In addition, pursuant to the PRC laws and regulations, we may be ordered to pay social insurance premiums and housing provident funds for our employees under our own accounts instead of making payments under third-party accounts. Any such order may adversely and materially affect our business, financial condition, results of operations and prospects.

We encounter risks related to leased properties, which could negatively impact our business operations and financial outcomes.

We lease properties mainly for self-operated stores, employee dormitories, integrated distribution centers and office premises. As of the Latest Practicable Date, the landlords or the lessors of 31 of our leased properties had not provided us with valid lease contracts or title certificates. As advised by our PRC Legal Advisor, without valid lease contracts or title certificates, our use of these leased properties with defective titles may be affected by third parties’ claims or challenges against the lease rights. In addition, we may be requested to vacate such leased properties and relocate if the landlords or the lessors do not have the requisite rights to lease the properties, or if the landlords require us to vacate the leased properties in the absence of valid lease contracts. In this event, our operations may be impaired, and we may not be adequately indemnified by the landlords for our related losses. Also, we will incur additional costs in relocating our self-operated stores, employee dormitories and integrated distribution centers to other suitable locations, thus affecting our business and financial condition.

Under PRC law, all lease agreements are required to be registered with the local land and real estate administration bureau. As of the Latest Practicable Date, 131 of our lease agreements had not been registered and filed with the relevant land and real estate administration bureaus in the PRC. As advised by our PRC Legal Advisor, the maximum penalty for such non-compliance is estimated at RMB1.3 million. Under the applicable PRC regulations, we may be ordered by the competent authorities to complete the registration within a prescribed period, failing which we may be subject to a fine ranging from RMB1,000 to RMB10,000 for each unregistered lease. However, in the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the lessors. See “Business — Properties.”

We may not be able to adequately protect our intellectual property, which could harm the value of our brand and adversely affect our business and operations.

We cannot guarantee that we can prevent third parties from infringing upon our intellectual property rights. Unauthorized use of our intellectual property, unfair competition, defamation or other violations of our rights by our users, employees and/or third parties may harm our brand and reputation, and the expenses incurred in protecting our intellectual property rights may materially and adversely affect our business. We may, from time to time, be required to institute litigation, arbitration or other proceedings to enforce our intellectual property rights, which would likely be time-consuming and expensive to resolve and would divert our management’s time and attention regardless of its outcome, materially and adversely affecting our business and results of operations. Preventing any unauthorized use of our intellectual properties is difficult and costly, and the steps we take may be inadequate to prevent the misappropriation of our intellectual properties. In the event that we resort to litigation to enforce our intellectual property rights, such litigation could result in substantial costs and a diversion of our managerial and financial resources. In addition, our trade secrets may be leaked or otherwise become available to, or be independently discovered by, our competitors. Any failure in protecting or enforcing our intellectual property rights may have a material and adverse effect on our business, results of operations and prospects.

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We may be exposed to intellectual property infringement claims by third parties, which may disrupt our business, cause us to incur substantial legal costs, or damage our reputation.

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-hows or other intellectual property rights held by third parties. We may also, from time to time in the future, be subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed upon by our solutions, services or other aspects of our business without our awareness. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in the PRC or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert our management’s time and other resources from our business and operations to defend these claims, regardless of their merits. Additionally, the application and interpretation of the PRC laws relating to intellectual property, the procedures and the standards for granting trademarks, patents, copyrights, know-hows or other intellectual property rights in the PRC are still evolving, and we cannot guarantee that the PRC courts or regulatory authorities would agree with our analysis. If we were 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 properties, and we may incur licensing fees or be forced to develop alternatives on our own. As a result, our business, results of operations and prospects may be materially and adversely affected.

Our efforts in developing and investing in technology and product portfolio may not generate expected outcomes.

Digital transformation is important to our operations and rapid expansion. Since establishing our internal 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 significantly enhance our operational efficiency and data visibility. See “Business — Our Digitalization.” Our research and development expenses amounted to RMB19.5 million, RMB16.4 million, RMB11.3 million, RMB6.3 million and RMB5.3 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. We cannot assure you that our investment in developing IT systems could produce the expected outcomes, in which case our management capabilities, results of operations and prospects may be adversely affected. In addition, we offer a wide range of products with high quality and competitive prices, carefully sourced from our suppliers, making us a preferred destination for household kitchen and meal needs. Therefore, we are committed to broadening our SPUs to meet evolving customer needs. As of June 30, 2026, we had a total of 766 SPUs. However, we cannot guarantee that we can successfully further enrich our product portfolio even though we invest in our development efforts, in which case our business prospects and results of operations may be adversely affected.

Content displayed online or included in our online channels may be found objectionable by regulatory authorities and may subject us to penalties and other severe consequences.

The PRC government has adopted laws and regulations governing internet and wireless access and the distribution of information over the internet and wireless telecommunications networks. Under these laws and regulations, internet content providers and internet publishers are prohibited from posting or displaying over the internet or wireless networks content that, among other things, violates the principle of the PRC constitution, laws and regulations, impairs the national dignity of China or the public interest, or is obscene, superstitious, fraudulent or defamatory. If any of the content posted or displayed on our Qdama Mini Programs, Qdama App and other online service access points is deemed by the PRC government or other jurisdictions where we operate to violate any content restrictions, we could become subject to penalties, including confiscation of income, fines, suspension of business or revocation of required licenses, which may adversely affect our business and results of operations.

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Our performance depends on favorable labor relations with our employees, and any deterioration in labor relations, shortage of labor or material increase in wages may have a material adverse effect on our results of operations.

Our success depends on our ability to hire, train, retain and motivate our employees. Any strike or work stoppage may subject us to significant operational disruption and/or higher labor costs, resulting in an adverse effect on our business and results of operations. We regard favorable labor relations as a significant factor that can affect our performance and any deterioration of our labor relations with our employees could cause labor disputes, which could result in disruption of production and operations. Furthermore, as certain professionals in our industry may be subject to non-compete restrictions, we may be impacted by such agreements. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our employee benefit expenses amounted to RMB563.3 million, RMB545.0 million, RMB493.2 million, RMB258.2 million and RMB232.5 million, respectively. In addition, labor costs in regions where we operate have been increasing in recent years and may potentially continue increasing. As such, we may have to increase our total compensation to attract and retain experienced staff required to achieve our business objectives. However, these increased costs could not be passed to customers by increasing our products’ selling prices in light of market competition. In such circumstances, our profit margin may decrease, which could have an adverse effect on our results of operations. Furthermore, we engage outsourcing and third-party firms who send their employees to work in our integrated distribution centers and stores. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our outsourced personnel service fees amounted to RMB94.7 million, RMB128.3 million, RMB115.5 million, RMB58.3 million and RMB57.8 million, respectively. These outsourced personnel typically perform specific operational services including meat cutting, warehouse operations, packaging, cleaning and logistics-related support, unlike our employees who can be deployed across all positions. Our operations may be affected by the stability, service quality and compliance of such third-party service providers. Any disruption in services provided by these firms, including labor shortages or operational inefficiencies, could affect our operational efficiency and increase our costs. In addition, changes in applicable labor laws or regulations relating to outsourced personnel arrangements may result in increased compliance costs or potential liabilities, which could adversely affect our financial condition and results of operations.

New legislation or changes in the PRC regulatory requirements regarding our business, food safety or online transaction may affect our business operations and prospects.

In our normal course of business, we may need to change or adapt our business focus from time to time in response to the new rules and regulations regarding the end markets of our products. Any new legislation or changes in the PRC regulatory requirements could materially and adversely affect our business and results of operations. For example, all food business operators in the PRC must comply with PRC food safety laws and regulations, including the obligation to obtain the food distribution permits or undergo the recordation of the sale of prepackaged food. Recently, the PRC government has been strengthening the supervision of food safety. The latest Food Safety Law of the PRC (中華人民共和國食品安全法) and the Regulation on the Implementation of the Food Safety Law of the PRC (中華人民共和國食品安全法實施條例) stipulate that food business operators shall establish a food safety tracing system to ensure the traceability of food. See “Regulatory Overview — Regulations Relating to Food.” In the event that the PRC government makes further changes to food safety regulations, our sales costs may increase.

We are subject to national and local environmental, health and safety directives, laws and regulations.

We are subject to a number of environmental, fire control, health and food safety laws and regulations. In addition, our integrated distribution centers and offline stores can only commence operations after the relevant administrative authorities in charge of environmental protection, fire control, and health and safety have examined and approved the relevant facilities in China or certain other jurisdictions. We may experience several isolated immaterial incidents due to factors beyond our control. In addition, as requirements imposed

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by such laws and regulations may change and more stringent laws or regulations may be adopted, complying with such laws and regulations may require us to incur additional capital expenditures and operating costs. We may also need to devote significant management attention and other resources to ensure ongoing compliance.

We have incurred net current liabilities and net liabilities during the Track Record Period and we may not be able to maintain profitability.

As of December 31, 2023, 2024, 2025 and June 30, 2026, we had net current liabilities of RMB2,811.0 million, RMB2,553.4 million, RMB1,740.8 million and RMB1,330.1 million, respectively; and net liabilities of RMB2,685.7 million, RMB2,451.2 million and RMB1,756.0 million and RMB1,637.3 million, respectively. We cannot assure you that we will not have net current liabilities and net liabilities in the future, which would expose us to liquidity risk. Our future liquidity and ability to make additional capital investments necessary for our operations and business expansion will depend primarily on our ability to maintain sufficient cash generated from operating activities. We may not have sufficient cash from operating activities or may need to obtain additional financing, which may not be available on commercially acceptable terms, if at all. Failure to manage such risks may materially and adversely affect our business, financial condition and results of operations.

We may cease to enjoy preferential tax treatment or government grants, the loss of which, or a reduction in which, could affect our results of operations and prospects.

We benefited from preferential tax treatment and government grants during the Track Record Period. If we cease to be entitled to preferential tax treatment, our income tax expenses may increase, which would adversely affect our results of operations. We have also received government grants during the Track Record Period. Our government grants amounted to RMB5.6 million, RMB3.1 million, RMB1.9 million, RMB1.0 million and RMB0.8 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. See “Financial Information — Consolidated Statements of Comprehensive Income — Other Income” and “Financial Information — Consolidated Statements of Comprehensive Income — Income Tax Expense.” We cannot guarantee that we will continue to receive or benefit from such grants in the future.

Our results of operations, financial conditions and prospects have been adversely affected by fair value changes in our convertible redeemable preferred shares (“CRPS”). The valuation of our CRPS is uncertain due to the use of unobservable inputs.

From June 2015 to August 2024, our Group completed a series of Pre-[REDACTED] Investments at the onshore level in Guangzhou Qdama and at the offshore level in our Company. These Pre-[REDACTED] Investors were allotted certain CRPS, upon the completion of certain specified events, respectively. See Note 26 to the Accountant’s Report in Appendix I to this document. Upon the completion of this [REDACTED], all of such CRPS will be automatically converted into Ordinary Shares. See “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments.” We recorded fair value gains on CRPS of RMB73.4 million, RMB163.8 million, RMB419.1 million and RMB85.0 million in 2023, 2024, 2025 and the six months ended June 30, 2025, respectively, and fair value losses on CRPS of RMB2.0 million in the six months ended June 30, 2026. Factors beyond our control can significantly influence and cause adverse changes to the estimates we use and thereby affect the fair value of such financial liabilities. These factors include general economic condition, changes in market interest rates and stability of the capital markets. Any of these factors, as well as others, could cause our estimates to vary from actual results, which could materially and adversely affect our results of operations and financial condition. After the automatic conversion of the CRPS into Shares upon the completion of the [REDACTED], we do not expect to recognize any further gains or losses on fair value changes from these CRPS in the future.

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If we fail to perform our contract obligations, our business, results of operations and financial condition may be materially and adversely affected.

Our contract liabilities are primarily related to royalty and franchising services, which amounted to RMB39.5 million, RMB30.2 million, RMB29.8 million and RMB34.6 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively. If we fail to honor our obligations in respect of our contract liabilities, we may not be able to convert such amount of contract liabilities into revenue as expected. Our liquidity position may be adversely affected if we are required to refund some or all of the prepayments to franchisees pursuant to our agreements or pursuant to applicable laws and regulations when disputes arise. In addition, if we fail to honor our obligations in respect of our contract liabilities, it may also adversely affect our relationship with relevant franchisees, which may in turn affect our reputation, as well as our results of operations in the future. As a result, our results of operations, liquidity and financial position may be materially and adversely affected.

Any failure to maintain the satisfactory performance of our Qdama Mini Programs and App could materially and adversely affect our business and reputation.

The satisfactory performance, reliability and availability of our technology infrastructure are critical to our success and our ability to attract and retain consumers and provide quality service. Any system interruptions caused by telecommunications failures, computer viruses, hacking or other attempts to harm our infrastructure that result in the unavailability or slowdown of Qdama Mini Programs and App or reduced order fulfillment performance could result in a decrease in the volume of products sold and the attractiveness of product offerings on our Qdama Mini Programs and App. We cannot guarantee that our current security mechanisms will be sufficient to protect our technology infrastructure from any intrusions, viruses or hacker attacks, information or data theft or other similar activities. Any such future occurrences could reduce consumer satisfaction, damage our reputation and result in a material decrease in our revenue. Additionally, we must continue to upgrade and improve our technology infrastructure to support our business growth. However, we cannot guarantee that we will be successful in executing these system upgrades and enhancement efforts. In particular, our systems may experience interruptions during upgrades, and the new technologies or infrastructure may not be fully integrated with the existing systems on a timely basis, or at all. If our existing or future technology infrastructure does not function properly, it could cause system disruptions and slow response times, affecting data transmission, which in turn could materially and adversely affect our business and results of operations.

We face risks related to payments through third-party payment service providers.

Consumers may purchase products via our online or offline sales channels using payment methods through third-party payment service providers, including WeChat Pay and Alipay, among others, and there are certain risks associated with these payment methods, including (i) potential increases in service fees charged by payment service providers over time, which could raise our operating costs, and (ii) the risk of fraud, security breaches, and other illegal activities in connection with such payment methods. Furthermore, the implementation of security measures by third-party online payment service providers is beyond our control. In the event of any security breaches involving these payment service providers, we may be subject to litigation and possible liability and our reputation could be damaged. During the business operation of our stores, if there is any leak of confidential information, breach of network security or other misappropriation or misuse of personal information by third-party online payment service providers, our business may be interrupted, additional costs may be incurred, and litigation and other liabilities may ensue. As a result, our results of operations could be negatively affected. In addition, we are subject to various rules and requirements, regulatory or otherwise, governing electronic funds transfers, which are subject to changes that could make it difficult or impossible for us to comply with. If we fail to comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from consumers, process electronic funds transfers or facilitate other types of online payments, and our

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business and results of operations could be materially and adversely affected. For example, according to the Measures for the Administration of the Bank Card Acquiring Business (銀行卡收單業務管理辦法), acquiring institutions should subject merchants to the real-name system and strictly review their business licenses and other supporting documents. In addition, merchants are prohibited from using relevant accounts to engage in or assist others in conducting illegal activities, and should properly preserve transaction data, keep transaction vouchers, and ensure transaction security. Moreover, in November 2017, the PBOC published a notice, or the PBOC Notice, on the investigation and administration of illegal offering of settlement services by financial institutions and third-party payment service providers to unlicensed entities. The PBOC Notice intended to prevent unlicensed entities from using licensed payment service providers as a conduit for conducting the unlicensed payment settlement services, so as to safeguard the fund security and information security. As the laws and regulations in this area are still evolving, we cannot assure you that the PBOC or other governmental authorities will find the settlement mechanisms we adopted to be in compliance with the PBOC Notice. We have entered into third-party payment service agreements with licensed entities. However, if the PBOC or other relevant governmental authorities consider the settlement mechanisms we adopted not fully compliant with the PRC regulations, we may need to adjust our business and cooperation model with the commercial banks and third-party payment service providers, and be subject to penalties and orders to rectify, which may result in higher payment processing costs, and any of these events may materially and adversely affect our growth potential, business and results of operations.

We operate an employee shareholding platform which may lead to share-based payments to employees that may affect our profitability and results of operations and dilute shareholders' interests.

We have adopted an employee shareholding platform for the purpose of providing incentives and rewards to eligible participants who contribute to our success. Some of our employees (including senior management) receive remuneration in the form of share-based payments, whereby employees render services as consideration in exchange for equity instruments. Our share-based payment to employees amounted to RMB18.1 million, RMB51.7 million, RMB23.2 million, RMB9.0 million and RMB25.9 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. See Note 27 to the Accountant's Report in Appendix I to this document. Any newly granted share-based awards that we may grant from time to time may result in an increase in our issued share capital when vested, which in turn may result in a dilution of our shareholders' shareholding interest in our Company and a reduction in earnings per share. Expenses incurred with respect to such share-based payment may also increase our operating expenses and therefore have an adverse effect on our financial performance.

Any significant decrease in our profitability in the future would have a material adverse effect on our ability to recover our deferred tax assets, which would have a material adverse effect on our results of operations.

We recognize deferred tax assets to the extent that our management estimates that it is probable that we will generate sufficient taxable profit in the foreseeable future to offset the deductible losses. As of December 31, 2023, 2024, 2025 and June 30, 2026, our net deferred income tax assets amounted to RMB12.4 million, RMB9.4 million, RMB9.4 million and RMB6.1 million, respectively. Therefore, the recognition of deferred tax involves judgment and estimates by our management on the timing and extent of future taxable profits. When the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation charges in the period in which such estimate is changed, and the carrying amount of deferred tax assets may be reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be utilized. Accordingly, if our profitability in the future is significantly lower than our management's estimates when our deferred tax assets were recognized, our ability to recover such deferred tax assets would be affected, which could have a material adverse effect on our results of operations.

We face foreign exchange risk, and fluctuations in exchange rates could have an adverse effect on our business and investors' investments.

Our functional currency is RMB, except for the subsidiaries incorporated in Hong Kong where the functional currency is HK\$ and the subsidiaries incorporated in Macau where

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the functional currency is MOP. We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollars. We have not entered into any forward exchange contract to hedge our exposure to foreign exchange risk. See “Financial Information — Financial Risks Disclosure — Market Risk — Foreign Exchange Risk.” Fluctuations in the exchange rate of Renminbi against Hong Kong dollar, Macau pataca, United States dollars, and other foreign currencies are affected by, among other things, the changes in domestic and international political, economic conditions and monetary policies. Any appreciation or depreciation in the value of Renminbi or other foreign currencies that our operations are exposed to will affect our business in different ways. In addition, changes in foreign exchange rates may have an impact on exchange differences arising from the translation of subsidiaries with functional currency other than Renminbi recognized under other comprehensive income and net foreign exchange losses or gains recognized under profit or loss. We had net foreign exchange losses of RMB3.4 million, RMB8.7 million, RMB1.1 million and RMB15.5 million in 2023, 2025, and the six months ended June 30, 2025 and 2026, respectively, while we recorded net foreign exchange gains of RMB3.6 million in 2024. In such events, our business, financial condition, results of operations and growth prospects may be materially and adversely affected.

We may not have sufficient insurance to cover our business risks.

We face various risks in connection with our business and may lack adequate insurance coverage or have no relevant insurance coverage. As of the Latest Practicable Date, we had obtained and maintained insurance policies that we believe are customary for businesses of our size and type and in line with the standard commercial practice in China, including property insurance for our integrated distribution centers, public liability insurance, food insurance, employer’s liability insurance, and group accident insurance for high-risk positions. See “Business — Insurance.” We cannot guarantee that a food liability claim or other litigation will not be brought against us in the future, or we will be able to purchase food liability insurance or other related insurance on acceptable terms. If we were to incur substantial losses or liabilities due to fire, explosions, floods or other natural disasters, disruption in our network infrastructure, storage facilities or business operations, or any material litigation, our results of operations could be materially and adversely affected. Our current insurance coverage may not be sufficient to prevent us from suffering any loss and there is no certainty that we will be able to successfully claim our losses under our current insurance policy on a timely basis, or at all. If we were held liable for uninsured losses or amounts and claims for insured losses exceeding the limits of our insurance coverage, our business and results of operations may be materially and adversely affected.

We may not be able to obtain adequate financing on commercially reasonable terms on a timely manner, or at all, and any debt financing may contain covenants that restrict our business or operations.

We require significant working capital for our operations or expansion. Our total indebtedness may continue to increase. See “Financial Information — Indebtedness.” Historically, we have generally relied on capital contributions from shareholders, bank loans and other external financing as well as cash generated from our operations to fund our operations and expansion. There can be no assurance that the cash flow generated by our operations will be sufficient to fund our future operations and expansion plans. Our ability to obtain adequate external financing depends on various factors, including our business operations and financial performance, as well as other factors beyond our control, such as the global and PRC economies, the applicable laws, regulations, and policies and the interest rate and other conditions of the external financial resources available. If we will not be able to procure bank loans or other external financing on commercially reasonable terms or on a timely basis or at all, our business, results of operations and business prospects may be materially and adversely affected. In addition, we may obtain bank loans with financial covenants that include certain restrictions upon our operations. Any failure by us to comply with or violate such covenants may constitute an event of default on our loans. If any default occurs, our results of operations and cash flows may be materially and adversely affected. Furthermore, if we acquire additional funding due to our future operations or market change,

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we may issue additional equity securities or securities convertible into our equity securities, issue debt securities or obtain credit facilities to meet our capital requirements. Any future sale by us of our equity securities or securities convertible into our equity securities would dilute our Shareholders’ interests. The incurrence of additional debt would also result in restrictive covenants limiting our shareholding structure, business and/or operations.

We may make acquisitions, establish joint ventures and conduct other strategic investments to seek new business opportunities and explore new market opportunities, which may not be successful.

To pursue our growth strategy, we may acquire new technologies, businesses or services, establish joint ventures or enter into strategic alliances with third parties to seek new business opportunities and explore new market opportunities. We may not be able to identify attractive targets, and we have limited experience in acquisitions, joint ventures and strategic investments. In addition, we may not be able to successfully acquire the targets identified despite spending significant amount of time and resources on pursuing such acquisitions. Furthermore, integration of an acquired company, its intellectual property or technology into our own operations is a complex, time-consuming and expensive process. The successful integration of an acquisition may require, among other things, that we integrate and retain key management, sales and other personnel, integrate the acquired technologies or services into our systems, integrate and support preexisting supplier, distribution and customer relationships, coordinate research and development efforts, and consolidate duplicate facilities and functions. Our available cash and cash equivalents may be used for our future acquisitions, joint ventures and strategic investments, which will possibly result in significant related charges to earnings and dilution for our shareholders. Future acquisitions, joint venture and strategic investments will likely present challenges and could require that our management develop expertise in new areas, manage new business relationships and attract new types of customers. The diversion of our management’s attention and any difficulties encountered in these acquisitions could have an adverse effect on our ability to effectively manage our own business. These acquisitions and equity investments may also expose us to other potential risks, including loss of invested amounts, inability to earn an adequate return, unforeseen liabilities, diversion of resources from our existing businesses and potential harm to relationships with employees or customers.

We face risks related to natural disasters, health epidemics and other outbreaks, which could significantly disrupt our business and adversely affect our results of operations.

Our business could be adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, outbreaks of a widespread health epidemic or pandemic (including, without limitation, the swine fever), or other events such as wars, acts of terrorism, environmental accidents, power shortages or communication interruptions. The occurrence of such a disaster or prolonged outbreak of an epidemic or pandemic illness or other adverse public health developments in the PRC or elsewhere could materially disrupt our business and operations. Such events may also significantly affect our industry and may even cause a temporary closure of the stores we or our business partners use for our operations, which would severely disrupt our operations and have a material adverse effect on our business and results of operations. Our operations could be disrupted if any of our employees or employees of our business partners were suspected of having any of the epidemic or pandemic illnesses, since this could require us or them to quarantine some or all of such employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or pandemic or other outbreaks harm the global or PRC economy in general. Our operations could also be disrupted if consumers are affected by such natural disasters, health epidemics or pandemics or other outbreaks.

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RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

Our business is governed by laws and regulations. Changes to the regulatory regime relating to the areas where we operate businesses may limit our ability to provide products, thereby materially and adversely affecting our business, financial condition and results of operations.

The operations of our businesses are subject to various laws, rules and regulations at the national and regional levels of China’s food industry. Such laws, rules and regulations mainly relate to: (i) specifications in China’s food industry that may affect our ability to carry out daily operations and to implement our business strategies; (ii) the operation and supervision of our stores; and (iii) food safety and fire safety, among other things. Compliance with these laws and regulations can cause difficulties and incur higher costs. New laws or regulations or revisions to laws and regulations can impose additional compliance costs, reduce our revenue, and require us to change our operations or business practices, or otherwise change our business. In recent years, the PRC government has, on many occasions, promoted the development of food safety. Nevertheless, new laws, rules and regulations relevant to our businesses may be introduced in the future, or the current applicable regulations may otherwise be amended or replaced, requiring us to conduct business with additional oversight and regulatory compliance. In particular, any change in the applicable laws, rules and regulations could require us to obtain additional licenses, permits, approvals or certificates, increase our operational expenses or result in the invalidation of licenses, permits, approvals or certificates we currently have. Newly promulgated laws and regulations may be subject to further variations in application, interpretation and implementation. Meanwhile, we may need to implement changes in our facilities, equipment, personnel or services to comply with the latest laws and regulations, and such may increase our capital expenditures and operating expenses, thereby adversely affecting our business, financial condition and results of operations.

We are subject to cybersecurity, data privacy and security, and personal information protection requirements.

Our business operations involve the collection, use, storage, transmission and other processing of data. See “Business — Data Privacy and Security”. Accordingly, our business operations are subject to various cybersecurity, data privacy and security, and personal information protection laws and regulations, such as the Data Security Law of the PRC (《中華人民共和國數據安全法》), the revised Cybersecurity law of the PRC (《中華人民共和國網絡安全法》), and the Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》). See “Regulatory Overview — Regulations Relating to Data Security, Cybersecurity and Personal Information Protection.” Laws, regulations and standards regarding cybersecurity, data privacy and security, and personal information protection in the PRC are constantly evolving, of which the interpretation and application are also evolving and subject to change that may affect us. Ensuring ongoing compliance with such laws and regulations would inevitably require us to incur additional costs. We may entrust third parties to collect some data, or we may share some data with or indirectly collect some data from third parties, during the operation of our business. The activities of such third parties are beyond our control. Additionally, the integrity of our privacy and data protection measures is also subject to system failure, interruption, inadequacy, security breaches or cyber-attacks. Moreover, any leakage of user data by our business partners, whether or not such incidents are by our fault, could subject us to adverse publicity, which could be detrimental to our reputation and brand image or subject us to proceedings and regulatory actions against us by government authorities or relevant parties. Such proceedings and regulatory actions may subject us to significant penalties and negative publicity, which could leave material and adverse impacts on our business and results of operations.

PRC regulations relating to offshore special purpose companies established or controlled by PRC residents may affect our ability to inject capital into our PRC subsidiaries or receive distributions from them.

SAFE promulgated the SAFE Circular 37 on July 4, 2014, which replaced the former circular commonly known as “SAFE Circular 75” promulgated by SAFE on October 21, 2005.

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SAFE Circular 37 and its implementing rules require PRC residents to register with banks designated by local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with the PRC residents’ legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a “special purpose vehicle.” See “Regulations — Regulations on Foreign Exchange Registration of Overseas Investment by PRC Residents.” Each of Mr. Feng and Ms. Feng, the ultimate main individual shareholders of our Company at the time of our Reorganization has completed their respective initial foreign exchange registration pursuant to Circular 37 in 2021. However, we may not at all times be fully aware or informed of the identities of all our PRC resident beneficial owners, and may not always be able to compel our beneficial owners to comply with the requirements of the SAFE Circular 37. As a result, complying with the registration and reporting requirements under SAFE Circular 37 and other related regulations may require us and the relevant PRC resident beneficial owners to devote additional time and administrative resources and may result in additional compliance costs.

Compliance with PRC regulations relating to foreign exchange registration, share incentive plans and individual income tax may result in additional administrative burdens and costs.

Pursuant to SAFE Circular 37, PRC residents who participate in stock incentive plans in overseas non-publicly-listed companies may, prior to the exercise of an option, submit applications to SAFE or its local branches for foreign exchange registration with respect to offshore special purpose companies. After the [REDACTED], our Directors, executive officers and other employees who are PRC citizens or who are non-PRC citizens residing in the PRC for a continuous period of not less than one year, subject to limited exceptions, and whom we may grant RSUs, options or restricted shares, may follow the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), issued by SAFE in February 2012, to apply for the foreign exchange registration. According to those regulations, employees, directors and other management members participating in any stock incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to limited exceptions, are required to register with SAFE through a domestic qualified agent, which may be a PRC subsidiary of the overseas listed company, and complete certain other procedures. Compliance with such requirements may require us, our PRC subsidiaries and the relevant participants to devote additional administrative resources and incur additional compliance costs. In addition, the relevant registration and reporting procedures may be time-consuming and may affect the efficiency of the administration and implementation of our share incentive plans. We also face regulatory requirements under applicable laws that could restrict our ability to adopt additional equity incentive plans for our Directors, executive officers and other employees. In addition, the STA has issued circulars concerning employee RSUs, share options or restricted shares. Under these circulars, employees working in the PRC whose RSUs or restricted shares vest, or who exercise share options, will be subject to PRC individual income tax. The PRC subsidiaries of an overseas listed company have obligations to file documents related to employee RSUs, share options or restricted shares with relevant tax authorities and to withhold individual income taxes of those employees related to their RSUs, share options or restricted shares.

We may be classified as a “resident enterprise” for PRC enterprise income tax purposes, which could result in unfavorable tax consequences for us and our non-PRC Shareholders.

The EIT Law provides that enterprises established outside the PRC whose “de facto management bodies” are located in the PRC are considered “resident enterprises” and are generally subject to the uniform 25% enterprise income tax rate on their worldwide income. Under the EIT Implementation Rules, a “de facto management body” is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and properties of an enterprise. In addition, Issues about the Determination of Chinese-controlled Enterprises Registered

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Abroad as Resident Enterprises on the Basis of Their Body of Actual Management (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》國稅發[2009]82號) promulgated by the SAT on April 22, 2009 and amended on December 29, 2017, regarding the standards used to classify certain Chinese-invested enterprises controlled by Chinese enterprises or Chinese group enterprises and established outside the PRC as “resident enterprises”, clarified that dividends and other income paid by such “resident enterprises” will be considered to be PRC source income, subject to PRC withholding tax, currently at a rate of 10%, when recognized by non-PRC enterprise shareholders. This circular also subjects such “resident enterprises” to various reporting requirements with the PRC tax authorities. In addition, the circular mentioned above sets out criteria for determining whether “de facto management bodies” are located in the PRC for overseas incorporated, domestically controlled enterprises. However, as this circular only applies to enterprises established outside the PRC that are controlled by PRC enterprises or groups of PRC enterprises, it remains unclear how the tax authorities will determine the location of “de facto management bodies” for overseas incorporated enterprises that are controlled by individual PRC residents like us and some of our subsidiaries. Therefore, it remains unclear whether the PRC tax authorities would require or permit our overseas registered entities to be treated as PRC resident enterprises. We do not currently consider that we are a PRC resident enterprise. However, if the PRC tax authorities disagree with our assessment and determine that we are a “resident enterprise”, we may be subject to enterprise income tax at a rate of 25% on our worldwide income and dividends paid by us to our non-PRC Shareholders as well as capital gains recognized by them with respect to the sale of our Shares may be subject to a PRC withholding tax. This will have an impact on our effective tax rate, a material and adverse effect on our net income and results of operations, and may require us to withhold tax on our non-PRC Shareholders.

Certain judgments obtained against us by our shareholders may be difficult to enforce.

We are an exempted company incorporated in the Cayman Islands, and all of our assets and subsidiaries are located in Chinese Mainland. The majority of our Directors and senior management reside in Chinese Mainland. Judgments rendered by Hong Kong courts may be recognized and enforced in Chinese Mainland if the requirements set forth by the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《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》) are met. Nonetheless, it may be difficult for you to effect service of process within Hong Kong upon us or these persons, or to bring an action in Hong Kong against us or against these individuals in the event that you believe that your rights have been infringed under the applicable securities laws or otherwise. In addition, it may be difficult for you to bring an original action against us or our resident officers and directors in Chinese Mainland in a court of Chinese Mainland based on the liability provisions of non-Chinese Mainland securities laws. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of regions where we operate may render you difficult to enforce a judgment against our assets or the assets of our Directors and officers. Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the [REDACTED] of our Shares on the Stock Exchange, the holders of the 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 Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong.

We may be subject to litigation and regulatory investigations and proceedings, and may not always be successful in defending ourselves against such claims or proceedings.

Our business operations may be subject to substantial litigation and regulatory risks, including the risk of lawsuits and other legal actions relating to fraud and misconduct, sales and customer services, leases, labor disputes and control procedures deficiencies, as well as the protection of personal and confidential information of our end-users and business partners, among others. We may be subject to claims and lawsuits in the ordinary course of our business. We may also be subject to inquiries, inspections, investigations and proceedings by

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relevant regulatory and other governmental agencies relating to advertisements and taxation, among other things, which may result in the diversion of our resources and management attention. Actions brought against us may result in settlements, injunctions, fines, penalties or other results adverse to us that could harm our business, financial condition, results of operations and reputation. Even if we are successful in defending ourselves against these actions, the costs of such defense may be significant for us. A significant judgment or regulatory action against us or a material disruption in our business arising from adverse adjudications in proceedings against our Directors, officers or employees would have a material adverse effect on our liquidity, business, financial condition, results of operations, reputation and prospects.

The remittance of Renminbi into and out of the PRC and government regulations on currency conversion may affect our ability to pay dividends and other obligations, and affect the value of your investment.

The PRC government requires the convertibility of Renminbi into foreign currencies must be subject to certain regulatory procedures, and under certain circumstances, remittances out of China are also subject to certain regulatory procedures. We receive most of our revenue in Renminbi. We may convert a portion of our revenue into other currencies to meet our foreign currency obligations. Shortages in the availability of foreign currency may affect our ability to remit sufficient foreign currency, or otherwise satisfy our foreign currency-denominated obligations. Under the existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval by complying with certain procedural requirements. However, approval from or registration with competent government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. If we are not able to obtain sufficient foreign currencies to satisfy our foreign currency demands due to regulatory procedures, we may not be able to pay dividends in foreign currencies to our Shareholders.

We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business.

We are a holding company and rely to a significant extent on dividends and other distributions on equity paid by our PRC subsidiaries for our offshore cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders, fund inter-company loans, service any debt we may incur outside of China and pay our expenses. If our PRC subsidiaries incur additional debt, the instruments governing the debt may restrict their ability to pay dividends or make other distributions or remittances, including loans, to us. Furthermore, the laws, rules and regulations applicable to our PRC subsidiaries and certain other subsidiaries permit payments of dividends only out of their retained earnings, if any, determined in accordance with applicable accounting standards and regulations. Under applicable laws, rules and regulations, each of our subsidiaries incorporated in China is required to set aside at least 10% of their after-tax profits each year, if any, to fund a statutory reserve until such reserve reaches 50% of their registered capital. These reserves, together with the registered equity, are not distributable as cash dividends.

Changes in economic conditions could adversely affect our business, financial condition, results of operations, cash flows and prospects.

Substantially all of our businesses, assets, operations and revenue are located in or derived from our operations in the PRC, and, as a result, our business, financial condition and results of operations are influenced by the overall economic environment in the PRC. Our performance is affected by China’s economy, which, in turn, is influenced by the global economy. The uncertainties relating to the global economy as well as the political environment

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in various regions of the world can also possibly impact China’s economy. We are unable to predict all the risks that we face as a result of current economic and regulatory developments and many of these risks are beyond our control. All such factors may materially and adversely affect our business, results of operations as well as our financial performance.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our Shares and an active [REDACTED] market may not develop.

Prior to the completion of the [REDACTED], there has not been a public market for our Shares. An active public market may not develop or be sustained after the [REDACTED]. The [REDACTED] is the result of negotiations among us and the [REDACTED] on behalf of the [REDACTED] and may not be indicative of prices that will prevail in the [REDACTED] market after the [REDACTED]. We have applied to [REDACTED] and [REDACTED] our Shares on the Stock Exchange. However, even if approved, being [REDACTED] on the Stock Exchange does not guarantee that an active [REDACTED] market for our Shares will develop or be sustained. If an active market for our Shares does not develop after the [REDACTED], the [REDACTED] and liquidity of our Shares may be adversely affected. As a result, you may not be able to resell your Shares at prices equal to or greater than the price paid for the Shares in the [REDACTED]. The [REDACTED] and [REDACTED] of our Shares may be volatile, which could result in substantial losses for investors purchasing Shares in the [REDACTED]. The [REDACTED] of our Shares may fluctuate significantly and rapidly as a result of a variety of factors, many of which are beyond our control, including: (i) actual and anticipated variations in our results of operations; (ii) changes in securities analysts’ estimates or market perception of our financial performance; (iii) announcement by us of significant acquisitions, dispositions, strategic alliances or joint ventures; (iv) recruitment or loss of key personnel by us or our competitors; (v) market developments affecting us or China’s food industry; (vi) the operating and stock price performance of other companies, other industries and other events or factors beyond our control; (vii) fluctuations in [REDACTED] or the release of lock-up or other transfer restrictions on our outstanding Shares or sales of additional Shares by us; and (viii) general economic, political and stock market conditions in Hong Kong, Chinese Mainland and elsewhere in the world. Moreover, in recent years, stock markets in general have experienced significant price and volume fluctuations, some of which have been unrelated or disproportionate to the operating performance of the listed companies. These broad market and industry fluctuations may adversely affect the [REDACTED] of our Shares.

Purchasers of Shares will experience immediate dilution and may experience further dilution if we issue additional Shares in the future.

As the [REDACTED] is higher than the net tangible book value per Share prior to the [REDACTED], you will experience an immediate dilution in [REDACTED] net tangible book value per Share. In addition, we may issue additional Shares or equity-related securities. If we issue additional Shares or equity-related securities in the future, the percentage ownership of our existing Shareholders may be diluted. In addition, such new securities may have preferred rights, options or pre-emptive rights that make them more valuable than or senior to the Shares.

There can be no assurance if and when we will pay dividends in the future. Dividends distributed in the past may not be indicative of our dividend payments in the future.

Distribution of dividends shall be formulated by our Board of Directors at their discretion and may be subject to Shareholders’ approval. A decision to declare or to pay any dividends and the amount of any dividends will depend on various factors, including but not limited to our results of operations, cash flows and financial conditions, operating and capital expenditure requirements, distributable profits as determined under HKFRS, our Articles of Association, market conditions, our strategic plans and prospects for business development, contractual limits and obligations, payment of dividends to us by our operating subsidiaries, taxation, and any other factor determined by our Board of Directors from time to time to be

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relevant to the declaration of dividend payments. As a result, our historical dividend distributions are not indicative of our future dividend distribution policy. There can be no assurance whether, when and in what form we will pay dividends in the future or that we will pay dividends in accordance with our dividend policy. See “Financial Information — Dividends and Dividend Policy.”

Our Controlling Shareholders may exert substantial influence over our operation and may not act in the best interests of our independent Shareholders.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), our Controlling Shareholders will control approximately [REDACTED]% of our issued share capital. Therefore, they will be able to exercise significant influence over all matters requiring Shareholders’ approval, including the election of Directors and the approval of significant corporate transactions. Such concentration of ownership also may have the effect of delaying, preventing or deterring a change in control of us that would otherwise benefit our Shareholders. The interests of the Controlling Shareholders may not always coincide with us or your best interests. If the interests of the Controlling Shareholders conflict with the interests of us or our other Shareholders, or if the Controlling Shareholders choose to cause our business to pursue strategic objectives that conflict with the interests of us or other Shareholders, we or those other Shareholders, including you, may be disadvantaged as a result.

We were incorporated under the laws of the Cayman Islands and these laws could provide different protections to minority Shareholders than do those of the laws of Hong Kong.

Our corporate affairs are governed by the Memorandum and the Articles, and by the Companies Law and laws of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority Shareholders could differ in some respects from those established under statutes or judicial precedent in existence in Hong Kong. Such differences could mean that the minority Shareholders could have different protections than they could have under the laws of Hong Kong.

Sale, or perceived sale, of substantial amounts of our Shares in the public market could adversely affect the prevailing [REDACTED] of our Shares.

Save for existing Shareholders who are subject to certain lock-up periods, our existing Shareholders may dispose of our Shares that they may own now or in the future. Sales of substantial amounts of our Shares in the public market, or the perception that these sales may occur, could materially and adversely affect the prevailing [REDACTED] of our Shares.

Certain statistics contained in this document are derived from publicly available official sources.

This document, particularly the section headed “Industry Overview,” contains information and statistics relating to the community-based fresh product chain industry in China. Such information and statistics have been derived from various official government and other publications and from a third-party report commissioned by us. We believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot guarantee the quality or reliability of information from official government sources. The information from official government sources has not been independently verified by the Company, the Joint Sponsors, any of our or their respective directors, officers or representatives or any other person involved in the [REDACTED] and no representation is given as to its 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 or similar metrics we used, 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.

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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 publicly to update or otherwise revise the forward-looking statements in this document, 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.

We are subject to changing laws and regulations regarding corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are or will be subject to rules and regulations by various governing bodies, including, for example, the Stock Exchange, which together with the SFC is charged with the protection of investors and the oversight of companies whose securities are publicly traded, the various regulatory authorities in China, Hong Kong and the Cayman Islands, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in increased administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. Moreover, the interpretation and application of these laws, regulations and standards may evolve from time to time. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalties and our business may be harmed.

You should read the entire [REDACTED] carefully and we strongly caution you not to place any reliance on any information contained in press articles and/or other media regarding us, our business, our industry and/or the [REDACTED].

There may have been prior to the publication of this document, and there may be subsequent to the date of this document but prior to the completion of the [REDACTED], press and/or media coverage regarding us, our business, our industry and/or the [REDACTED]. None of us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] or any other person involved in the [REDACTED] have authorized the disclosure of information about the [REDACTED] in any press or media and none of these parties accepts any responsibility for the accuracy or completeness of any such information or the fairness or appropriateness of any forecasts, views or opinions expressed by the press and/or other media regarding our Shares, the [REDACTED], our business, our industry or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, forecasts, views or opinions expressed in any such publications. To the extent that such statements, forecasts, views or opinions are inconsistent or conflict with the information contained in this document, we disclaim them. Accordingly, you should make your investment decisions on the basis of the information contained in this document only and should not rely on any other information.