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OVERVIEW

We are the largest community-based fresh product chain company in China, with the household brand Qdama (“錢大媽”). “Community-based” refers to store locations that are strategically located within residential neighborhoods to serve the daily needs of local residents. According to CIC, the community-based fresh product chains accounted for 10.2% of the overall China’s fresh product retail market in 2025. We operate primarily under a franchise model and are dedicated to offering consumers fresh, value-for-money products and a convenient shopping experience focusing on the needs of “everyday meal”. Our diversified product portfolio primarily covers primary fresh animal proteins (namely, (i) pork products, (ii) meat, poultry and eggs (excluding pork products) and (iii) seafood), fresh produce (namely, vegetables and fruits), as well as chilled and prepared foods. In 2025, our total GMV reached RMB14.3 billion. According to CIC, we ranked first among community-based fresh product chains in China by GMV of fresh products for six consecutive years. Meanwhile, in China’s broader fresh product retail market, we ranked seventh among fresh product chain operators by fresh products GMV in 2025, representing a market share of 0.9%, and were the only community-based fresh product chain brand among the seven largest market players. As of June 30, 2026, our store network comprised 3,014 community-based stores across 14 provinces, municipalities and special administrative regions in China with 1,780 franchisees.

Driven by our commitment to “no overnight meat” (“不賣隔夜肉”), which has now been extended to all product categories, we introduced the “End of the Day Discount and Clearance” sales model (the “**D&C Model**”), establishing our brand awareness around “freshness” and earning widespread consumer recognition. Our value propositions to consumers are outlined below:

- **Freshness.** The vast majority of our fresh products have an integrated distribution center turnover time of no more than 12 hours and are sold in stores within the same day, which is more efficient than the industry average of two to four days, according to CIC.
- **Value for money.** We offer essential, high-frequency cooking ingredients at affordable prices, supported by an integrated supply chain. Our D&C model further enhances the value for money.
- **Convenience.** We locate our stores primarily around medium- to large-sized residential communities, at locations within a 500-meter walking distance from our target consumer base, thus closer to consumers than traditional wet markets and supermarkets. At the same time, we are proactively developing instant delivery and next-day delivery services to meet broader consumption scenarios at home.
- **Quality experience.** We have consistently been recognized by consumers for our “warm service.”

For franchisees, the D&C Model reduces the complexity of store operations, which facilitates the expansion of our store network. The D&C Model ensures that the inventory of fresh products, which are inherently challenging to manage, are sold daily, making store operations and inventory management more standardized and transparent. Our franchisees can promptly adjust their product assortment and ordering quantities on a daily basis, quickly optimizing the product mix to best match the needs of nearby residents. Franchisees in turn have a clear view of store performance, enabling us to attract more franchisees and rapidly replicate our store network.

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We have established presence in Guangdong Province as our benchmark. According to CIC, measured by GMV of fresh products in 2025, we ranked first in the community-based fresh product chains in Guangdong Province, with GMV of approximately RMB9.2 billion, which was 3.9 times that of the second-largest market player in Guangdong Province. We strategically selected regional markets such as Eastern China, Central China and Southwestern China to replicate our business model. We are building a nationwide network of community-based fresh product stores. Through our proprietary platforms such as Qdama Mini Programs, App and third-party food delivery platforms, we have also established online sales channels.

Why We Succeed

We have focused on building our product selection in fresh product categories and a network of community-based stores that are strategically small in size. Under our D&C Model, our stores begin discounting of 10% off at 19:00 each day, and an additional discount of 10% is applied every 30 minutes until remaining products are given away free of charge at 23:30. Such a policy ensures that all fresh products in our stores are cleared on the same day of arrival.

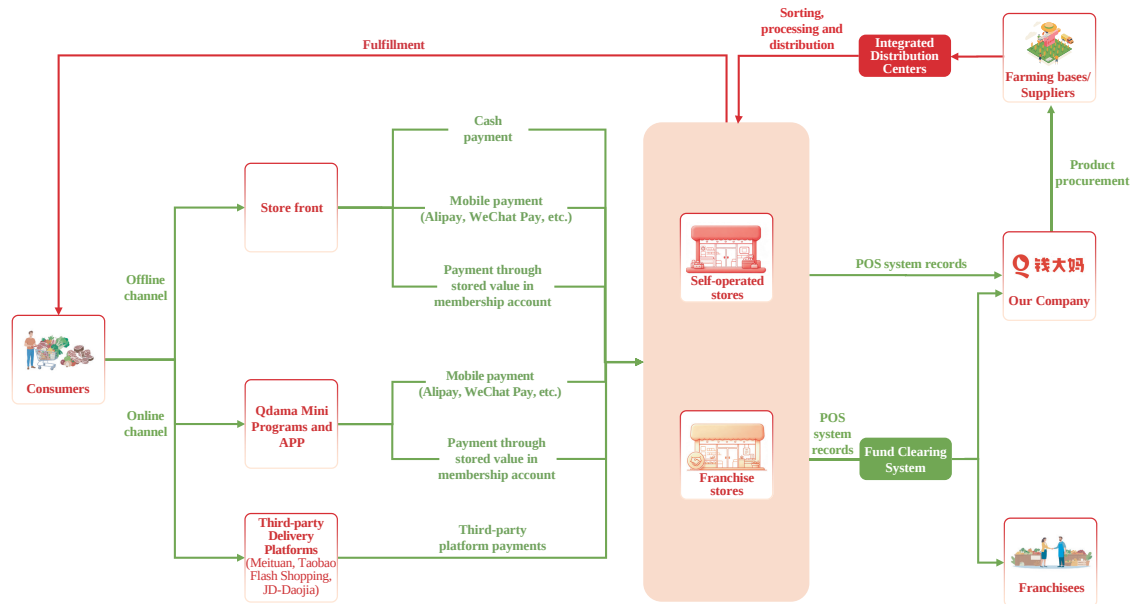
Over time, we have built a strong supply chain infrastructure and capabilities in managing the challenges of distributing fresh products in light of the perishable and non-standard nature. We developed processes and policies to manage all stages of our supply chain, from sourcing to sorting and processing and then logistics to stores, providing franchisees and consumers with fresh products in a cost-effective manner. Our supply chain infrastructure supports the development of an efficient business model. We also lead the development of the fresh product retail industry and have become an important distribution channel for agricultural products and a key link in the agricultural value chain, improving efficiency across the industry. We endeavor to contribute to the modern development of agricultural industry in China.

With our distinctive D&C Model, we have established brand awareness around “freshness” and “value-for-money” among consumers, which enables improvement in single-store daily sales and enhance consumer loyalty. As a result, we have successfully built a community-based small-store format characterized by sales efficiency, steady turnover and a replicable operating model. At the same time, the D&C Model also simplifies store operations and management, attracts more franchisees and enables large-scale expansion of our store network. Building on this foundation, we are steadily advancing our “Store-Network Plus”, “Product Plus” and “Experience Plus” strategies. As we continue to iterate and innovate our store format and product selection, and upgrade the standard of service to consumers, we will strengthen our competitive position and capture market opportunities.

Centered around the characteristics of our store network and product selection, we have developed supply chain and digitalization capabilities that underpin the success and replication of our business model. These capabilities reduce costs and improve efficiency across procurement, warehousing, processing and operations management, while the

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continuous expansion of our store network and sales volume further strengthens our economies of scale and drives ongoing optimization of our supply chain infrastructure and digital systems. Our business model and the fund flow are summarized as follows:



Notes:

- (1) Fund flow is denoted in green; and
- (2) Product flow is denoted in red.

Our Established Network of Community-based Stores

The community-based living pattern of Chinese residents is high-density in nature, and makes community-based store format an attractive sales channel. According to CIC, approximately 60% of fresh product sales in China occurred in community scenarios in 2025, which represent the dominant sales channel for fresh products and provide significant growth opportunities for the community-based fresh product retail market in China. We have built a store network that is convenient to residents primarily within locations near large and medium-sized communities, offering products that are consumed at high-frequency in daily meal preparation and capturing the “familiar-consumer” economy’s recurring demand within the community.

In relation to our store network, we proactively developed our “Store-format Plus” strategy to address different consumption scenarios and introduce differentiated store formats. For example, we expanded into meal-preparation and dining scenarios by enriching product selection to include dedicated sections for 3R products that are designed for convenience and dietary preferences of younger consumers as well as baked goods. We may also adjust store sizes and formats in different regions according to local consumption potential.

We Are Category Experts with Over a Decade of Experience in Fresh Products

China has a large fresh product retail market with a market size of approximately RMB6,853.5 billion in 2025, according to CIC. Supply chain management capabilities, robust infrastructure, quality control and product diversity are key factors for the success of fresh product companies. Driven by factors such as economic cycles, increasing consumer demand for quality of life and healthy diets, the consolidation of fragmented distribution channels for agricultural goods, innovations of retail formats and continuous development of supply chain technologies, China’s fresh product retail market still has significant market opportunities for further growth.

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As the largest meat retailer in Guangdong Province by GMV of meat products in 2025, according to CIC, our brand is deeply entrenched in the fresh product retail industry for over a decade. We continuously improve our business operations, so as to maximize the value of core products such as pork. For example, we leverage our insights into consumer needs to develop a diversified product portfolio around the whole hog carcass. We plan to allocate more popular cuts to stores for sales and convert slower-moving pork cuts into prepared food such as buns and dumplings. This approach is expected to reduce wastage in stores and, by capturing market opportunities for prepared food products, enables us to further reduce the prices of fresh pork for both franchisees and consumers. See “— Production of Prepared Food.”

The high frequency and essential nature of fresh products ensure stable and frequent store traffic. Leveraging this traffic advantage, we continuously introduce more product categories and higher-margin products in addition to our fresh product offerings to expand into new consumption scenarios. For example, we expanded into categories that are commonly purchased alongside fresh products, such as chilled dairy products, baked goods and 3R products.

A Self-Reinforcing Growth Model

Building upon the D&C Model, we have developed a self-reinforcing growth flywheel. Among consumers, the D&C Model has empowered us to foster brand awareness, attract more consumers to our stores and provide fresh, value-for-money products and a convenient shopping experience with warm service. Consumer stickiness has continued to enhance throughout the Track Record Period. For our franchisees, the D&C Model simplifies store management processes and lowers the threshold for joining. The abundance of available community locations for small store format encourages more hardworking and sincere individuals to join us and consider our franchise as a long-term business pursuit through which they can realize personal aspirations.

Our franchise model enables rapid, quality growth of our store network, reduces our capital burden and allows us to leverage franchisees’ local resources and execution capabilities. Selected through a strict screening process, our franchisees provide consumers with warm service and are able to effectively respond to evolving circumstances in stores. Over time, we have grown alongside our franchisees, continuously deepened our understanding of the industry and invested in enhancing core capabilities such as product development and quality improvement, supply chain optimization, store staff training and digitalization. These investments have empowered stores to expand which in turn attracted more consumers, creating a self-reinforcing virtuous cycle.

As our store network continues to expand, and as our D&C Model continues to improve operating efficiency, we benefit from economies of scale, increasing our bargaining power in upstream procurement. By lowering procurement costs, we continuously improve our product quality and value-for-money. As a result, our value proposition of providing quality products to consumers and business opportunities to franchisees has been further strengthened, and our broad base of consumers and franchisees has become a valuable asset to drive growth.

As our economies of scale and supply chain efficiency continue to reinforce each other, we are able to expand our product categories and consumption scenarios and further iterate our single-store model. On the one hand, building on high-frequency, essential fresh product categories, we are gradually expanding into higher-margin, short-shelf-life products such as baked goods and 3R products that are designed for convenience and dietary preferences of younger consumers. On the other hand, we are innovating store formats based on regional consumer preferences and continuing to deepen the integration and complementarity of our online sales channels, further expanding our consumer base and sales channels. As our product portfolio becomes more diversified and consumption scenarios continue to expand, we continuously enhance the consumer shopping experience and improve our overall profitability.

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In a complex environment marked by economic cycles, we have remained committed to providing fresh products to consumers, relied on our distinctive business model and deep know-how along the value chain, focused on the fresh products and everyday cooking scenarios, responded quickly to market changes and consumer feedback, and continuously refined our operations. As a result, we have demonstrated strong execution, resilience and growth potential. Our long-term financial performance has been solid, with continuous improvements in cost efficiency and profitability. Our overall gross margin increased from 9.8% in 2023 to 10.2% in 2024, to 11.2% in 2025, and increased from 11.2% in the six months ended June 30, 2025 to 11.5% in the six months ended June 30, 2026. We recorded net operating cash inflows for consecutive periods over the same time which amounted to RMB115.2 million, RMB133.1 million, RMB437.4 million, RMB163.5 million and RMB83.8 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

OUR COMPETITIVE STRENGTHS

Strong Market Presence in China’s Community-Based Fresh Product Chain Industry, Benefiting from Significant Industry Tailwinds

According to CIC, we are the largest community-based fresh product chain company in China. We have established strong positions in GMV, store count, brand equity and products:

Our GMV and store count. In 2025, our GMV reached approximately RMB14.3 billion. As of June 30, 2026, we operated over 3,000 stores across 14 provinces, municipalities and special administrative regions in China. According to CIC, we ranked first in China’s community-based fresh product chains industry for six consecutive years, by GMV of fresh products. The community-based fresh product chains accounted for 10.2% of the overall China’s fresh product retail market in 2025. Meanwhile, in China’s broader fresh product retail market, we ranked seventh among fresh product chain operators by fresh products GMV in 2025, representing a market share of 0.9%, and were the only community-based fresh product chain brand among the seven largest market players. Guangdong Province is our core region. According to CIC, measured by GMV of fresh products in 2025, we ranked first in the community-based fresh product chains market in Guangdong Province, with GMV of approximately RMB9.2 billion, which was 3.9 times that of the second-largest market player in Guangdong Province. In selected cities in Central China such as Changsha and Wuhan, selected cities in Southwestern China such as Chongqing and Chengdu as well as Hong Kong and Macau, we also ranked first by market share in the community-based fresh product chains segment.

Our Brand. In the fresh product retail segment, we have introduced the D&C Model, and successfully transformed the inherent high-wastage challenge of fresh products into a sustainable operating advantage and brand asset. By displaying our “no overnight meat” commitment in our in-store visual identity, we seek to build consumer awareness of our freshness proposition and the Qdama brand. By upholding our commitment to not selling fresh products overnight, we have built a strong association between “freshness” and our “Qdama” brand, strengthening brand visibility among consumers. Leveraging our D&C model, we precisely address the demand for both quality and competitive pricing, effectively expanding our consumer base and enhancing operational resilience through high inventory turnover.

Our Products. We specialize in fresh products and, through more than ten years of business experience, have built robust product capabilities, particularly in our core category of pork products where we enjoy strong market position. Leveraging our strong supply chain and deep market insights, we offer fresh pork in our stores and are among the few chain retailers capable of doing so at scale. According to CIC, we ranked first among meat retailers in Guangdong Province in 2025, by GMV of meat products. Benefiting from our accumulated know-how in the fresh product retail industry, we have strong operational resilience. As everyday essentials, fresh products are resilient to economic cycles and consumers’ demand for fresh products remains generally stable. Building on our long-term engagement in and deep understanding of the fresh product retail industry, we have strengthened capabilities in our

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store operations, product mix optimization, supply chain management, digitalization, addressing key challenges in the fresh product retail industry, such as freshness preservation, price volatility, inventory turnover and wastage. We have therefore built a solid competitive moat and navigate economic cycles while earning long-term consumer recognition. Benefiting from our strong market position, we are well positioned to capture the growth potential of our segment. We believe China’s community-based fresh product retail segment holds substantial potential and that this segment will ultimately give rise to large-scale retail chains. Globally, in mature markets, dominant retail formats have always been closely aligned with local residential structures. Against the backdrop of China’s high-density urbanization, modern and well-equipped residential communities have become the core of residents’ everyday lives, making “communities” the most strategically valuable consumption scenario in China’s retail sector. According to CIC, the size of the community-based fresh product retail market reached approximately RMB1,857.4 billion in 2025. However, the community-based fresh product retail segment still contains a large number of non-chain, traditional mom-and-pop shops. In 2025, the offline chain penetration rate in the offline community-based fresh product retail segment was only approximately 47.4%, and is expected to reach approximately 61.7% in 2030, with community-based fresh product chains expected to achieve a compound annual growth rate of approximately 14.7% from 2026 to 2030. We therefore operate in a large, high-growth segment, which provides significant market opportunities for our future development.

Community-based Small-store Format, with a Stable Consumer Base of High Consumption Frequency, Resulting in High Sales per Square Meter

We select store locations that are close to residential communities. Community scenarios are close to consumers’ everyday lives, with convenient shopping experience and stable base of consumers. According to CIC, fresh products account for nearly 50% of total retail sales of goods in community scenarios. We therefore focus on the daily grocery of high consumption frequency and cooking needs of community residents and select store locations on high-traffic main streets serving large and medium-sized communities with more than 1,000 households, at locations within 500 meters’ walking distance. Compared with other sales channels for fresh products, our community-based fresh product store format closely matches the purchasing behavior of our target consumers: they prefer to visit stores in person to assess the freshness of products, flexibly select products based on household taste preferences and rely heavily on value-added services such as in-store cutting and pre-processing. This precise alignment not only ensures sustained store traffic and stable demand, but also enables us, based on clear and predictable consumption data, to continuously optimize store-level product assortment, achieving higher turnover efficiency and more reliable service.

Leveraging our proximity to residential communities and the high consumption frequency nature of fresh products, we have built a broad and stable user base. According to CIC, consumers’ average weekly purchase frequency for meat and vegetables is approximately twice that of fruits and four to five times that of freshly-made tea beverages or snacks. In addition, demand for fresh products is stable and resilient, and per capita consumption value of fresh products in China recorded a CAGR of 4.7% between 2021 and 2025. Our community-based stores enjoy organic offline traffic and each store serves a stable base of consumers; our D&C Model appeals to consumers that pursue quality or value for money, further enlarging our coverage of consumers. The high consumption frequency and essential nature of fresh products provide a solid foundation for frequent consumer interactions. On this basis, we are able to build continuous and stable connections with community consumers and naturally benefit from the compounding effect of the “familiar-customer” economy. Through continuous optimization of our product mix, our small-store format has achieved high single-store daily sales and sales per square meter that exceed the industry average. According to CIC, among retail formats in China that mainly sell fresh products and daily groceries, our sales per square meter outperformed peers. For instance, our sales per square meter of our self-operated stores in Guangzhou in 2025 were approximately six times the average of large-format supermarkets, approximately three times the average of community-based convenience stores and approximately twice the overall average of community-based fresh product chains.

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Through our “warm service” culture, we continue to win consumers’ trust by encouraging proactive and thoughtful interactions between store staff and consumers, deepening neighborly ties between stores and surrounding residents, improving consumer stickiness and satisfaction and creating an advantage in low customer acquisition cost. We also use our membership system and private-domain operations to further enhance loyalty. As of June 30, 2026, we had accumulated over 30 million members across various registration channels. In 2025, our members made purchases more than five times per month on average, higher than the industry average of three times. Our private-domain operations primarily include WeChat group engagement with consumers and corporate customers, which serve as key channels for sharing daily promotions, product updates and practical tips, while enabling services such as product reservations to reinforce our commitment to everyday freshness and foster trust, resulting in higher member retention and word-of-mouth advocacy. As a result of these factors, we have achieved low customer acquisition costs.

China’s high-density community-based housing environment brings substantial potential for further development. According to CIC, there are more than 80,000 residential communities with over 1,000 households in China, including more than 9,000 such communities in Guangdong Province and more than 12,000 in 11 key Tier-2-and-above cities outside Guangdong Province where we already operate stores. We are therefore well-positioned to capture market opportunities by the continued expansion of our store network.

Efficient Franchise Model and Long-Term Partnership with Franchisees

Our win-win collaboration with franchisees is one of the foundations of our expansion and development. The franchise model is aligned with the operating characteristics of the community-based fresh retail format. By unleashing franchisees’ initiative, we improve quality of service and interaction with consumers at points of sales, effectively strengthen community penetration and consumer loyalty. By attracting franchisees with local market experience, we achieve the advantage of localized management with reduced costs as well as rapid and asset-light expansion. In addition, shifting day-to-day store operations to franchisees allows headquarters to focus more on building competitive moat in supply chain, operating systems and brand recognition, which reduced management costs and improved overall operational efficiency. Among various franchise formats, the Qdama brand is attractive to franchisees who value long-term and stable returns.

We are committed to building a systematic frontline operating talent pipeline and centrally managing the development of core store-level talent from headquarters. By establishing standardized store manager training, building continuous empowerment platforms and deploying recurring business competition mechanisms, we systematically enhance the professional capabilities and commercial mindset of frontline teams, providing solid talent support for business expansion and efficient operations. At the same time, benefiting from the essential, high consumption frequency nature of fresh products, our stores achieve higher sales per square meter than other franchise formats such as convenience stores, tea beverage shops and fruit stores. For instance, our average monthly sales per square meter of self-operated stores in Guangzhou in 2025 were approximately six times the average of large-format supermarkets, approximately three times those of convenience stores and tea beverage shops and approximately twice those of fruit specialty stores, according to CIC. The D&C Model also allows new franchisees to avoid inventory pressure at store opening and incur relatively low initial investment; the daily clearance mechanism helps franchisees quickly refine and curate the optimal product assortment, shortening the ramp-up period.

After years of operations, we have established an efficient and rigorous franchisee management system. At the franchisee screening stage, we apply review standards to identify potential partners who are focused on long-term development, share our brand philosophy and have entrepreneurial mindsets. We adopt a data-driven location selection process to assist with venue selection, provide comprehensive training and offer favorable terms during the initial store-opening period, and appoint experienced store managers from our existing workforce to help franchisees quickly familiarize themselves with store operations and navigate the ramp-up stage. In day-to-day operations, all stores implement our standardized

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D&C Model, enabling standardized inventory, product and pricing management. We have also established a fund clearing system connecting headquarters and stores to ensure that electronic payment funds collected from consumers are centrally settled, enabling us to obtain accurate records of consumer transaction information and strictly control fund flows with franchisees.

Based on the historical consumption information we collect, our intelligent ordering system provides purchase recommendations to store staff, ensuring efficient implementation of the D&C Model. Our end-to-end business process is designed to reduce store operating difficulty and dependence on individual staff, making stores easier to replicate. Under this model, franchisees’ own operating expenses are reduced and their profitability is enhanced. As of June 30, 2026, each franchisee operated an average of 1.7 stores, with many existing stores expanding into multiple locations, demonstrating our consistent ability to deliver win-win results for franchisees.

Continued Efforts in Product Assortment Optimization, Online Channels Development and Store Network Expansion

Through refined in-store product assortments, we have developed a small-store format with high sales per square meter that balances enriched product selection and operating efficiency. With insights into consumers’ shopping and cooking habits, we offer a diversified selection across six major categories — (i) pork products, (ii) meat, poultry and eggs (excluding pork products), (iii) seafood, (iv) vegetables, (v) fruits and (vi) chilled and prepared foods. The Digital Operation Platform allows store staff to select from 766 SPUs, providing franchisees with a wide selection of products. Our D&C Model enables daily adjustments to each store’s product assortment without inventory burden. Within a short period, each store can refine its product assortment to optimally match local consumer needs, truly achieving customized assortment for each store. The high consumption frequency nature of fresh product purchases provides a sustainable traffic foundation for our stores. As a result, we can gradually broaden our product portfolio to include higher-margin, multi-category products. Pork and vegetables remain our core categories, together accounting for 49.0%, 49.7%, 49.7%, 49.5% and 48.0% of our total revenue from product sales in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. We continued to expand categories, such as fruits, which accounted for 12.9% of our total revenue from product sales in the six months ended June 30, 2026.

We also leverage multiple online sales channels to complement consumption scenarios and provide more options to consumers. As our stores serve the fulfillment base for online orders, we offer instant delivery and next-day delivery options for online purchases. Through differentiated online product selection that complement the in-store product assortments, we have added categories such as grain and oil, beverages, snacks, condiments and convenience foods, thereby attracting new consumers and further unlocking the value of our existing base of consumers. In-store pick-up for online orders also stimulates further in-store purchases.

We follow a “densify within one city and radiate to surrounding areas” strategy for quality store network expansion, achieving success in Guangdong Province and promoting our high-sales-per-square-meter small-store format to other regions. Guangdong Province is our earliest and most developed region and has demonstrated the success of our small-store format and continuous improvement in operating efficiency. As of June 30, 2026, 1,991 of our stores were located in Guangdong Province; our gross margin for sales in Guangdong Province was 11.4%, 11.5%, 12.4%, 12.2% and 13.2% in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, showing a steady upward trend. We believe that increasing store density within a region allows us to benefit from economies of scale. Supported by our high-density store network in Guangdong Province, our gross margins for sales in Guangdong Province are higher than the gross margins for sales in other regions in Chinese Mainland, providing cash flow and resources for our future development.

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Leveraging our mature supply chain in Guangdong Province, we have successfully expanded from core cities such as Guangzhou and Shenzhen to nearby cities such as Huizhou, Zhongshan and Dongguan and further into the Greater Bay Area. Stores in the Greater Bay Area have delivered strong performance under this expansion strategy. For example, as of June 30, 2026, we operated 77 stores in Hong Kong and Macau, all supported by our supply chain infrastructure in Guangdong Province, and achieved a gross margin of 18.9% in Hong Kong and Macau in the six months ended June 30, 2026.

We have also replicated our successful small-store format and quality store expansion in other regions. Through trial and practice, we have developed a city screening method based on population density, community scale, consumption power and supply chain maturity and prioritized a number of high-potential cities for franchise-led expansion. This strategy aims to first build scale and supply chain advantages in selected cities, form regional operating density and then gradually expand into surrounding cities, thereby achieving a dynamic optimal balance between economies of scale and growth speed. As of June 30, 2026, we had achieved critical scale in cities such as Shanghai, Changsha, Chengdu, Chongqing, Zhengzhou and Wuhan.

Building on our established store network, we are proactively advancing strategic iterations in store formats and product portfolio. Using Guangdong Province as a pilot region, we have launched a new store format of larger scale that retain core fresh product categories while expanding store size and enriching product range, introducing ready-to-eat categories such as baked goods, roasted meats and braised products to better meet consumers’ diversified meal-preparation needs. In addition, we have successfully introduced high-margin products such as prepared foods with short-shelf-life fresh products and other items under our private label. Chilled and prepared foods accounted for approximately 19.2% of our total SPUs. Our Qdama Fresh Series has become a popular product series in stores.

Efficient Supply Chain of Fresh Products that was Refined Over a Decade of Experience, Ensuring Freshness and Cost Efficiency

Our supply chain for fresh products has been continuously refined and has become one of our core moats. Franchisees source 100% of their fresh products from us, ensuring consistent quality, safety and cost advantages for products sold in stores under the Qdama brand. In contrast to traditional agricultural value chains that are long and fragmented, we enhance operational efficiency at downstream points of sale to drive coordinated optimization across upstream production and distribution, which makes us an important distribution channel for agricultural products and a key link in the agricultural value chain. We have built a efficient and digitalized supply chain system, supported by integrated TMS and WMS operations that enable real-time monitoring and rapid operational adjustments. This contributes to improved warehousing productivity and logistics efficiency, which in turn reduces unit operating costs and strengthens supply-chain-driven profitability, as reflected by an increase in our overall gross margin from 9.8% in 2023 to 11.5% in the six months ended June 30, 2026, inventory turnover days of approximately 1.2 to 1.5 days during the Track Record Period, and a decrease in logistics expenses as a percentage of revenue from 2.7% in 2023 to 2.6% in the six months ended June 30, 2026.

Our supply chain management integrates procurement, sorting, processing and logistics. **In procurement**, we have a procurement team comprising over 200 personnel, and adopt a dynamic procurement approach comprising sourcing from farming bases, supplier procurement and order-based farming. Such an approach allows us to capture single-product scale advantages and efficiently procure local specialty products. We have steadily increased the centralized procurement ratio for vegetables and fruits, which reached approximately 30% in the six months ended June 30, 2026. Our digital systems transmit store orders in real-time, enabling sales-driven procurement. Our suppliers compete for procurement orders based on price quotations, which helps reduce procurement costs. In addition, under our order-based farming model, we work with partners to build standardized planting bases and develop exclusive products. **In sorting and processing**, we operated 16 integrated distribution centers with a total building area of approximately 134,337 sq.m., as of the Latest Practicable Date,

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all equipped with temperature-controlled sorting system. By consolidating category-specific warehouses into these integrated distribution centers, we are able to conduct preliminary processing, packaging, and retail conversion of fresh products using intelligent weighing, labeling, and sorting systems, which reduces logistics costs and improves labor efficiency. The vast majority of our fresh products have an integrated distribution center turnover time of no more than 12 hours and are sold in stores on the same day of arrival. **In logistics**, we leverage a large-scale, digitally managed delivery network by cooperating with over 80 logistics partners and arranging an average of more than 600 cold-chain vehicles per day, with all vehicles connected to our TMS system for real-time location and temperature monitoring and route optimization. As a result of this centralized control and time-sensitive execution, all stores receive daily deliveries, with delivery from our integrated distribution centers to stores generally taking less than four hours, enabling pork products to reach consumers’ tables in as short as six hours from slaughter. See “— Supply Chain Infrastructure.”

Digitalized Systems Driving Efficiency Improvements

Since our establishment, we have regarded end-to-end digital operations as our core strategy. Our digital systems are deeply integrated with business processes, enabling standardized, refined, efficient, visualized and compliant operations. As of June 30, 2026, our IT team comprised 205 personnel, and some of our core digital systems were self-developed. We have built an integrated Digital Operation Platform connecting upstream procurement and downstream sales, supporting intelligent supply-chain management across procurement, quality control, logistics and store operations. Our proprietary Qianmeng system empowers franchisees and store staff through real-time performance monitoring, inventory management and data-driven operational and marketing recommendations. In addition, our digital systems support dynamic pricing strategies by integrating market price monitoring with procurement and store-level pricing decisions, helping maintain price competitiveness while improving operating efficiency. This digital infrastructure supports expansion and strengthens our competitive position in the fresh product retail industry. See “— Our Digitalization.”

Professional, Progressive and Long-Term-Oriented Management Team

We are led by an experienced management team with a strong focus on long-term development. Our founder, chairperson and CEO, Ms. Feng, has over ten years of experience in the fresh product retail industry and corporate management, with deep industry insights and a clear strategic vision for Qdama’s long-term growth. She oversees overall operations and has consistently upheld our commitment to high quality, freshness and value-for-money, while leading the team to strengthen operating systems and organizational capabilities amid heightened industry volatility and competition. Our core management team comprises professionals with diverse backgrounds and an average of over ten years of experience across fresh product retail, e-commerce and supply chain sectors, including prior experience at well-established companies such as Walmart, Alibaba, Meituan, JD.com and Blackstone. Supported by a culture centered on “innovation, sharing and responsibility”, we place strong emphasis on talent development and long-term incentives, including an employee shareholding platform. See “History, Reorganization and Corporate Structure — Major Shareholding Changes of Our Group.”

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OUR STRATEGIES

Enhance Store Network Coverage and Serve a Broader Consumer Base

Building on our established presence in Guangdong Province, we intend to continue densifying our store network and replicating our operating model across key regions nationwide. We plan to prioritize expansion into core cities with high population density, strong consumption power and mature commercial infrastructure. In these core cities, we intend to establish localized supply chain facilities and adopt tailored products and operating strategies, using successful cities as bases to expand into surrounding areas. At the same time, we plan to further strengthen our presence in Guangdong Province as a key region by increasing store penetration, improving the efficiency of regional warehousing and distribution networks and expanding into nearby lower-tier cities and counties with growth potential. In addition, we intend to increase store density in other strategic regions and continue expanding our presence in Hong Kong and Macau, laying the foundation for long-term overseas expansion and market diversification in Asia.

Leverage Our Value-for-Money Advantage to Broaden Categories and Deepen Scenario-Based Assortment to Increase Single-Store Sales

Driven by longer working hours in China and rising demand for convenient dining, we intend to leverage our strengths in fresh products and our value-for-money positioning to broaden product categories and increase single-store sales. We plan to strengthen value-for-money in our core fresh product categories by refining operations and improving efficiency across the value chain from farm to table. Through vertical supply chain integration, we aim to offer better prices at the same quality or higher quality at similar price levels, particularly in high-frequency categories such as pork products and vegetables, thereby building a solid cost and quality foundation for category expansion. Building on this foundation, and centered around the “one meal” consumption scenario, we intend to expand categories such as chilled and prepared food and develop private label offerings focused on freshness and value-for-money. By strengthening scenario-based operations and continuing to deliver “warm service,” we intend to increase purchase frequency, average spending per order and consumer loyalty.

Expand Online Channels and Build an Efficient Omnichannel Retail Network

Building on our dense, community-based offline store network, we intend to further develop online channels with differentiated assortments and build an efficient omnichannel retail network. To meet consumers’ immediate at-home shopping needs, we plan to leverage third-party food delivery platforms’ logistics capacity to support on-demand fulfillment and promote omnichannel sales conversion. To support increasing online order volume and improve operational efficiency, we also intend to utilize integrated distribution centers with processing capabilities to standardize products before they reach stores and reduce in-store workload. While on-demand delivery addresses speed, through next-day delivery we intend to overcome physical shelf limitations and broaden our online product offerings under a “broad categories, narrow SPUs” strategy focused on core essential items. In addition, we plan to integrate live-streaming on Douyin with next-day delivery to showcase origin-direct and seasonal products and create new growth opportunities.

Continue to Strengthen Supply Chain Capabilities and Drive Gross Margin Expansion

We intend to shorten procurement chains and strengthen procurement and quality control by promoting end-to-end direct sourcing and centralized procurement at the farm level, thereby controlling costs and quality at the source. By covering core production origins and prioritizing centralized procurement for major categories such as vegetables, fruits and seafood, we aim to leverage scale efficiencies to reduce procurement costs, lower wastage and improve product quality, particularly in newly entered regions where store networks are still at an early stage. To further enhance product differentiation and food safety, we also plan to cooperate with agricultural research institutions and adopt order-based farming. To support

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network expansion and achieve economies of scale, we intend to maximize the use of our existing supply chain infrastructure and build integrated distribution centers with sorting and processing capabilities once regional scale is reached. These facilities are expected to improve product standardization, labor productivity and logistics efficiency, while reducing overall warehousing and distribution costs. Building on our upstream sourcing and processing capabilities, we plan to further develop core processing functions and selectively expand sales to corporate customers, extending the value chain and enhancing profitability and bargaining power.

Continue to Strengthen Our Digital and Intelligent Operating System to Improve Efficiency and Reduce Costs

We plan to further strengthen our digital and intelligent operating systems to support data-driven decision-making and improve efficiency across our business. At the store level, we intend to use digital tools to support ordering, sales and daily management, including demand forecasting based on historical sales, weather and pricing data, to reduce inventory pressure and wastage. On the supply side, we plan to use digital systems to improve procurement planning, standardize operations at distribution centers and increase visibility across suppliers, distribution centers and stores. Through these digital and automated processes, we aim to improve logistics efficiency, reduce labor costs and better control overall operating expenses. On the marketing side, we intend to use data-driven marketing tools to better target consumers, improve conversion rates and increase returns on advertising and promotion spending.

OUR BUSINESS MODEL

We adopt a centralized and integrated business model that combines procurement, supply chain management and a predominantly franchise-based retail network, complemented by self-operated stores and supported by online sales channels. We generate revenue primarily from (i) sales of products to franchisees, (ii) direct retail sales through self-operated stores, and (iii) royalty and franchising service fees. Through our integrated distribution centers and digital systems, we centralize sourcing, sorting, processing and logistics, enabling standardized store operations and efficient monitoring and settlement of fund flows.

Our customers primarily comprise franchisees, who source products from us at wholesale prices and operate stores under the “Qdama” brand. Pursuant to franchise agreements, we provide brand licensing, supply chain services, digital tools and operational support, and collect royalty and franchising service fees. Settlement with franchisees is primarily conducted through a centralized fund clearing system, under which retail proceeds are allocated between us and franchisees on a daily basis. We also operate self-operated stores which sell directly to consumers, and also serve as operational benchmarks and testing platforms.

Consumers purchase products either in stores or through online channels, including our Qdama Mini Programs and App and third-party food delivery platforms. Offline purchases are completed in stores, with payments made in cash, by third-party online payment services such as WeChat Pay and Alipay, or through prepaid cards; in Hong Kong, Octopus cards are also accepted. For online purchases, consumers place orders via our proprietary platforms or third-party platforms, select instant or next-day delivery or in-store pickup, and complete payment through online payment services. Third-party food delivery platforms provide order placement, payment processing and logistics coordination services, and remit net proceeds to us after deducting commission and other related fees, and we subsequently settle with franchisees under our fund clearing system.

On the supply side, we procure products from farming bases and qualified suppliers under direct sourcing, supplier procurement and order-based farming arrangements. Products are delivered to our integrated distribution centers for inspection, sorting, processing and packaging before being transported through our cold-chain logistics network to stores. We

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cooperate with third-party logistics providers for transportation to stores. Payments for goods and logistics services are settled by us in accordance with agreed credit terms. This integrated model allows us to manage product quality, pricing, inventory turnover and fund flows in a centralized manner while supporting expansion across offline and online channels.

OUR PRODUCT OFFERINGS

We offer a carefully curated selection of quality, competitively priced products, which we strategically source from our panel of suppliers. Our product portfolio covers diverse product types, including primary fresh animal proteins (namely, (i) pork products, (ii) meat, poultry and eggs (excluding pork products) and (iii) seafood), fresh produce (namely, vegetables and fruits), as well as chilled and prepared foods. In the six months ended June 30, 2026, we offered an aggregate of 766 SPUs. To enhance consumers’ shopping experience, we regularly refine our offerings by analyzing consumer preferences and consumption patterns on our Digital Operation Platform. The following table sets forth a breakdown of our revenue from product sales by product type and product category in absolute amounts and as a percentage of our total revenue from product sales for the periods indicated:

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

Notes:

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

Pork Products

Pork products are our core product category. Our pork products primarily include pork ribs, pork shoulder, pork belly and pork tenderloin. In the six months ended June 30, 2026, we offered 38 SPUs of pork products. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from sales of pork products amounted to RMB2,688.0 million, RMB2,740.0 million, RMB2,529.6 million, RMB1,208.9 million and RMB1,056.7 million, respectively, representing 23.4%, 23.8%, 22.9%, 23.9% and 21.3% of our total revenue from product sales for the same periods.

Our pork products are cut and processed from premium-grade hogs, including white pork and black pork varieties. Premium white pork is sourced from hogs that are produced through precision feeding. In the slaughtering process, they are trimmed to remove the head, and belly fat, resulting in a higher lean-meat yield and a cleaner, more refined cut. Premium black pork is sourced from hogs that are grain fed and raised in ample space for over ten months to ensure superior meat quality. The fresh premium black pork features firm meat texture and rich flavor. Our stores are equipped with butchering stations where in-house

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butchers can prepare pork and meat products in store according to consumer requirements. During the butchering and cutting period in the morning, certain stores display freshly cut pork in glass-fronted cases, allowing consumers to choose their preferred cuts, which are then weighed and packaged accordingly. After the butchering and cutting period in the morning, the pork products are packaged and placed in a dedicated section of the chilled aisles or in refrigerated counters. Certain pre-packaged items such as fresh pork ribs, fresh pig brain, fresh pork intestines and fresh pork tripe strips are displayed on refrigerated shelves with labels indicating the cut, weight, price and other dietary information. Store staff may also implement product display strategies to promote pork products, such as placing them at eye level to increase visibility or using signage to highlight nutritional benefits or practical cooking recommendations.

Our robust supply chain ensures that we source quality pork products at competitive prices. We mainly procure carcasses and pork cuts from suppliers, while also directly source hogs from hog farms for slaughtering and sales. We proactively manage relationships with farming bases and suppliers to guarantee that the pork meets our quality standards. Data analytics is employed to refine operations, from farm management practices to processing and logistics, while quality control measures are adopted throughout the supply chain to ensure that the pork products adhere to safety and quality standards. Insights from data analytics can also contribute to pork product development, enabling us to tailor pork products to specific market needs or consumer preferences. By analyzing sales data, market trends and consumer preferences, we can predict demand for various pork products, facilitating better inventory management and reducing the risk of stockouts or excess inventory.

The following table sets forth certain details of our representative pork products during the Track Record Period:

Product name	Product picture	Details	Sales volume ⁽¹⁾⁽³⁾	Average selling prices ⁽²⁾⁽³⁾
Pork ribs		The pork ribs are evenly cut into neat bone-in portions, offering a rich pork-and-bone ratio for a meaty bite. They are well-suited for braised dishes to absorb sauces or simmering in soups to bring out their natural sweetness.	2023: 15,612 tons 2024: 14,114 tons 2025: 16,276 tons Six months ended June 30, 2026: 8,665 tons	2023: RMB61.8 per kg 2024: RMB68.2 per kg 2025: RMB63.7 per kg Six months ended June 30, 2026: RMB57.8 per kg
Pork shoulder . .		The pork shoulder features distinct marbling and even fat distribution, which delivers tender and juicy texture with a rich flavor. They are well-suited for stir-frying, grilling and roasting.	2023: 8,985 tons 2024: 8,160 tons 2025: 10,781 tons Six months ended June 30, 2026: 4,497 tons	2023: RMB48.1 per kg 2024: RMB56.1 per kg 2025: RMB53.8 per kg Six months ended June 30, 2026: RMB49.7 per kg
Pork belly		The pork belly features distinct layers of lean meat and fat with a well-balanced fat-to-lean ratio. They are sourced from grain-fed hogs and are known for rich flavor and tender texture.	2023: 13,137 tons 2024: 12,264 tons 2025: 12,247 tons Six months ended June 30, 2026: 5,954 tons	2023: RMB34.0 per kg 2024: RMB38.6 per kg 2025: RMB38.9 per kg Six months ended June 30, 2026: RMB34.2 per kg

Notes:

- (1) Based on sales volumes through offline sales channels in Chinese Mainland during the Track Record Period.
- (2) Based on recommended retail prices set through offline sales channels in Chinese Mainland during the Track Record Period. For indicative purpose only, given that selling prices of food products may be subject to material seasonal fluctuation.
- (3) The fluctuations in our sales volume and average selling prices were primarily attributable to (i) changes in consumer preferences, which led to demand shifting among different product types, (ii) harvest conditions, and (iii) product promotion strategies.

Meat, poultry and eggs

The meat, poultry and egg product category excludes pork products. Our product portfolio includes a curated selection of poultry, beef, lamb and packaged eggs, all of which are subject to quality control procedures. Leveraging direct relationships with reputable suppliers and our refined cold-chain logistics infrastructure, we are able to maintain consistent freshness and quality standards across all protein categories. In the six months

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ended June 30, 2026, we offered 101 SPUs of meat, poultry and egg products. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from sales of meat, poultry and eggs amounted to RMB1,899.4 million, RMB1,853.4 million, RMB1,767.9 million, RMB775.4 million and RMB836.5 million, respectively, accounting for 16.6%, 16.1%, 16.0%, 15.3% and 16.9% of our total revenue from product sales for the same periods. The following table sets forth certain details of our representative meat, poultry and egg products during the Track Record Period:

Product name	Product picture	Details	Sales volume ⁽¹⁾⁽³⁾	Average selling prices ⁽²⁾⁽³⁾
Beef		The beef is generally sourced from cattle raised under standardized farming practices and managed feeding protocols. The beef is pre-chilled in a temperature-controlled facility and transported via cold-chain logistics to maintain freshness and consistent quality.	2023: 4,274 tons 2024: 5,443 tons 2025: 4,123 tons Six months ended June 30, 2026: 1,653 tons	2023: RMB118.2 per kg 2024: RMB106.6 per kg 2025: RMB107.4 per kg Six months ended June 30, 2026: RMB107.3 per kg
Chicken wings . .		The chicken wings are sourced from grain-fed chicken and freshly slaughtered.	2023: 4,127 tons 2024: 4,211 tons 2025: 3,066 tons Six months ended June 30, 2026: 1,625 tons	2023: RMB80.1 per kg 2024: RMB76.2 per kg 2025: RMB74.9 per kg Six months ended June 30, 2026: RMB79.2 per kg
Five-grain eggs .		The five-grain eggs are produced by grain-fed hens and have pronounced aroma and rich flavor.	2023: 13,117 tons 2024: 11,979 tons 2025: 11,261 tons Six months ended June 30, 2026: 4,069 tons	2023: RMB20.9 per kg 2024: RMB19.5 per kg 2025: RMB15.6 per kg Six months ended June 30, 2026: RMB17.3 per kg

Notes:

- (1) Based on sales volumes through offline sales channels in Chinese Mainland during the Track Record Period.
- (2) Based on recommended retail prices set through offline sales channels in Chinese Mainland during the Track Record Period. For indicative purpose only, given that selling prices of food products may be subject to material seasonal fluctuation.
- (3) The fluctuations in our sales volume and average selling prices were primarily attributable to (i) changes in consumer preferences, which led to demand shifting among different product types, (ii) harvest conditions, and (iii) product promotion strategies.

Seafood

Our selection of seafood products includes fresh-water aquaculture products, deep-water fishing seafood products and quick-freezing seafood products. Our fresh-water aquaculture products primarily include crucian carp, perch, grass carp and Wuchang bream, which are sourced live and delivered to our integrated distribution center for sampling and inspection. They are then processed under temperature-controlled cold-chain conditions before being delivered to our stores. This approach ensures freshness and food safety, meets consumers’ demand for ready-to-cook fresh-water products, and enhances the overall in-store experience. Our deep-water fishing seafood products feature seafood with a relatively short shelf life and ideal for immediate purchase and cooking. They primarily comprise golden pomfret, yellow croaker and red snapper. These products are flash-frozen directly on board the fishing vessels to lock in freshness, followed by efficient cold-chain logistics from dock to store. This approach guarantees quality while diversifying our in-store selection of seafood. Our quick-freezing seafood products primarily include sea prawns, shrimp meat, basa filets and shellfish meat. Produced through processing, quick-freezing and packaging, these products have extended shelf life while preserving nutritional value. They offer consumers greater convenience in storage and meal preparation. The strategic development of our seafood category is integral to our initiative to broaden our product portfolio. This expansion is designed to enhance consumer loyalty, increase average spending per order, and strengthen our overall brand equity by enabling us to better serve household kitchen and meal needs. In the six months ended June 30, 2026, we offered 123 SPUs of seafood products. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from sales of seafood amounted to RMB913.9 million, RMB856.6 million, RMB819.0 million, RMB372.8 million and RMB365.0 million, respectively, accounting for 8.0%, 7.5%, 7.5%, 7.4% and 7.4% of our

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total revenue from product sales for the same periods. The following table sets forth certain details of our representative seafood products during the Track Record Period:

Product name	Product picture	Details	Sales volume ⁽¹⁾⁽³⁾	Average selling prices ⁽²⁾⁽³⁾
Sea prawns		The sea prawns have a distinctive briny seafood flavor. The meat is firm and springy with a crisp bite.	2023: 1,736 tons 2024: 1,353 tons 2025: 1,317 tons Six months ended June 30, 2026: 935 tons	2023: RMB89.7 per kg 2024: RMB89.2 per kg 2025: RMB87.3 per kg Six months ended June 30, 2026: RMB87.4 per kg
Golden pomfret . .		The golden pomfret is sourced directly from our aquaculture base. It has a fine, smooth texture and firm yet tender flesh, with a relatively mild flavor.	2023: 878 tons 2024: 824 tons 2025: 785 tons Six months ended June 30, 2026: 291 tons	2023: RMB65.5 per kg 2024: RMB61.2 per kg 2025: RMB66.7 per kg Six months ended June 30, 2026: RMB70.8 per kg
Perch		The perch is sourced from fresh-water aquaculture and is supplied live to maintain freshness. It has smooth flesh with a tender bite. It develops a savory aroma when cooked.	2023: 1,305 thousand units 2024: 1,392 thousand units 2025: 1,334 thousand units Six months ended June 30, 2026: 691 thousand units	2023: RMB19.1 per unit 2024: RMB20.7 per unit 2025: RMB20.5 per unit Six months ended June 30, 2026: RMB18.4 per unit

Notes:

- (1) Based on sales volumes through offline sales channels in Chinese Mainland during the Track Record Period.
- (2) Based on recommended retail prices set through offline sales channels in Chinese Mainland during the Track Record Period. For indicative purpose only, given that selling prices of food products may be subject to material seasonal fluctuation.
- (3) The fluctuations in our sales volume and average selling prices were primarily attributable to (i) changes in consumer preferences, which led to demand shifting among different product types, (ii) harvest conditions, and (iii) product promotion strategies.

Vegetables

Vegetables constitute one of our core product categories and serve as a key driver of high-frequency traffic to our stores. Our selection of vegetables covers all major vegetable categories required for everyday meals, including leafy greens such as baby spinach, choy sum and Chinese cabbage, fruiting vegetables such as tomatoes and cucumbers, root vegetables such as baby pumpkin, carrots and potatoes, herbs and edible fungi. We primarily procure vegetables directly from farming bases, but we also engage in customized and order-based production with selected upstream partners and farming bases for the procurement of certain selected vegetables. In the six months ended June 30, 2026, we offered 212 SPU's of vegetable products. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from sales of vegetables amounted to RMB2,944.5 million, RMB2,974.2 million, RMB2,957.7 million, RMB1,295.7 million and RMB1,320.8 million, respectively, accounting for 25.6%, 25.9%, 26.8%, 25.6% and 26.7% of our revenue from product sales for the same periods. The following table sets forth certain details of our representative vegetables during the Track Record Period:

Product name	Product picture	Details	Sales volume ⁽¹⁾⁽³⁾	Average selling prices ⁽²⁾⁽³⁾
Sweet corn		The sweet corn products are sourced directly from premium growing regions and selected for quality varieties. They can reach stores as quickly as 36 hours after harvest, offering full aroma and fresh, authentic corn flavor.	2023: 19,290 tons 2024: 26,450 tons 2025: 23,542 tons Six months ended June 30, 2026: 10,723 tons	2023: RMB12.1 per kg 2024: RMB10.6 per kg 2025: RMB11.0 per kg Six months ended June 30, 2026: RMB10.6 per kg
Baby spinach . . .		The baby spinach features a delicate texture and a naturally mild, sweet flavor. They are tender with minimal fibrousness and provide a crisp bite. They are well-suited for stir-frying, blanching and soup-making.	2023: 3,632 tons 2024: 4,031 tons 2025: 3,621 tons Six months ended June 30, 2026: 2,380 tons	2023: RMB20.5 per kg 2024: RMB17.9 per kg 2025: RMB17.9 per kg Six months ended June 30, 2026: RMB14.7 per kg

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Product name	Product picture	Details	Sales volume ⁽¹⁾⁽³⁾	Average selling prices ⁽²⁾⁽³⁾
Baby pumpkins . . .		The baby pumpkins are a good source of dietary fiber. They feature smooth, dense texture with sweet, nutty flavor.	2023: 325 thousand units 2024: 3,690 thousand units 2025: 3,881 thousand units Six months ended June 30, 2026: 3,591 thousand units	2023: RMB4.7 per unit 2024: RMB3.8 per unit 2025: RMB4.1 per unit Six months ended June 30, 2026: RMB3.4 per unit

Notes:

- (1) Based on sales volumes through offline sales channels in Chinese Mainland during the Track Record Period.
- (2) Based on recommended retail prices set through offline sales channels in Chinese Mainland during the Track Record Period. For indicative purpose only, given that selling prices of food products may be subject to material seasonal fluctuation.
- (3) The fluctuations in our sales volume and average selling prices were primarily attributable to (i) changes in consumer preferences, which led to demand shifting among different product types, (ii) harvest conditions, and (iii) product promotion strategies.

Fruits

We focus on seasonal fruits and quality products from key production regions, sourcing primarily through direct partnerships at the origin. Our fruit products primarily include watermelons, apples, bananas, blueberries, grapes and citrus fruits. In the six months ended June 30, 2026, we offered 145 SPUs of fruit products. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from sales of fruits amounted to RMB1,394.2 million, RMB1,411.9 million, RMB1,358.9 million, RMB650.1 million and RMB640.8 million, respectively, accounting for 12.2%, 12.3%, 12.3%, 12.8% and 12.9% of our total revenue from product sales for the same periods. The following table sets forth certain details of our representative fruit products during the Track Record Period:

Product name	Product picture	Details	Sales volume ⁽¹⁾⁽³⁾	Average selling prices ⁽²⁾⁽³⁾
Bananas		The bananas are selected for a smooth, glossy and durable peel. They have a fine texture and a naturally sweet taste and aroma.	2023: 13,126 tons 2024: 12,149 tons 2025: 12,278 tons Six months ended June 30, 2026: 6,174 tons	2023: RMB13.0 per kg 2024: RMB13.4 per kg 2025: RMB13.1 per kg Six months ended June 30, 2026: RMB13.4 per kg
Ponkan mandarin oranges.		The ponkan mandarin oranges have thin peels and ample flesh. Harvested upon natural ripeness, they feature a naturally sweet flavor and a tender texture.	2023: 3,024 tons 2024: 5,295 tons 2025: 4,279 tons Six months ended June 30, 2026: 6,858 tons	2023: RMB19.5 per kg 2024: RMB15.6 per kg 2025: RMB19.0 per kg Six months ended June 30, 2026: RMB15.6 per kg
Blueberries		The blueberries are plump with firmness. They have a clean, blue-purple appearance with a natural waxy bloom and a balanced sweet-tart flavor.	2023: 5,147 thousand 125g units 2024: 7,075 thousand 125g units 2025: 8,265 thousand 125g units Six months ended June 30, 2026: 7,302 thousand 125g units	2023: RMB10.5 per 125g unit 2024: RMB10.9 per 125g unit 2025: RMB10.9 per 125g unit Six months ended June 30, 2026: RMB11.6 per 125g unit

Notes:

- (1) Based on sales volumes through offline sales channels in Chinese Mainland during the Track Record Period.
- (2) Based on recommended retail prices set through offline sales channels in Chinese Mainland during the Track Record Period. For indicative purpose only, given that selling prices of food products may be subject to material seasonal fluctuation.
- (3) The fluctuations in our sales volume and average selling prices were primarily attributable to (i) changes in consumer preferences, which led to demand shifting among different product types, (ii) harvest conditions, and (iii) product promotion strategies.

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Chilled and Prepared Food

Our chilled and prepared food category encompasses a curated selection of 3R products, such as marinated meats, as well as kitchen staples such as tofu products, chilled dairy, pastries and baked goods. We have strategically developed this category to complement our offerings of fresh products, mitigating the inherent constraints of a purely fresh-focused model by delivering enhanced convenience for consumers, extended product availability, and versatile meal solutions that align with evolving lifestyle demands. Our marinated meats products are within the 3R product range, and primarily include New Orleans-style marinated chicken cutlets and ribeye beef steaks. These products are freshly marinated and are designed for the dietary preferences of younger consumers. Our tofu products primarily include soft tofu, firm tofu and braised tofu. Expanding to convenient breakfast meal options, we developed chilled dairy products, pastry products and baked goods. Our chilled dairy products primarily include fresh milk, yogurt and probiotics beverages. These products are delivered from our integrated distribution centers to our stores through cold-chain logistics to ensure freshness and prompt availability. Our pastry products primarily include fresh wheat noodles, char siu buns and walnut buns. These products are typically produced by our suppliers typically in the early morning in accordance with our specifications, and delivered to our integrated distribution centers within the same day. Our pastry products generally have a short shelf-life of three days, which differentiates them from conventional long-shelf-life frozen buns and dried noodle products commonly found in the market. Our baked goods primarily include toast and Swiss rolls. These products are produced fresh on a daily basis and undergo quality inspections before being delivered to our stores. In the six months ended June 30, 2026, we offered 147 SPUs of chilled and prepared food products. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from sales of chilled and prepared food amounted to RMB1,475.0 million, RMB1,524.9 million, RMB1,513.2 million, RMB712.5 million and RMB695.8 million, respectively, accounting for 12.9%, 13.3%, 13.7%, 14.1% and 14.1% of our revenue from product sales for the same periods. The following table sets forth certain details of our representative chilled and prepared food products during the Track Record Period:

Product name	Product picture	Details	Sales volume ⁽¹⁾⁽³⁾	Average selling prices ⁽²⁾⁽³⁾
New Orleans-style marinated chicken cutlet . . .		The New Orleans-style marinated chicken cutlet is made from fresh, skinless chicken thigh meat. They are marinated at low temperature to preserve juiciness and enhance flavor.	2023: 727 tons 2024: 607 tons 2025: 507 tons Six months ended June 30, 2026: 229 tons	2023: RMB55.9 per kg 2024: RMB58.8 per kg 2025: RMB60.6 per kg Six months ended June 30, 2026: RMB60.8 per kg
Silken tofu		The silken tofu is made primarily from non-GMO soybeans and is characterized by a delicate, smooth texture.	2023: 1,247 tons 2024: 1,628 tons 2025: 1,754 tons Six months ended June 30, 2026: 946 tons	2023: RMB10.5 per kg 2024: RMB10.4 per kg 2025: RMB9.7 per kg Six months ended June 30, 2026: RMB9.5 per kg
Fresh wheat noodles.		The wheat noodles are made from high-gluten core flour. They deliver a chewy, elastic texture, with a three-day short shelf life that ensures optimal freshness and flavor.	2023: 1,908 thousand packages 2024: 2,189 thousand packages 2025: 2,175 thousand packages Six months ended June 30, 2026: 1,493 thousand packages	2023: RMB4.6 per package 2024: RMB4.8 per package 2025: RMB5.0 per package Six months ended June 30, 2026: RMB5.0 per package

Notes:

- (1) Based on sales volumes through offline sales channels in Chinese Mainland during the Track Record Period.
- (2) Based on recommended retail prices set through offline sales channels in Chinese Mainland during the Track Record Period. For indicative purpose only, given that selling prices of food products may be subject to material seasonal fluctuation.
- (3) The fluctuations in our sales volume and average selling prices were primarily attributable to (i) changes in consumer preferences, which led to demand shifting among different product types, (ii) harvest conditions, and (iii) product promotion strategies.

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Products Under our Private Label

We have established our product portfolio under the Qdama Fresh Series (錢大媽“鮮”系列), to further strengthen our competitive edge and brand recognition. Leveraging our commitment to everyday freshness and supply chain capabilities, the Qdama Fresh Series offers quality products at competitive prices. We have implemented a unified visual identity across all products under our private label, creating distinctive shelf presence and strengthening brand recognition. In the six months ended June 30, 2026, we offered over 60 SPUs of private label products. The following table sets forth certain details of our representative products under the Qdama Fresh Series as of the Latest Practicable Date:

Product name	Product picture	Details	Average selling price ⁽¹⁾
Qdama Fresh chicken drumsticks . . .		The Qdama Fresh chicken drumsticks are sourced from grain-fed chicken and are freshly slaughtered.	RMB32.9 per kg
Qdama Fresh chilled milk . . .		The Qdama Fresh chilled milk uses 100% raw milk and exceeds EU quality standards. It is processed using freshness-preservation methods to help maintain freshness	RMB8.9 per bottle (approximately 950 ml)
Qdama Fresh Black Pork Xiaolongbao . .		Made with fresh black pork, the Qdama Fresh Black Pork Xiaolongbao offers a rich, juicy filling.	RMB11.0 per 200g

Note:

- (1) Based on recommended retail prices set through offline sales channels in Chinese Mainland in the six months ended June 30, 2026. For indicative purpose only, given that selling prices of food products may be subject to material seasonal fluctuation.

Going forward, we are proactively expanding our product offerings under our private label. Specifically, we are developing two new distinct product lines, namely the Food Therapy Series and the Black Gold Label, so as to cater to diverse consumer needs. The Food Therapy Series centers on delivering quality products with nutrition considerations, while the Black Gold Label primarily focuses on a distinctive assortment of premium-grade hogs of black pork variety. Furthermore, we plan to broaden our private label offerings with products in other categories, including ready-to-eat foods, prepared meats, and a range of grain-based products.

OUR SALES NETWORK

We operate a sales network that integrates both offline and online channels. Our offline sales channels consist of franchise and self-operated stores, while online channels primarily include our proprietary Qdama Mini Programs and third-party food delivery platforms. While offline sales through our stores provide consumers with the opportunity to browse and select

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products firsthand, allowing for informed decisions based on factors such as freshness, packaging integrity and overall quality, and offering immediate gratification, online sales channels offer enhanced convenience and product diversity, enabling consumers to browse and purchase products anywhere at any time. Our online channels allow us to offer a wider product selection and the ability to serve beyond geographical constraints. The interaction between these channels is crucial to our operations. Consumers may discover a product in-store but purchase it online for convenience or price benefits, or find a product online but buy it in-store to ensure freshness and quality. Such online sales are recorded as sales revenue of the stores which processed and delivered the orders. See “Financial Information — Consolidated Statements of Comprehensive Income — Revenue — Revenue by Sales Channel.”

Offline Sales Network

Since our inception in 2014, we have established an extensive store network spanning Chinese Mainland, Hong Kong and Macau, comprising franchise and self-operated stores. The product display in stores allows consumers to browse and select from the product assortment in person while enjoying a warm service that makes consumers feel cared for. The product assortment in store focuses on products of high consumption frequency. As of June 30, 2026, we had 2,946 franchise stores and 68 self-operated stores. Our stores typically have a gross floor area of approximately 40 to 80 sq.m. The following table sets forth the number of our franchise stores and self-operated stores by province and region as of the dates indicated:

	As of December 31,						As of June 30,	
	2023		2024		2025		2026	
	Franchise stores	Self-operated stores	Franchise stores	Self-operated stores	Franchise stores	Self-operated stores	Franchise stores	Self-operated stores
Chinese Mainland								
Guangdong Province	1,996	21	2,009	20	1,958	12	1,972	19
Hunan Province	161	3	191	3	206	2	215	4
Sichuan Province	133	4	138	2	142	4	143	13
Chongqing Municipality	67	8	95	5	118	4	136	5
Jiangsu Province	96	5	84	4	89	2	99	4
Shanghai Municipality	150	8	97	4	88	1	84	2
Hubei Province	66	2	60	2	60	3	61	5
Henan Province	28	1	42	1	57	–	75	–
Zhejiang Province	41	6	38	3	36	1	38	–
Anhui Province	21	4	21	2	18	1	26	1
Tianjin Municipality	14	5	17	1	16	–	17	1
Shaanxi Province	12	3	16	–	13	–	17	–
Subtotal	2,785	70	2,808	47	2,801	30	2,883	54
Hong Kong	50	9	54	9	59	10	62	11
Macau	–	2	1	3	1	3	1	3
Total	2,835	81	2,863	59	2,861	43	2,946	68

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The following table sets forth the number of our franchise stores and self-operated stores by city tier as of the dates indicated:

	As of December 31,						As of June 30,	
	2023		2024		2025		2026	
	Franchise stores	Self-operated stores	Franchise stores	Self-operated stores	Franchise stores	Self-operated stores	Franchise stores	Self-operated stores
Chinese Mainland								
First-tier cities ⁽¹⁾	1,178	19	1,131	17	1,094	11	1,101	15
Second-tier cities ⁽²⁾	1,278	46	1,353	27	1,385	19	1,453	38
Third- and lower-tier cities ⁽³⁾	329	5	324	3	322	–	329	1
Subtotal	2,785	70	2,808	47	2,801	30	2,883	54
Hong Kong	50	9	54	9	59	10	62	11
Macau	–	2	1	3	1	3	1	3
Total	2,835	81	2,863	59	2,861	43	2,946	68

Notes:

- (1) First-tier cities primarily include Shanghai, Guangzhou and Shenzhen.
- (2) Second-tier cities primarily include Chengdu, Hangzhou, Chongqing, Wuhan, Suzhou, Changsha and Zhengzhou.
- (3) Third-tier cities primarily include Zhongshan, Jiangmen, Zhaoqing and Zhuzhou.

The following table sets forth the total number and movement of stores during the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Number of stores at the beginning of the period	2,946	2,916	2,922	2,904
Number of new stores	335	354	294	215
Number of discontinued stores	365	348	312	105
Number of stores at the end of the period	2,916	2,922	2,904	3,014

Guangdong Province is our earliest and most developed region. Leveraging an established presence in Guangdong Province as our benchmark, we strategically expanding coverage to regional markets such as Eastern China, Central China and Southwestern China to replicate our success. The following table sets forth the number of our stores by geographic region as of the dates indicated:

	As of December 31,						As of June 30,	
	2023		2024		2025		2026	
	Number	%	Number	%	Number	%	Number	%
Chinese Mainland								
Guangdong Province	2,017	69.2	2,029	69.4	1,970	67.8	1,991	66.0
Other regions in Chinese Mainland	838	28.7	826	28.3	861	29.6	946	31.4
Subtotal	2,855	97.9	2,855	97.7	2,831	97.5	2,937	97.4
Hong Kong and Macau	61	2.1	67	2.3	73	2.5	77	2.6
Total	2,916	100.0	2,922	100.0	2,904	100.0	3,014	100.0

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Looking ahead, we plan to continue to grow our presence by expanding our geographic coverage and deepening our market penetration in Guangdong Province. We will also continue to penetrate into new geographic regions, gradually covering more county-level-and-above cities in China and open new stores outside Chinese Mainland such as Hong Kong, Macau.

Store Location Selection and Anti-cannibalization

We select locations for our franchise and self-operated stores in highly populated residential areas or intersections with stable traffic through our intelligent location selection system based on geographic and industrial data to ensure an effective reach to consumers. As we increase the density of our store network, we place significant emphasis on preventing cannibalization among our existing and new stores. We manage and plan for new store openings, taking into account a number of factors including the population, economic conditions, market potential and existing store network of each city and region. We consider the distance between each store for location selection approval purposes to eliminate the risks of cannibalization in advance. Each of our franchisees is required to operate the franchise store in the designated approved location as specified under the relevant franchise agreement. Any store relocation shall be approved by us in advance. New store openings by existing franchisees and the location of the new franchise stores are also subject to our approval, based on the additional factors including the performance records of the franchisees and their store management capabilities, whether operating our franchise stores is their main business focus, as well as their enthusiasm, loyalty and commitment to our business philosophy and values.

To prevent cannibalization among our franchise stores, we implement a structured anti-cannibalization strategy. Our approach begins with rigorous market analysis and territory planning to ensure that each approved store location has sufficient demand and does not overlap with the trade area of existing stores, which include the proximity of our existing stores. We maintain clear geographic boundaries to protect franchisee profitability. However, we generally do not impose a strict minimum distance between our stores and/or competitors' stores. Additionally, any new store application undergoes a thorough review of local demographics, sales potential, and the performance of nearby stores. We also monitor ongoing sales data and consumer traffic patterns to identify risks early and adjust expansion plans accordingly. These measures safeguard the integrity of our store network, promote healthy growth, and reinforce fairness and sustainability for all franchisees.

Store Format

Our stores typically have a gross floor area of approximately 40 to 80 sq.m. These stores are designed to serve as convenient neighborhood destinations to purchase fresh products for household kitchen and meal needs, offering a compact but efficient shopping experience. In addition, we are developing more diversified store formats to cater to varying consumer preferences, optimize space utilization, and expand our reach in different market segments.

Store Features

Our offline stores generally adopt a uniform design to ensure a consistent shopping experience and bolster our brand image to consumers. Some of our stores may adopt more tailored decorations to suit their local surroundings. Each store prominently displays banners highlighting our “no overnight meat” commitment, using natural in-store visibility to reinforce our commitment to everyday freshness and strengthen brand identity. We encourage

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dynamic product displays which evolve based on sales data, consumer feedback and changing trends. The following image demonstrates our store front and interior displays:



Store front



Display of pork and meat products



Display of vegetable products



Display of chilled and prepared food products, seafoods and poultry

In-store Payment Methods

Our stores typically accept cash payment and non-cash payment methods including WeChat Pay and Alipay. Payments made through these platforms are settled into our accounts under the fund clearing system, same as that for our Qdama Mini Programs and App. Consumers in Hong Kong are also allowed to use Octopus cards for payment. As non-cash payments are becoming increasingly common, we have taken measures to keep risks related to cash management at a minimal level.

Our Self-Operated Stores

Our self-operated stores are established strategically to (i) promote our brand, and serve as operational benchmarks in newly established regions; (ii) function as experimental platforms for testing new business ventures, systems, and innovations in a controlled environment; and (iii) act as training hubs for store managers and staff, with successful trainees potentially transitioning to support franchise stores, enhancing their operational efficiency. The geographic distribution of our self-operated stores broadly overlaps with that of our franchise store network. As of December 31, 2023, 2024, 2025 and June 30, 2026, we had 81, 59, 43 and 68 self-operated stores, respectively. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our revenue from direct sales via self-operated stores amounted to RMB496.3 million, RMB505.3 million, RMB381.7 million, RMB194.7 million and RMB183.8 million, respectively, representing 4.2%, 4.3%, 3.4%, 3.8% and 3.6% of our total revenue for the same periods.

The following table sets forth the number and movements of self-operated stores during the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Number of self-operated stores at the beginning of the period	74	81	59	43
Number of new self-operated stores	41	21	13	31
Number of self-operated stores converted to franchise stores	24	27	19	3
Number of discontinued self-operated stores	10	16	10	3
Number of self-operated stores at the end of the period	81	59	43	68

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During the Track Record Period, we continued to refine and optimize our store network to ensure operational efficiency. The number of our self-operated stores decreased from 81 as of December 31, 2023 to 59 as of December 31, 2024, and further decreased to 43 as of December 31, 2025, which subsequently increased to 68 as of June 30, 2026. In 2023, 2024, 2025 and the six months ended June 30, 2026, the number of our self-operated stores that converted to franchise stores was 24, 27, 19 and three, respectively, which is part of our normal business practices. During the Track Record Period, we also discontinued certain self-operated stores, primarily because we no longer considered the original locations attractive enough, taking into account various factors such as consumer traffic. As our self-operated stores primarily serve as our pilot platform for new products, we strategically relocated these stores to locations with more favorable commercial conditions.

The following table sets forth the GMV contributed by our self-operated stores by time of opening for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Self-operated stores opened before 2023.	442,033	351,490	252,580	99,534
Self-operated stores opened in 2023.	66,699	125,065	50,346	17,203
Self-operated stores opened in 2024.	—	42,561	46,677	15,417
Self-operated stores opened in 2025.	—	—	37,723	36,594
Self-operated stores opened in the six months ended June 30, 2026	—	—	—	18,248
Total GMV	508,732	519,116	387,326	186,996

Our Franchisees and Franchise Stores

We operate our store network primarily through our franchisees. By leveraging their local resources and their understanding of the local communities in their respective regions, we aim to ensure that our products can better tailor the local consumers’ preferences. As of December 31, 2023, 2024, 2025 and June 30, 2026, we collaborated with 1,776, 1,717, 1,739 and 1,780 franchisees, respectively. During the Track Record Period, the average number of customers per store for our franchise stores increased from 558 per day in 2023 to 566 per day in 2024, to 593 per day in 2025 and remained relatively stable at 591 per day in the six months ended June 30, 2026, which was primarily attributable to the enhanced brand recognition and consumer loyalty. During the same periods, the average ticket size of our franchise stores was RMB25.2 per order, RMB25.0 per order, RMB23.0 per order and RMB21.4 per order, respectively. The slight decline in the average ticket size of our franchise stores was primarily attributable to a decreasing market price of pork. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from sales to franchisees amounted to RMB11,091.6 million, RMB11,140.4 million, RMB10,812.6 million, RMB4,940.0 million and RMB4,840.3 million, respectively, accounting for 94.5%, 94.5%, 95.3%, 95.0% and 95.0% of our revenue for the same periods.

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The following table sets forth the number and movements of franchisees during the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Number of franchisees at the beginning of the period	1,966	1,776	1,717	1,739
Number of new franchisees	382	317	373	205
Number of discontinued franchisees	572	376	351	164
Number of franchisees at the end of the period	1,776	1,717	1,739	1,780

The number of franchisees decreased from 1,776 as of December 31, 2023 to 1,717 as of December 31, 2024, primarily due to the termination of certain underperforming franchisees. The number of franchisees subsequently increased from 1,717 as of December 31, 2024 to 1,739 as of December 31, 2025, and further to 1,780 as of June 30, 2026, primarily due to improved market sentiment and the launch of our targeted support programs in key regions in 2025, which attracted more quality franchisees. In 2023, 2024, 2025 and the six months ended June 30, 2026, we had 382, 317, 373 and 205 new franchisees, respectively. Such expansion was primarily due to (i) the continued market recognition of our brand and franchise model, which attracted new franchisees to join our franchise network, and (ii) our commercial need to further expand our market reach and better meet increasing market demand for fresh products. In 2023, 2024, 2025 and the six months ended June 30, 2026, the number of discontinued franchisees amounted to 572, 376, 351 and 164, respectively, primarily due to the exit of underperforming franchisees driven by store-specific factors, changes in market conditions, or practical constraints such as inability to renew store leases on favorable terms. According to CIC, such movement in franchisee number is common in the industry.

Notwithstanding such franchisee exits, we recorded improving franchise retention rates during the Track Record Period. In 2023, 2024, 2025 and the six months ended June 30, 2026, our franchisee retention rate, calculated as one minus the number of franchisees that exited during the relevant period (excluding franchisees that joined and exited within the same period) divided by the number of franchisees at the beginning of the period, was approximately 73.4%, 81.7%, 82.6% and 91.2%, respectively.

The following table sets forth the number and movements of franchise stores during the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
Number of franchise stores at the beginning of the period	2,872	2,835	2,863	2,861
Number of new franchise stores ⁽¹⁾	294	333	281	184
Number of discontinued franchise stores ⁽¹⁾	331	305	283	99
Number of franchise stores at the end of the period	2,835	2,863	2,861	2,946

Note:

- (1) Franchise store movements primarily exclude cases where a franchise store remains in operation following a change in franchisee in the same period. In such circumstances, the exit of franchisee does not result in a corresponding increase in discontinued franchise stores.

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We continuously expanded our franchise store network throughout the Track Record Period. The number of our franchise stores increased from 2,835 as of December 31, 2023 to 2,863 as of December 31, 2024, which remained relatively stable at 2,861 as of December 31, 2025. The number of franchise stores further increased from 2,861 as of December 31, 2025 to 2,946 as of June 30, 2026. Such expansion throughout the Track Record Period was primarily driven by the continued execution of our franchise-led expansion strategy. Such expansion strategy is supported by enhanced product competitiveness, strengthened brand recognition and robust operational support provided to franchisees. These initiatives improved store performance, which in turn attracted more quality franchisees and resulted in sustained network expansion. In 2023, 2024, 2025 and the six months ended June 30, 2026, the number of new franchise stores was 294, 333, 281 and 184, respectively, primarily driven by the entry of new franchisees into our franchise network and the continued expansion of certain existing franchisees through the opening of additional stores, which was in line with our network-expansion strategy and market demand. In 2023, 2024, 2025 and the six months ended June 30, 2026, the number of discontinued franchise stores was 331, 305, 283 and 99, respectively, primarily due to the termination or non-renewal of franchise arrangements with certain underperforming franchisees as a result of a combination of factors, including relatively weaker operating results driven by store-specific or local market conditions, changes in the operating environment, and practical constraints such as the inability to renew store leases upon expiry on favorable terms. According to CIC, such movement in the franchise store number is common in the industry.

Franchise Store Performance

The following table sets forth the GMV contributed by our franchise stores by time of opening for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Franchise stores opened before				
2023	13,592,699	12,597,187	11,281,438	4,850,251
Franchise stores opened in 2023 . . .	529,084	1,079,476	979,035	431,431
Franchise stores opened in 2024 . . .	—	566,069	1,115,791	480,387
Franchise stores opened in 2025 . . .	—	—	521,740	408,500
Franchise stores opened in the six months ended June 30, 2026	—	—	—	130,338
Total GMV	14,121,783	14,242,732	13,898,004	6,300,907

The average daily GMV of franchise stores that existed in 2023, 2024, 2025 and the six months ended June 30, 2026 per franchise store amounted to RMB14.1 thousand, RMB14.2 thousand, RMB13.7 thousand and RMB12.7 thousand for the respective periods. The average daily GMV of newly opened franchise stores in 2023, 2024, 2025 and the six months ended June 30, 2026 per franchise store amounted to RMB13.7 thousand, RMB12.8 thousand, RMB11.9 thousand and RMB10.8 thousand for the respective periods. The average daily GMV of newly opened stores is generally lower than that of existing stores primarily because of the ramp-up period a newly opened store needs to refine its store operations and product assortment.

Franchisee Selection Process

We adopt a rigorous franchisee selection process, carefully evaluating prospective franchisees to identify capable applicants. Our selection criteria primarily include the franchisees’ industry experience, their understanding of the local market and their recognition of our brand values. Furthermore, in instances of store transfers, any prospective franchisee also undergo our thorough approval process to ensure continuity in quality standards and brand integrity.

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Our new franchisee onboarding process typically includes: (i) *initial inquiry/application*. Interested franchisee applicants can express their interest through our website or WeChat Mini Program to obtain more information about our franchise opportunities. We will then call them to discuss further details. Applicants can subsequently submit a formal application through our WeChat Mini Program, providing basic information, preferred store location, prior work experience (including store management and franchise experience), annual household income, and reasons for joining our franchise program. We also encourage applicants to contact us with any questions; (ii) *preliminary screening*. Our dedicated franchisee management team conducts preliminary telephone interviews based on the information submitted by franchisee applicants, assessing factors such as past experience, fund and background. Successful candidates are placed into our pool of potential franchisee candidates and are typically invited for interviews shortly thereafter, allowing both parties to learn more about each other; (iii) *location selection in preliminarily selected regions*. After the interview, we assist applicants in identifying suitable locations for their stores. We work closely with them, providing guidance and leveraging our proprietary database of potential locations; (iv) *final review and entry into franchise agreement*. We conduct a further review based on the applicant’s specific location selection. If the proposals are approved, we invite them to enter into a franchise agreement with us and formally become our franchisees. As part of our franchisee onboarding and market-cultivation strategy, newly opened franchise stores may be offered temporary fee waivers or reductions, as well as targeted promotional coupons funded or coordinated by us, during the initial operating period to support store ramp-up and attract new franchisees.

Franchise Agreements

We enter into franchise agreements with our franchisees, which contain terms regarding the respective obligations of each party. Subject to our franchise agreements, our franchisees are only allowed to sell our products in the designated premises for franchise stores, and we are entitled to conduct periodical on-site inspections to ensure that they are in compliance with the requirements provided in the agreements. Franchisees must operate exclusively in locations specified by us and cannot relocate or open new stores without our consent. We determine inter-store distances based on market analysis and commercial considerations to avoid cannibalization. See “— Store Location Selection and Anti-cannibalization.” In addition, franchisees are required to secure all necessary licenses and permits prior to store opening, and failure to commence operations within three months could lead to our unilateral termination of the agreement. We maintain system profiles for license verification and monitoring by our teams, while providing design plans and equipment lists to ensure brand uniformity, with associated costs borne by the franchisee.

- *Term*. Generally three to five years.
- *Licensing*. We grant our franchisees the right to use certain of our intellectual properties such as our brand and trademarks during the term of franchising. Without our written consent, our franchisees are not allowed to use our trademarks outside their designated operating areas. The rights of our franchisees under the franchise agreement are not transferable and our franchisees are not allowed to authorize others to open sub-franchise stores.
- *Scope of franchising*. Franchisees are only allowed to sell our products within the designated geographic area. They are prohibited from displaying the selling products procured from other suppliers or outside their designated sales regions, unless they have obtained our prior consent.
- *Franchisees' responsibilities*. Franchisees are responsible for placing orders for products, equipment, and consumables in accordance with our requirements and operational guidelines. Upon delivery, franchisees are required to promptly inspect the products and confirm receipt. Franchisees are also responsible for the day-to-day operation and management of their franchise stores and operate their stores independently, subject to compliance with the franchise agreement and our

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management requirements. Franchisees are responsible for profits and losses arising from the operation of franchise stores.

- *Services provided to franchisees.* We provide franchisees with ongoing support services during the term of the franchise agreement. Such services include access to proprietary IT systems and point-of-sale platforms, pre-opening and ongoing operational training, business guidance, store inspections, and performance monitoring. We also provide standardized store design and decoration guidelines, and franchisees may be required to engage contractors designated or approved by us for store decoration, with related costs borne by the franchisees. In addition, we organize brand-wide marketing and promotional activities with which franchisees are required to cooperate.
- *Franchise fees, royalty fees, deposits and other fees.* We typically charge a fixed one-time franchise fee when entering into the franchise agreements with our franchisees. For franchisees in Chinese Mainland, we typically charge a franchise fee of RMB30,000. For franchisees in Hong Kong and Macau, we typically charge a franchise fee of HK\$100,000. When determining the franchise fees, we take into account factors such as local operating costs, expected franchisee support requirements, market practices and the overall cost structure associated with establishing and supporting a franchise store in the relevant region. The standard franchise fee in Hong Kong and Macau is typically higher than that in Chinese Mainland primarily due to the higher rental, labor, local service costs in those regions, which according to CIC, is in line with the industry norm.

We also charge royalty fees as a percentage of our franchisees' daily sales revenue from six months after store opening. Royalty or brand usage fees are generally calculated as a percentage of daily gross sales revenue before 7 p.m., typically ranging from approximately 1% to 2%, with certain franchise agreements providing for an initial waiver or reduced rate during the early stage of store operation. We charge a deposit from our franchisees. Such deposits amount to RMB40,000 for our Chinese mainland franchisees and range from HK\$120,000 to HK\$200,000 for our franchisees in Hong Kong or Macau, which are refundable after the termination of the franchise agreement and subject to deduction arising from any breaches. In addition, we charge IT maintenance fees from our franchisees in accordance with our prevailing fee standards.

- *Return or exchanges of products.* Our franchisees are responsible to inspect the products in a timely manner and report to us if they identify any defects or discrepancies in our products. Products are only allowed for product defects or discrepancies. Our franchisees are responsible for providing after-sales service to our consumers and shall bear the costs and expenses related thereto. We may indemnify our franchisees if product defects are attributable to us.
- *Sales targets and minimum purchase requirements.* We generally do not set any sales target or minimum purchase amounts for our franchisees.
- *Pricing policies.* The franchisee shall comply with our pricing guidance. Unreasonable pricing or any other actions that disrupt the market are strictly prohibited and shall be deemed a material breach of contract. In such circumstances, we reserve the right to terminate the agreement immediately.
- *Termination and renewal.* The major termination events include expiration of contract without renewal, one party's material breach of the franchise agreement and force majeure.

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Franchisee Management

In order to manage our business expansion and ensure the consistency of the products and service quality, we implement robust policies and procedures throughout the store network that primarily cover store operations, including ordering, management of food safety and quality control. Key areas include: (i) *routine inspections*. We oversee and manage the daily operations of the stores, including (i) the clearing of products, sourcing of products, pricing and funds, through video surveillance, and (ii) system verification of product wastage. We also conduct scheduled and ad hoc inspections. We ensure that the operations of all stores strictly uphold the D&C model; (ii) *food safety and freshness management*. To ensure food safety and quality, franchisees must adhere to the standards outlined in our food safety handbook. This includes strict quality control of food, supplier evaluation, and thorough inspection of incoming products. We also conduct random on-site inspections of franchise stores to monitor compliance; (iii) *pricing policy*. We provide recommended retail prices that stores must not exceed, which are set dynamically based on consumer transaction data to enhance sales efficiency and store-level profitability. While stores must follow our progressively increasing discounts after 19:00, they are permitted to conduct additional promotional activities and offer discounts as needed. See “— Pricing.”; (iv) *performance evaluation*. We have implemented a structured performance evaluation system for our stores, which takes into consideration, business performance and store operational standards. To support underperforming stores, we take measures to boost sales and are strategically enhancing our brand image through upgrades and renovations, particularly for stores that are underperforming or approaching lease expiration. Tailored assistance and strategies are developed to revitalize underperforming stores’ operations; (v) *compliance monitoring*. Franchise stores are required to operate with valid business licenses and food permits, maintain rigorous hygiene, food safety and product quality standards, and uphold our brand image through standardized uniforms, store layouts and service protocols. They must strictly prohibit any fraudulent or non-compliant practices, including overnight sales, order brushing, and misrepresentation of products, and are required to fully comply with all operational and compliance requirements, such as confidentiality obligations and the “no overnight meat” commitment. Franchisees are expected to cooperate with our ongoing inspections, training and supervision to ensure consistent service quality and brand integrity across all stores.

Our Former Employees as Franchisees

As of June 30, 2026, to our best knowledge, none of our franchisees were our current employees, and certain of our franchisees were our former employees (“**Former Employee Franchisees**”), who were motivated to develop their personal business ventures by partnering with us through franchise arrangements. Such employees were not employed by us at the time they became our franchisees. We applied the same selection criteria and procedures when considering these Former Employee Franchisees. The franchise agreements that we entered into with these Former Employee Franchisees contained substantially the same terms and conditions that we offered to other third parties. According to CIC, it is not uncommon for franchise business models to have franchisees who were formerly employees of the Company. To our best knowledge, as of June 30, 2026, we had 94 Former Employee Franchisees, operating 143 stores, none of whom were connected persons of our Company (“**Connected Franchisees**”). The revenue contribution from our Former Employee Franchisees amounted to RMB313.3 million, RMB406.3 million, RMB421.3 million and RMB206.4 million, respectively, accounting for 2.7%, 3.4%, 3.7% and 4.1% of our total revenue for the respective period. To the best of our knowledge, other than as described above, our franchisees during the Track Record Period were independent third parties that do not have any other past or present relationships (including, without limitation, family, business, financing, trust or otherwise) with us or our substantial shareholders, directors or senior management, or any of their respective associates.

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New Franchise Store Opening Process

It takes an average of approximately 40 days to open a new store after the signing of the franchise agreement. We place great importance on empowering our franchisees and the stores they operate. The process of opening a new franchise store mainly consists of the following key steps:

- *Location selection.* We use an intelligent location selection system based on geographic and industrial data to choose locations for the franchise stores in highly populated residential areas with stable traffic. We also determine the distance between new and existing stores based on market analysis and commercial considerations to avoid cannibalism. The time of this process varies, depending on factors such as local condition and site availability. We are primarily responsible for location assessment and approval, while franchisees bear the costs associated with leasing the premises.
- *Obtaining licenses and permits.* Franchisees are responsible for obtaining all the licenses and permits required for operating a franchise store. This process is generally conducted in parallel with other preparatory steps and typically takes approximately 30 days. All related government fees and compliance costs are borne by the franchisees.
- *Decoration.* We supervise the design and decoration of franchise stores to maintain a consistent style, including storefronts, interior decorations and in-store merchandise displays. We believe such standardization strengthens brand recognition, improves expansion efficiency and reduces the risk of unauthorized imitator stores. We conduct partial adjustments and upgrades to these stores annually or biannually, depending on their condition. The design, construction, and installation process generally takes approximately 30-35 days, including preparation, construction, and final inspection. Franchisees are responsible for all decoration and construction costs, while we provide standardized design specifications and supervision.
- *Training.* We value training for our franchisees and store staff, especially for newly opened stores. Our training aims to enhance service capabilities, industry understanding, working standards, and alignment with our values, particularly our commitment to everyday freshness and providing consumers with warm, heartfelt services. We emphasize delivering warm service, ensuring every interaction with consumers feels neighborly. Training typically commences no later than 14 days prior to store opening and continues through store opening and into initial operations. We are responsible for providing training content and operational guidance, while franchisees bear employee-related costs, including salaries and travel expenses.
- *Financial support for new franchise stores.* At the initial stage of store opening, we offer franchisees operating new stores certain discounts for the first several months to reduce the time required to break even and help them achieve profitability more quickly, as our primary goals at that stage are market cultivation and rapid consumer acquisition.
- *Operation management and support.* We utilize our ERP system to enhance store management efficiency in daily operations. Franchisees place orders to the integrated distribution center via an automated ordering system, which directly forwards the orders to suppliers. This system streamlines store operations through procurement, processing, distribution, product classification, and quality control. It also effectively addresses inventory management issues commonly faced in the industry. Consequently, franchisees can concentrate on sales and maintaining positive relationships with consumers. We are responsible for providing and maintaining the system, while our franchisees bear routine operating costs associated with store operations.

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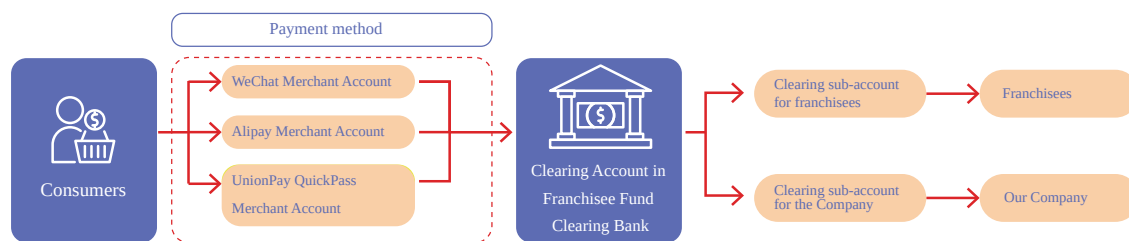
Settlement with Franchisees in Chinese Mainland

With regards to settlement with franchisees, we receive payments from franchisees for both product sales and royalty and franchising service fees paid to us. We primarily settle with our franchisees through daily settlement system. As we adopt the D&C Model, we are able to monitor the daily sales revenue and perform daily fund clearing. This daily settlement system also allows franchisees to calculate daily profits, strengthens our management of franchisees, and reduces our administrative expenses. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any material incident of cash misappropriation or embezzlement.

Franchisee Fund Clearing System

Our settlement with franchisees in Chinese Mainland is conducted through a franchisee fund clearing system provided by a PRC-licensed commercial bank (the “**Franchisee Fund Clearing Bank**”), to provide fund clearing and settlement services. Our agreement with the Franchisee Fund Clearing Bank has an initial term of one year, which is renewable automatically. Under the agreement, the Franchisee Fund Clearing Bank provides transaction clearing, settlement and reconciliation services through segregated platform transaction accounts and related sub-ledgers. It solely acts as a clearing service provider and does not provide any guarantee in respect of the transactions. We are responsible for transaction authenticity, merchant admission and management, and compliance with applicable laws and regulations, while the Franchisee Fund Clearing Bank conducts customer due diligence, transaction monitoring and regulatory reporting in accordance with applicable Anti-Money Laundering Laws and related requirements. The Franchisee Fund Clearing Bank may suspend or terminate the arrangement in certain regulatory, risk-related or breach-related circumstances. As advised by our PRC Legal Advisors, the Group’s use of the fund clearing and settlement services offered by the Franchisee Fund Clearing Bank does not violate applicable relevant PRC laws and regulations.

Under the franchisee fund clearing system, we settle transactions through a multi-tier structure designed for secure and efficient fund allocation. This system comprises (i) collection merchant accounts, which we maintain with third-party payment service providers; (ii) a dedicated clearing account that we maintain with the Franchisee Fund Clearing Bank; (iii) sub-clearing accounts (the “**Qianmeng Wallets**”) maintained by us and franchise stores with the Franchisee Fund Clearing Bank; and (iv) our respective settlement bank accounts. Funds are allocated between us and our franchise stores strictly in accordance with automated settlement instructions. These instructions are generated based on daily sales revenue and other operational data recorded in our internal systems. The following chart illustrates the fund flow within the franchisee fund clearing system:



For example, for transactions paid through WeChat Pay, Alipay or UnionPay QuickPass, the transaction data is captured by our internal systems and used to generate settlement instructions within the franchisee fund clearing system. Based on these instructions, the Bank allocates funds between us and the franchise store through our respective Qianmeng Wallets, accounting for the purchase price of supplied products and any applicable fees owed to us. In instances where the initially collected funds are insufficient to cover these costs, the franchise store is required to remit the shortfall before the allocation process is finalized.

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In 2023, 2024, 2025 and the six months ended June 30, 2026, approximately 99.6%, 100%, 100% and 100% of the franchise stores participated in the franchisee fund clearing system for settlement on the next day after the payment. All franchise stores are required to settle their transactions with us exclusively through such system and are not permitted to adopt any alternative settlement methods. For consumer payments in cash, the franchise stores are required to remit the amount through the franchisee fund clearing system. Through the franchisee fund clearing system, for each sale, the costs of inventories sold or consumed and other fees payable to us are automatically allocated to us, with the remaining to the franchisees. Specifically, costs of inventories sold or consumed represents costs of sales of products, costs of sales of equipment to franchisees and costs of consumables, while other fees primarily include royalty or brand usage fees, service fees for store-level services arranged by us (such as repair and cleaning), fees for the use of our proprietary self-developed platforms, amounts advanced by us on behalf of franchise stores for marketing activities, and prepayments collected under customer loyalty programs, including membership points and stored-value arrangements, which are centrally managed by us. To ensure the accuracy and completeness of fund allocation between us and our franchise stores, we have implemented a series of monitoring and control measures, including (i) performing regular reconciliation of actual collections against records generated by the franchisee fund clearing system and preparing reconciliation schedules for amounts receivable from franchise stores, (ii) monitoring of the integrity and accuracy of data transmission throughout the settlement process, and (iii) conducting timely investigation and follow-up on any discrepancies or abnormal issues identified. According to CIC, the use of centralized franchisee fund clearing systems for settlement with franchisees is in line with the prevailing industry practice.

Settlement Arrangements for Membership System

Under our membership system, consumers may prepay and maintain stored value in their membership accounts for future purchases. Stored value may be obtained through (i) direct top-ups to membership accounts or (ii) activation of prepaid cards issued by us. Prepaid cards serve solely as a funding mechanism for membership accounts and cannot be used directly to settle purchases unless and until they are activated and converted into stored value in membership accounts.

When consumers top up credits in their membership accounts, such credits become stored value in their membership accounts, and the corresponding amount is deposited into a designated escrow account which we maintain for our franchisees. The amount is recognized as deposit from consumers for use of stored value in their membership accounts under other payables and accruals. See “Financial Information — Consolidated Statements of Financial Position — Accruals and Other Payables, Current.” Stored value maintained in membership accounts may be used directly to settle purchases. When the stored value is used to pay for purchases, our POS system will make real-time record for the purchase and payment amount. We issue the membership and manage such prepaid amounts under the settlement arrangements with our franchisees.

Under the prepaid card arrangement, consumers can buy prepaid cards through our approved channels. Prepaid cards cannot be used directly to settle purchases and must first be activated and converted into stored value in membership accounts. The card balance is stored electronically and cannot be used for cash withdrawals. Cards are valid for a set period. It cannot be used for illegal purposes. We may allow refunds, balance checks, and card replacements in accordance with applicable laws and our policies. We are solely responsible for issuing, operating and managing prepaid cards, and no prepaid cards were issued by franchisees. Consumers are responsible for keeping their card details safe and are generally responsible for losses caused by improper use. We may suspend, limit or stop card use, or change the card rules, for reasons such as regulatory requirements, system upgrades, suspected abnormal transactions, rule violations or illegal activity. As of December 31, 2023, 2024 and 2025 and June 30, 2026, the cumulative number of members registered across various channels was approximately 21.9 million, 25.7 million, 29.4 million and 30.9 million, respectively. In 2023, 2024, 2025 and the six months ended June 30, 2026, the number of prepaid cards issued was approximately 15.1 thousand, 30.6 thousand, 19.6 thousand and 8.6

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thousand, respectively. We are able to monitor such top-ups by members and transfers to the escrow accounts on a daily basis. For orders fulfilled by franchise stores, we currently arrange T+1 settlement of payables to the relevant franchisee according to the records in our POS system. Remaining value in members’ accounts represented the prepaid but not yet consumed amounts, which will never expire or be forfeited and is refundable upon application by consumers and our approval. The following table sets forth the movement in value of our prepaid cards and membership accounts during the Track Record Period:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Prepaid Cards				
Beginning balance ⁽¹⁾	1,025	1,574	1,653	1,770
Issuance amount ⁽²⁾	2,299	2,268	2,056	1,079
Activated amount ⁽³⁾	1,750	2,189	1,939	1,120
Ending balance ⁽⁴⁾	1,574	1,653	1,770	1,729
Stored Value in Membership Accounts				
Beginning balance ⁽⁵⁾	41,505	56,580	56,771	46,891
Issuance amount ⁽⁶⁾	592,837	585,603	491,748	216,270
Utilization ⁽⁷⁾	577,762	585,412	501,628	218,019
Ending balance ⁽⁸⁾	56,580	56,771	46,891	45,142

Notes:

- (1) Beginning balance of prepaid cards refers to the outstanding balance of prepaid cards available for future redemption at the beginning of the specified periods.
- (2) Issuance amount of prepaid cards refers to the amount of prepaid cards issued.
- (3) Prepaid cards need to be activated and converted to stored value in membership accounts before they can be used for purchasing our products.
- (4) Ending balance of prepaid cards refers to the aggregate balance of prepaid cards issued but not yet activated and converted into stored value maintained in membership accounts.
- (5) Beginning balance of stored value in membership accounts refers to the outstanding balance of stored value in membership accounts available for future utilization at the beginning of the relevant period.
- (6) Issuance amount of stored value in membership accounts comprises (i) direct top-ups in the membership account, and (ii) value converted from prepaid cards.
- (7) Utilization refers to the amount of stored value used by consumers to settle purchases.
- (8) Ending balance of stored value in membership accounts refers to the aggregate amount of stored value maintained in membership accounts that had not been utilized for purchases.

In 2023, 2024, 2025 and the six months ended June 30, 2026, the amount settled through stored value was RMB577.8 million, RMB585.4 million, RMB501.6 million and RMB218.0 million, respectively, accounting for 4.9%, 5.0%, 4.4% and 4.3% of the total revenue for the same periods. We did not record any breakage revenue or forfeited income during the Track Record Period and up to the Latest Practicable Date. We have completed the requisite filing procedure with respect to providing such prepaid account service with the relevant government authorities. See “Regulatory Overview — Regulations Relating to Single-purpose Commercial Prepaid Cards.”

Settlement with Franchisees in Hong Kong and Macau

We settle with franchisees in Hong Kong and Macau primarily by collecting payments for product sales, as well as fees payable under the franchise agreement. The transaction records are reconciled through our daily settlement system. Based on the daily account

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reconciliation results, franchisees then transfer any outstanding amounts to our designated bank account by bank transfer. We request franchisees in Hong Kong and Macau to provide a security deposit, typically from HKD120,000 to HKD200,000. If a franchisee’s outstanding balance exceeds our prescribed limit, or if payment is overdue for more than three days, we would lock the ordering system to mitigate credit risk and reduce the likelihood of bad debts.

Online Sales Channels

To capture opportunities presented by the rapidly growing e-commerce industry in China, meet consumer demand for more convenient shopping experience and expand into more product categories, complementing the existing product range in our offline stores, we have established online sales channels, which primarily include (i) our Qdama Mini Programs and App, and (ii) partnering with third-party food delivery platforms, such as Meituan (美團), Taobao Flash Shopping (淘寶閃購) and JD-Daojia (京東到家). Such online sales are recorded as sales revenue of the stores which processed and delivered the orders. Our online channels complement these stores by offering convenient ordering and pickup options to create a convenient shopping experience for consumers. Our online channels offer a wider range of SPUs with the next-day delivery option, in addition to the products available in our offline stores. We promote our products online through Mini Programs, private domain traffic ecosystem and television advertisements. For key events, we also employ targeted promotions via text messaging. We plan to continue upgrading our online sales channels to better complement our stores. By leveraging the broader shelf capacity of our online channels, we aim to further expand our product offerings and provide consumers with a wider selection. In 2023, 2024, 2025 and the six months ended June 30, 2026, online orders fulfilled by our franchise stores amounted to RMB528.9 million, RMB584.2 million, RMB602.6 million and RMB272.1 million, respectively, whereas those fulfilled by our self-operated stores were RMB11.7 million, RMB12.7 million, RMB6.0 million and RMB2.4 million, respectively. During the same periods, online orders fulfilled through third-party food-delivery platforms amounted to RMB112.8 million, RMB150.7 million, RMB196.3 million and RMB84.6 million, respectively, while those fulfilled through our Qdama Mini Programs and App were RMB427.8 million, RMB446.2 million, RMB412.3 million and RMB189.9 million, respectively.

Qdama Mini Programs and App

We operate Qdama Mini Programs and App, providing consumers with flexible and convenient ways to browse products and place orders. These platforms automatically recommend the nearest store based on the consumer’s location. Consumers can choose to pick up orders in person or request instant or next-day delivery, which is handled by third-party logistics providers. Most orders are fulfilled by the designated franchise stores in the consumer’s selected location. Consumers can browse and shop online via our Qdama Mini Programs, App and third-party food delivery platforms. They generally receive products within an hour, depending on the specific distance. To offer a broader range of products, including items not typically available in our stores, we introduced next-day delivery. Consumers may also place orders for these products through our Qdama Mini Programs and App with options for store pick-up.

Consumers are able to make online payments using various methods, including third-party online payment service providers such as WeChat Pay, Alipay and Union Pay Quick Pass. We enter into standard merchant service agreements with WeChat Pay and Alipay. Under these agreements, transaction-based processing fees are charged as a percentage of the transaction amount and are deducted before funds are settled into our designated bank account. WeChat and Alipay do not charge us a separate fee for establishing or operating our Qdama Mini Programs. Transaction and payment-related data generated from our sales activities form part of our business records, while the payment service providers are entitled to process relevant data as necessary to provide payment services, perform settlements, and comply with applicable laws and regulatory requirements. Payments made through third-party food delivery platforms are collected and settled by those platforms according to their respective agreements, where agreed commissions and service fees are deducted before

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remittance to us. Payments through the third-party food delivery platforms are transferred to our bank account with the third-party fund clearing system and are cleared at the end of the day. Consumers can use prepaid cards on our Qdama Mini Programs by converting the relevant value into stored value in their membership accounts, which may then be used to settle purchases. See “— Branding and Marketing — Membership Program and WeChat Group Engagement.” We continue to develop and refine these platforms to provide our consumers with differentiated and suitable products, catering for consumers’ buying habits, and increasing our stores’ consumer traffic and sales revenue.

Third-party Food Delivery Platforms

We collaborate with third-party food delivery platforms, such as Meituan (美團), Taobao Flash Shopping (淘寶閃購) and JD-Daojia (京東到家), where consumers place orders with one of our stores on such platforms, and their orders will be fulfilled by the store and delivered to the consumers by logistics arranged by the relevant platforms. Payments by consumers are also processed by the relevant third-party food delivery platform. When such orders are fulfilled by franchise stores, consumers’ payments through the third-party food delivery platforms are first settled between the third-party food delivery platforms and us. We then deposit the corresponding amounts into our bank account under the third-party fund clearing system and settle with the franchisees. Consumers may not pay by stored value on such platforms.

Under our agreements with third-party food delivery platforms, such platforms provide online order placement, payment collection, delivery coordination and related technical services in exchange for commission fees. Commission fees generally consist of a base service fee plus variable fees determined by factors such as order value, delivery distance, delivery method and any value-added services selected. Consumer payments are collected by the platforms on our behalf and, after deduction of the applicable commissions and service fees, are settled and remitted to us in accordance with the agreed settlement arrangements. We retain ownership of store-level product and transaction data generated from orders fulfilled by our stores, while the platforms are entitled to collect, process and use order-related and operational data generated on their platforms for purposes including order fulfillment, settlement, platform operation, analytics, risk management and compliance with applicable laws and regulations. Our cooperation arrangements with these platforms are terminable by either party in accordance with the relevant agreements, including upon the occurrence of specified termination events or following the provision of prior notice.

We communicate and manage the relationships with these third-party food delivery platforms on an ongoing basis. Orders placed by consumers on these platforms are recorded in our store-level POS system. We pay commission fees to third-party food delivery platforms, which typically include a fixed base fee and variable fees based on delivery distance and/or sales revenue. When an order is placed, the platform collects payment from the consumer and, after deducting the applicable commission fees, remits the proceeds to our designated bank account within one to five days after the products are delivered. We may advance funds to franchisees before receiving remittances from the platforms and subsequently reconcile against the platform settlement statements.

Anti-cannibalization Measures Between Online and Offline Channels

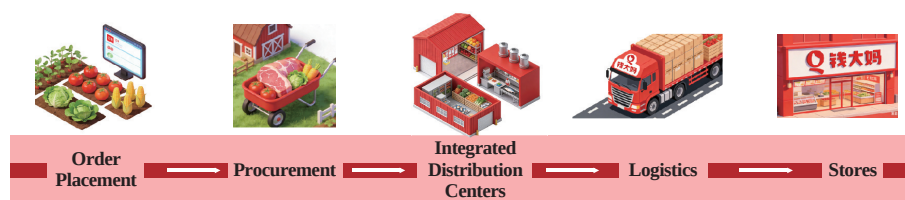
We place great importance on preventing cannibalization between our offline store network and online channels, and have adopted various measures to ensure that the two channels operate in a complementary manner. We differentiate our product offerings by differentiating items sold via online channels, such as packaged products and chilled products that are generally not available in our offline stores. For overlapping categories, our product assortments on online channels offer the products in larger packaging sizes to meet stock-up needs. We also provide premium or distinctive products online. For example, our online channel offers specialty products, such as Venus apples, while offline stores typically carry apples of standard varieties. We also separate our promotional mechanisms to reduce overlap between channels. Online coupons may only be redeemed through online platforms such as

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our Qdama Mini Programs, whereas offline coupons are limited to in-store use. These measures help maintain clear positioning for each channel, minimize cross-channel substitution and support the sustained development of both online and offline sales. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material disputes or litigations with our past or present franchisees.

SUPPLY CHAIN INFRASTRUCTURE

During the Track Record Period, we primarily procured products in Chinese Mainland from farming bases and qualified suppliers, complemented by customized, order-based arrangements for selected agricultural and prepared food products. We developed protocols and policies to manage all stages of our supply chain, from sourcing, to sorting and processing and then logistics to stores, providing franchisees and consumers with fresh products in a cost-effective manner. The flowchart below demonstrates our supply chain management process, encompassing key stages from order placement by store staff through procurement, to integrated distribution centers, and delivery to stores:



Our Procurement

We have developed a structured procurement strategy tailored to uphold our commitment to everyday freshness, product quality and price competitiveness, while navigating diverse regional markets and supply chain complexities. By integrating advanced sourcing methods with strategic upstream partnerships, we refine operations for efficient product delivery, cost control and adaptability to consumer preferences, strengthening our competitive edge in the fresh product retail sector.

Procurement Approach

We implement a dynamic procurement approach comprising (i) sourcing from farming bases, (ii) supplier procurement, and (iii) order-based farming. This approach allows us to ensure quality consistency, operational efficiency, and cost competitiveness while catering to diversified consumer demand across different regions in Chinese Mainland, Hong Kong and Macau markets.

Procurement of Meat and Poultry Products

We mainly procure carcasses, pork cuts and other meat and poultry products from suppliers. We also directly source hogs from hog farms for slaughtering and sales. Based on consumers’ evolving trends and preferences, we further process carcasses into various cuts, including belly, ribs, tenderloin, collar meat, trotters and blade bone. In order to maximize the utilization of the whole carcass, we also process and sell pork by-products, which mainly include pig feet, chitterlings, pig hearts, pig kidneys, pig ears and pig tripes.

Procurement of Vegetables, Fruits and Seafood

We primarily procure vegetables, fruits and seafood directly from farming bases. This strategy mainly targets such products of high consumption pattern and stable nationwide demand, which can be standardized for sales throughout our store network. This farm-based sourcing model reduces layers in the supply chain, stabilizes costs, and secures a steady supply of quality products, establishing a strong foundation for our commitment to everyday freshness. We also collaborate with our panel of qualified suppliers and wholesalers within

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specific regions to purchase vegetables, fruits and seafood that (i) are unsuitable for nationwide direct sourcing due to their regional production characteristics, (ii) have low logistics cost efficiency if sourced directly from the farming bases, or (iii) are sold differently across regions because of local dietary preferences. We have established long-term partnerships with well-established suppliers, to ensure favorable terms and ensure stable supply. For procurement of certain selected vegetables, we also engage in customized and order-based production with selected upstream partners and farming bases. Under these arrangements, farming base operators produce according to our specifications, including product variety, quality standards and delivery requirements. For instance, we conducted order-based planting for corns during the Track Record Period.

Procurement of Other Products

For products under other product categories, we mainly procure from our panel of qualified suppliers. From time to time, we collaborate with our suppliers to co-develop new products that are tailored to our sales strategies throughout our store network based on consumer insights and market demand. For example, we worked with our suppliers to develop the chopped chili fish head (“剁椒魚頭”) dish. Following market research, we selected reservoir-sourced silver carp, typically weighing 1.5–2.0 kg, as the primary ingredient. We also partnered with a professional seasoning supplier to develop the chopped-chili sauce. After multiple rounds of tastings, recipe adjustments and evaluations, we finalized the recipe and flavor profile with a tender texture and pronounced flavor. Our chopped chili fish head is offered in packaging that is designed for convenient meal preparation.

Procurement Process

Store staff are required to submit all orders by 19:00 each day (T day) on our Digital Operation Platform. The procurement team then procures the required products through (i) sourcing from farming bases, (ii) supplier procurement, and (iii) order-based farming according to the product category. Suppliers generally deliver the procured products to our integrated distribution centers by no later than 18:00 the following day (T+1 day). Commencing at 14:00 on T+1 day, our integrated distribution centers begin processing the deliveries, refining the items into directly sellable form in accordance with our product standards and removing any damaged parts, a process that continues until 23:00 on T+1 day. After sorting, the products are generally loaded onto our cold-chain delivery vehicles to be delivered to our stores by 5:30 the next morning (T+2 day) in optimal condition. Our products are generally delivered to store and put on the shelves within 24 hours after we received them from our suppliers. Our key products, such as the pork products, are transported through an independent supply chain and reach our stores from the slaughterhouses in six to eight hours. Our inventory turnover days were 1.4 days, 1.2 days, 1.4 days and 1.5 days in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. Apart from procurement by store order, we utilize our data collected and analyzed through our digitalized system to forecast consumer demand, inventory requirements, and expenses. By analyzing future demand for specific products, we can place orders in advance with our suppliers, ensuring an adequate supply for our daily operations. See “— Pricing — Procurement Pricing.”

Measures to Manage Product Price Fluctuations

We are exposed to fluctuations in the procurement prices of fresh products due to factors such as seasonality, weather conditions, supply-and-demand dynamics and short-term market events. See “Risk Factors — Risks Relating to Our Business and Industry — Fluctuations in prices and changes in the quality of fresh products could materially and adversely affect our profitability and results of operations.” To mitigate the impact of product price fluctuations, we have adopted robust measures that combine upstream sourcing strategies with dynamic pricing mechanisms. On the supply side, we enhance sourcing control through centralized procurement from farming bases, which reduces exposure to price volatility arising from intermediate distribution layers. For certain products, we implement order-based farming arrangements that allow us to lock in prices in advance. We also maintain a diversified supplier base to mitigate the impact of price fluctuations from any single

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supplier. For example, in 2025, our pork products supplied to stores in South China were sourced from more than 30 suppliers. On the pricing side, we determine procurement, wholesale and retail prices by considering factors such as procurement costs, target gross profit margins, product categories, regional market conditions and competitive dynamics. We adjust prices on a dynamic and market-responsive basis. See “— Pricing.” Given the short procurement cycles and high inventory turnover of fresh products, changes in procurement costs are generally reflected in downstream pricing, enabling us, in practice and subject to market conditions, to pass on cost fluctuations to franchisees and consumers. During the Track Record Period, we did not engage in financial hedging activities. Our Directors believe that the measures described above are effective in managing product price fluctuations, in light of our short inventory cycles, diversified sourcing structure, and pricing mechanisms that integrate cost and margin considerations.

Processing and Logistics Management

We have established a network of integrated distribution centers and logistics operations designed to maintain an efficient flow of fresh products from suppliers to our stores, upholding our “no overnight meat” commitment while enhancing operational efficiency and cost-effectiveness. By focusing on efficient sorting, primary processing, and advanced digital monitoring, this infrastructure accelerates product movement through each step, preserves product quality, and supports timely deliveries across our store network, thereby enhancing operational resilience and consumer satisfaction in the competitive fresh product market.

Our Integrated Distribution Centers with Sorting and Processing Capabilities

As of the Latest Practicable Date, we operated 16 integrated distribution centers across China. Our integrated distribution centers primarily serve as hubs for sorting, processing and distribution. Except for centrally procured products and products we store on behalf of suppliers from time to time, products typically remain at our integrated distribution centers only for a short period before being distributed to our stores. The vast majority of our fresh products have an integrated distribution center turnover time of no more than 12 hours and are sold in stores with the same day, which is more efficient than the industry average of two to four days, according to CIC. We conduct sorting and processing activities at these facilities, including preliminary processing of certain vegetables, slaughtering and portioning of certain freshwater aquaculture seafood and poultry products, slicing of beef products, and packaging of our meat products. All products are sorted and consolidated within our facilities and then delivered to our stores through our efficient cold-chain logistics.

We process the products in controlled environments, leveraging temperature and humidity-controlled facilities for brief handling periods. Our integrated distribution centers are equipped with essential lighting and ventilation and operated according to product-specific requirements. We have established protocols for product unloading, recording, labeling and hygiene checks. Our staff monitor each shipment and conditions to ensure efficiency. To ensure timely delivery of our products to stores, we have been continuously refining the operational processes for our integrated distribution centers. Our network of integrated distribution centers is strategically established in regions with dense operations, including Guangdong Province. We plan the locations of our integrated distribution centers considering factors including the number and the location of our stores within a region. Our integrated distribution centers typically serve a radius of approximately 100 km to 200 km. For example, our integrated distribution center in Changsha serves as a regional hub supporting approximately 200 stores and also covers nearby cities such as

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Zhuzhou and Xiangtan. The following map illustrates the service coverage of our integrated distribution center in Changsha:



Our digitization system allows our integrated distribution centers to cover 100% of the stores, ensuring the delivery time to be fulfilled generally within four to five hours. We categorize integrated distribution centers into different regions based on the location of stores. In selecting the ideal integrated distribution center within each radius, we consider factors such as delivery capabilities, labor and resource allocation to enhance delivery efficiency.

The following table sets forth the operating metrics of our major integrated distribution centers during the Track Record Period:

Integrated distribution center	Gross floor area (sq.m.)	Estimated store coverage (number of stores) ⁽¹⁾	Average daily outbound volume (Tons) ⁽²⁾			
			Year ended December 31,			Six months ended June 30,
			2023	2024	2025	2026
Shenzhen Integrated Distribution Center . . .	32,210.1	1,074	613.7	601.8	584.7	558.1
Guangzhou Jianggao Integrated Distribution Center	22,727.8	758	363.5	387.9	388.0	356.4
Chengdu Shuangliu Integrated Distribution Center	9,190.7	306	132.5	127.4	139.1	144.0
Changsha Huangxing Integrated Distribution Center	9,070.0	302	136.6	152.8	178.5	189.4
Shanghai Songjiang Integrated Distribution Center	8,484.6	283	259.1	192.1	179.4	171.0

Notes:

- (1) Calculated by dividing the gross floor area of the relevant integrated distribution center by the estimated warehouse area requirement of approximately 30 sq.m. per store.
- (2) Average daily outbound volume represents the average amount of products delivered from the relevant integrated distribution center to stores per day during the specified periods.

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Our Logistics

We are responsible for the logistics from integrated distribution centers to the stores. Products that have been processed, are delivered to stores through our efficient cold-chain logistics network. We developed and implemented strict safety policies and requirements during the transportation of the products to ensure timely delivery to our stores, which is typically before 5:30 of each day, and keep the products fresh. We have achieved 100% cold-chain coverage from our integrated distribution centers to our stores. We provide routes and outsource the delivery service to the logistics service suppliers, who are responsible for the arrangement of vehicles and drivers and the delivery services. As of June 30, 2026, we cooperated with over 80 logistics partners, arranging a daily average of over 600 cold-chain vehicles for delivery of products to our stores.

We require such suppliers to manage the vehicles and drivers according to our requirements. We also provide our delivery partners with route planning support and resources to ensure the quality of the delivery services. We impose strict requirements on the temperature and humidity during the delivery, and carefully package our products to ensure that our products are delivered under optimal environment for transmission. We meticulously oversee the performance of the logistics suppliers and utilize our digitalized system to ensure the timeliness of delivery to the stores. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, the service fees we paid to third-party logistics service providers amounted to RMB312.8 million, RMB292.1 million, RMB278.0 million, RMB132.2 million and RMB133.6 million, respectively. Under our agreement with third-party logistics providers, they are responsible for arranging vehicles and drivers and providing delivery services in accordance with our specified requirements. Service fees are generally determined based on factors such as order volume, delivery distance, weight, time period and service type, and are settled on a periodic basis. Our cooperation with third-party logistics providers is typically for one year. Either party may terminate the cooperation upon prior notice, subject to the settlement of outstanding service fees, with us retaining rights to supervise service quality and to require rectification or suspend or terminate cooperation in the event of material non-compliance or service quality issues.

We have implemented a digitized system for our warehousing and logistics management, offering tailored solutions to meet our fulfillment needs. Our inbound receiving process is coordinated through an online scheduling system that aligns suppliers' delivery plans with our real-time warehouse capacity, helping prevent congestion and ensuring smooth receiving operations. Inside the integrated distribution centers, key activities such as receiving, shelving, picking and cross-docking are captured through barcode scanning and then converted into real-time data, supported by digital dashboards that provide operational visibility. Product quality is strengthened through sensors that monitor temperature and humidity throughout sorting and handling, ensuring products are managed within the appropriate range. Our cold-chain transportation is also digitalized through our TMS system, allowing us to track vehicle temperatures and delivery routes in real time, enabling enhanced management of refrigeration settings and improved energy efficiency. Our TMS system integrates order volumes, inventory level and vehicle capacity to automatically generate efficient delivery routes, and can adjust dynamically for urgent orders or unexpected disruptions. These digital systems enhance logistics accuracy, reduce operational risks and support timely delivery to our stores.

The delivery of consumers' online orders is arranged and fulfilled by our stores, which independently engage third-party logistics providers to deliver products from the stores to consumers' addresses. For the next-day deliveries, we deliver the products to the stores for subsequent fulfillment of orders to the consumers.

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PRODUCTION OF PREPARED FOOD

We possess our insights into consumers’ needs, which empower us to develop a diversified product portfolio around the whole hog carcass. We are gradually establishing production capabilities of prepared food products as of the Latest Practicable Date. As a strategic shift towards maximizing value of a whole hog carcass, we plan to allocate more popular cuts to stores for sales and convert certain slower-moving pork cuts into minced meat for prepared products such as buns and dumplings. This approach is expected to reduce wastage in stores and enhance the inventory turnover of slower-moving pork cuts. By capturing market opportunities for prepared food products, we can enhance the price competitiveness of fresh pork for franchisees and consumers.

OUR SUPPLIERS

We procure our food products from domestic and overseas suppliers. We maintain a panel of qualified suppliers of pork products, vegetables, meat, poultry and eggs, fruits, seafood as well as chilled and prepared foods with coverage across regions. We believe that our stable relationship with suppliers builds a strong foundation for our robust supply chain and quality products. As of June 30, 2026, we partnered with more than 800 reputable suppliers. In addition, we have proactively established long term business relationships with reputable suppliers to stay resilient amid potential raw material price fluctuations and ensure the stability of our supply chain in procuring quality products across our product categories.

Supplier Selection and Management

Before engaging a new supplier, our procurement team pre-screens the supplier based on their certificates and qualifications, production capacity, quality control systems, sources of raw materials, production volume, existing customer profile, reliability and market reputation. We maintain a consistent evaluation of our suppliers through periodic inspections, assessments and on-site visits. If a supplier fails to meet our standards and is unable to rectify the non-compliance, we discontinue our engagement with them. To ensure our food safety and quality, we inspect the products when we receive them from our suppliers. We have established inspection procedures for incoming food products, which include checks on vehicle hygiene, inventory records, relevant product certifications, temperature, labeling, appearance, packaging, and other quality indicators. Any products that fail to meet our requirements are returned to the supplier. We also continually evaluate our existing suppliers. If a supplier fails to meet our assessment standards or engages in disqualifying activities, including, among others, violation of national laws and regulations, involvement in food safety crises, fraudulent or dishonest practices, and corrupt practices such as bribing our employees, we will terminate our relationship with such supplier. The salient terms of our framework agreements with our suppliers are summarized as follows:

- *Term.* Generally one year.
- *Product specifications.* Our agreement typically sets forth the specific requirements that we have with respect to the products, including basic product information, licenses, expiration date, packaging and product labels, as well as product quality and safety. We require the products to satisfy all relevant national and industry standards laid out in the agreement. We typically reserve the right to conduct random quality inspections on the products.
- *Pricing.* The supplier agrees that, in comparison to other channels or third parties, there shall be no price discrimination, quota restrictions or resale price control towards us. Otherwise, we reserve the right to demand a refund of the price difference and to seek compensation for the actual losses incurred.
- *Delivery.* The supplier is responsible for the delivery of the products to our designated location.
- *System requirement.* All transactions shall be completed in our SRM system.

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- *Settlement.* We typically have a fixed settlement cycle of 15-45 days with the supplier, which may vary depending on product type.
- *Liabilities.* Should the supplier identify any risks associated with the products they provide, or should we discover such issues during the sales process that are not attributable to us, our employees, affiliates, customers or consumers, resulting in complaints, administrative investigations, or any third-party claims, the supplier shall be liable for all resulting compensation, losses, fines, expenses, visible damages, reputational harm and anticipated losses incurred.

Major Suppliers

Our suppliers mainly include suppliers for food products and logistic services. Purchases from our five largest suppliers in each year/period of the Track Record Period amounted to RMB1,043.8 million, RMB1,139.4 million, RMB1,217.8 million and RMB500.3 million, respectively, representing 14.4%, 11.1%, 12.2% and 11.5% of our total purchases for the same years/periods. Among our five largest suppliers, we procure pork products from Zhaozhao Fresh. See “Connected Transactions — Non-Exempt Continuing Connected Transactions — 3. Procurement of Pork Products.” In addition, purchases from our largest supplier in each year/period of the Track Record Period amounted to RMB256.9 million, RMB303.6 million, RMB311.1 million and RMB133.6 million, respectively, representing 3.5%, 3.0%, 3.1% and 3.1% of our total purchases for the same years/periods. To the knowledge of our Directors, save for Zhaozhao Fresh which is an associate of our Controlling Shareholders, none of our Directors and their respective Associates or any Shareholders holding more than 5% of our issued share capital has any interests in any of our five largest suppliers as of Latest Practicable Date.

BRANDING AND MARKETING

During the Track Record Period, our products are sold primarily in Chinese Mainland, Hong Kong and Macau. We have established a sales team who formulates our marketing strategies and proactively explores market opportunities. As of June 30, 2026, our branding and marketing team consisted of 76 dedicated personnel. Based on our extensive store network and offering of products that are fresh and value-for-money, we have developed brand awareness in the regions where we already have a presence and can continually attract new consumers through organic word-of-mouth referrals and targeted marketing activities. We have initiated and will continue to initiate more marketing programs to retain and attract more consumers. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our advertising and promotion expenses amounted to RMB25.0 million, RMB20.7 million, RMB17.5 million, RMB7.5 million and RMB11.4 million, respectively, representing 0.2%, 0.2%, 0.2%, 0.1% and 0.2% of our total revenue for the same periods. We have developed a multifaceted marketing strategy aimed at expanding our brand visibility, attracting new consumers, and fostering loyalty among existing ones, thereby driving sustainable revenue growth and enhancing our competitive position in the fresh product retail sector. Our initiatives are categorized into general marketing activities for broad audience reach and member-targeted marketing activities to deepen consumer engagement and retention.

General Marketing Activities

Our general marketing efforts are designed to maximize brand exposure and stimulate consumer demand through diverse channels and targeted campaigns. Our general marketing initiatives are set forth as follows:

Seasonal and Festive Campaigns

Our marketing activities are conceptualized based on seasonal and festive occasions to capitalize on shifting consumer preferences and cultural occasions. We offer curated product bundles and gift sets for major holidays, such as Chinese New Year and Mid-Autumn Festival,

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tailored to resonate with traditional gifting customs. We also conduct brand anniversary celebrations with promotions for franchisees.

Live Streaming

A cornerstone of this approach is our live streaming commerce, which delivers immersive, real-time shopping experiences showcasing product freshness and quality, often through live demonstrations of preparation. These live streaming activities are conducted primarily through Douyin. These sessions incorporate exclusive promotions, such as time-limited discounts and digital coupons, to encourage immediate purchases and boost conversion rates, ultimately driving incremental sales and enhancing interactions with consumers in a digital-first environment.

Our live streaming activities are primarily planned and coordinated by our internal teams, with dedicated personnel responsible for executing live streaming sales and marketing initiatives. Both we and our franchisees participate in live streaming activities, with franchisees typically promoting products available at their respective stores in accordance with our overall branding and operational guidelines. To further expand our audience reach, we also collaborate with selected KOLs and MCN agencies through Douyin. These collaborations with MCN agencies are generally short term, with each engagement covering a defined cooperation period. Under such arrangements, key commercial terms, including the retail prices of promoted products, the number of live streaming sessions and the applicable commission rates payable to MCN agencies, are agreed in advance. Our collaboration model is commission based, with service fees calculated based on completed transactions and settled through the relevant platform after product delivery.

We retain discretion over the scheduling of live streaming sessions and regularly monitor the performance and conduct of cooperating KOLs. In consultation with the relevant MCN agencies, we may replace KOLs whose conduct or public image is inconsistent with our brand standards or applicable laws and regulations. As advised by our PRC Legal Advisor, we are subject to relevant laws and regulations associated with advertising in China, violation of which would subject us to consequences such as cessation of live streaming activities, compensation for consumers’ losses, fines and confiscation of illegal gains. See “Regulatory Overview — PRC Laws and Regulations — Regulations Relating to Advertisement.”

Strategic Cross-brand Collaborations

We also broaden our reach via strategic collaborations with prominent institutions, including leading banks and public transport operators, to leverage their established networks for mutual benefit. Partnerships with financial institutions provide card-linked benefits, such as instant discounts on payments, thereby increasing transaction volumes and integrating our brand into consumers’ everyday activities. Partnerships with metro operators enable targeted advertising in high-traffic areas, transforming commuter spaces into effective platforms for brand engagement and consumer acquisition, which efficiently converts passive exposure into active store visits.

Member-targeted Marketing Activities

Our member-targeted marketing focuses on building an engaged community through personalized interactions and exclusive programs, leveraging our extensive store network for localized impact.

Membership Program and WeChat Group Engagement

Central to our member-targeted marketing initiatives is our WeChat group engagement with consumers, where store staff maintain dedicated groups with the residents of the communities that they are based in. These groups are managed by store staff and supported by content that is produced by our store operations and franchisee management team in headquarters. These groups serve as key channels for sharing daily promotions, product

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updates, and practical tips, while enabling services such as product reservations to reinforce our commitment to everyday freshness and foster neighborly ties, resulting in higher member retention and word-of-mouth advocacy. As of June 30, 2026, the cumulative number of our members registered across various channels reached over 30 million. Under our membership program, consumers earn points from eligible online and offline purchases, which can be used for discounts on future purchases, subject to set conversion ratios, usage limits, and expiration rules. Membership is divided into different tiers based on spending levels during specified periods, with higher tiers allowing consumers to participate in selected promotions. Points cannot be transferred or exchanged for cash and will expire if not used within the applicable period. Membership tiers may be upgraded, maintained or downgraded depending on eligibility.

Offline Engagement Events

To cultivate deeper engagements with consumers, we organize regular offline events, including tours of the farms and our integrated distribution centers, allowing key members to observe our supply chain and build confidence in our quality standards, which reinforces transparency and brand credibility. New product tasting sessions gather valuable feedback for innovation, while children cooking competitions and family events boost brand affinity, increase foot traffic, and position us as a supporter of healthy home cooking, ultimately translating into enhanced brand loyalty and community-driven growth.

OUR CUSTOMERS

We sell our products primarily to franchisees and consumers in Chinese Mainland, Hong Kong and Macau. During the Track Record Period, our customers primarily comprised (i) franchisees and (ii) consumers who purchased products directly in our self-operated stores. Revenue generated from our five largest customers in each year/period of the Track Record Period amounted to RMB303.6 million, RMB352.1 million, RMB315.3 million and RMB154.9 million, respectively, amounting to 2.7%, 3.1%, 2.9% and 3.0% of our total revenue for the same years/periods. Revenue generated from our largest customer in each year/period of the Track Record Period amounted to RMB115.0 million, RMB106.4 million, RMB82.9 million and RMB41.4 million, respectively, amounting to 1.0%, 0.9%, 0.7% and 0.8% of our total revenue for the same years/periods. None of our Directors, their respective associates, or any of our shareholders (who, to the knowledge of our Directors, owned or have owned more than 5% of our issued share capital) had any interest in any of our five largest customers in each year/period of the Track Record Period.

OUR DIGITALIZATION

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

Digitalized Supply-Chain Management and Inventory Control

Our digitalized supply-chain system provides end-to-end coordination across procurement, production, warehousing, processing and logistics. With real-time monitoring of supply-and-demand dynamics from suppliers to stores, we ensure timely replenishment and inventory improvement while enhancing operational efficiency and reducing costs. Our supply-chain technology infrastructure include supplier relationship management (SRM) system, which supports sourcing, contracting, order execution and supplier performance monitoring; (ii) a enterprise resource planning (ERP) system, which integrates procurement,

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operations, sales, finance and human resources data to facilitate cross-team coordination; (iii) warehousing management system (WMS), which supports digital operations in receiving, sorting, packaging and scheduling while providing real-time progress tracking and efficiency analysis; and (iv) transportation management system (TMS), which plans transportation routes, monitors temperature and logistics performance through temperature control sensors, and ensures on-time, cost-efficient delivery. As of June 30, 2026, we operated 16 integrated distribution centers nationwide with an aggregate area of approximately 134,337 sq.m. These integrated distribution centers combine sorting, processing and distribution functions, supporting delivery to our stores across China. Real-time monitoring and digital scheduling capabilities enhance both operational efficiency and cost control throughout the distribution process.

Digitalized Store Operations and Franchise Empowerment

Our Digital Operation Platform connects headquarters directly with all franchise stores, integrating ordering, sales, store-level inventory and pricing data. The platform provides daily forecasts and recommendations on order placement based on historical sales, consumer traffic and product attributes, with approximately 80% of store orders following system-generated suggestions. Through this digital infrastructure, we empower franchisees by streamlining order placement process and developing marketing strategies through data-driven insights while enabling headquarters to monitor real-time performance, ensure operational compliance, and continuously refine product selection and pricing strategies based on aggregated data insights.

Digitalized Consumer Engagement and Marketing Tools

We operate a multichannel digital marketing and sales network centering on our Qdama Mini Programs, store-based community groups, and cooperation with third-party food delivery platforms, such as Meituan (美團), Taobao Flash Shopping (淘寶閃購) and JD-Daojia (京東到家). This network connects our offline stores with online channels, achieving integrated consumer engagement across multiple touchpoints and strengthening brand loyalty. Through our membership system and digital data analytics, we collect and analyze transaction data to understand purchasing behaviors and consumption patterns. These insights enable us to refine product selection, pricing and promotional strategies, thereby improving marketing effectiveness and enhancing overall consumer satisfaction. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any information technology system failure or downtime that had a material adverse effect on our business operations.

THIRD-PARTY PAYMENT ARRANGEMENTS

Background and Implications of Third-Party Payment Arrangements

Historically, some of our franchisees (individually or collectively, the “**Relevant Customer(s)**”) settled their payments with us through accounts of third-party payors designated by these Relevant Customers at their requests in Chinese Mainland and Hong Kong (the “**Third-Party Payment Arrangement(s)**”). During the Track Record Period, third-party payors designated by the Relevant Customers primarily included their relatives, business partners and the store managers of the Relevant Customers. Since January 1, 2024, we have ceased all the Third-Party Payment Arrangements. In 2023, 2024, 2025 and the six months ended June 30, 2026, a total number of 336, nil, nil and nil Relevant Customers adopted the Third-Party Payment Arrangements to settle payments with us, respectively. During the same periods, the aggregate amount of payments from their designated third-party payors was RMB33.7 million, nil, nil and nil, respectively, representing approximately 0.3%, nil, nil and nil of our total revenue for the same periods. During the Track Record Period, no individual Relevant Customer made material contribution to our revenue. Our Directors have confirmed that none of the third-party payors designated by the Relevant Customers during the Track Record Period is a connected person of our Group and such designated third-party payors are independent from any of our Directors, senior management and Shareholders. For

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additional information, see also “Risk Factors — Risks Relating to Our Business and Industry — We are subject to certain risks relating to third-party settlements and payment processing-related risks.”

Our Directors confirms that, during the Track Record Period and up to the Latest Practicable Date, (i) we did not proactively initiate Third-Party Payment Arrangement or participate in any other forms in any of such arrangements; (ii) we did not provide any discount, commission, rebate or other benefit to any of the Relevant Customers to facilitate or incentivize Third-Party Payment Arrangements; and (iii) the pricing and payment terms of the agreements between us and the Relevant Customers were in line with franchisees not involved in the Third-Party Payment Arrangements. In addition, to our Directors’ best knowledge, the Relevant Customers requested to utilize the Third-Party Payment Arrangements to settle payments with us for convenience and flexibility as many small-scale business operators are sole proprietorships that do not maintain corporate bank accounts. They typically prefer using personal bank accounts of their relatives, business partners and the store managers for convenience. According to CIC, it is not uncommon for franchisees to use third-party payors to settle corporate transactions, including but not limited to their relatives, employees, business partners and friends, due to convenience and flexibility. We engaged in communication with the Relevant Customers and have been obtained confirmations from a majority of these Relevant Customers, affirming that, (i) all settlements with our Group were backed by genuine transactions; (ii) settlement amounts were consistent with the relevant transaction amounts; (iii) the funds used for the settlements originated from legitimate sources; (iv) there were no instances of commercial bribery, money laundering, tax evasion, or existing or potential disputes with our Group related to the Third-Party Payment Arrangements; (v) each of the Relevant Customers and their designated third-party payors has neither claimed nor will claim any interests regarding payments made to our Group through the Third-Party Payment Arrangements; and (vi) we are not bound by any agreement of rights and obligations relating to the Third-Party Payment Arrangements between the Relevant Customers and their designated third-party payors, and any associated risks are to be borne by the Relevant Customers and their designated third-party payors, not us.

As advised by our PRC Legal Advisor, in light of the above, (i) our Third-Party Payment Arrangements during the Track Record Period and as of the Latest Practicable Date in China were not in breach or contravention of mandatory requirements of applicable laws or regulations in China; (ii) as to the Relevant Customers and their designated third-party payors in China who provided duly executed confirmation letters, the risks were low for our Group to be found obligated to return funds to Relevant Customers or their designated third-party payors under the Third-Party Payment Arrangements. In addition, our Directors are of the view that, (i) settlements under the Third-Party Payment Arrangements were supported by genuine underlying transactions, and we had no intention or incentive to disguise or conceal the source or nature of the payments received, (ii) we have obtained confirmations from the Relevant Customers confirming, among other things, the legitimacy of the funds used for settlement and that no money laundering was involved, (iii) the financial institutions that processed settlements under the Third-Party Payment Arrangements are required to conduct anti-money laundering checks on their clients in accordance with the PRC Anti-Money Laundering Law (《中華人民共和國反洗錢法》), which significantly mitigates money-laundering-related risks, and (iv) during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any penalties, sanctions or investigations relating to money laundering in connection with the Third-Party Payment Arrangements. As such, our Directors are of the view, that the risk of the Third-Party Arrangements in China being deemed as constituting the crime of money laundering under Article 191 of the Criminal Law of the PRC (《中華人民共和國刑法》) for the purpose of covering up or concealing the source and nature of proceeds or gains is low. Furthermore, as advised by our legal advisors as to Hong Kong laws, given that the Relevant Customers and the third-party payors in Hong Kong voluntarily entered into the Third-Party Payment Arrangements, such arrangements would be deemed valid and enforceable by Hong Kong courts under the relevant Hong Kong laws and regulations. As such, our Directors are of the view, and our legal advisors as to Hong Kong laws concur, that we are unlikely to receive any claims for repayment relating to the Third-Party Payment Arrangements from the third-party payors.

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Cessation of Third-Party Payment Arrangements and Enhanced Internal Control Measures

We had ceased all Third-Party Payment Arrangements since January 2024. In addition, we have adopted enhanced internal control measures to mitigate associated risks and prevent the recurrence of such arrangements. Specifically, franchisees registered in our Qianmeng system are required to register in the system and bind a designated bank account when they open a store. Such account is the designated account for subsequent payment and settlement with us and is included on our whitelist of franchisee accounts. Where a franchisee needs to settle any shortfall in amounts payable for goods, payment must be made through the same franchisee account. Once an account is linked in the Qianmeng system, the franchisee is not permitted to make payments to us from any other account, thereby preventing third-party payments. For franchisees not covered by the Qianmeng system, we manually verify the payer’s identity. If a payment is made by a payer that is not on our franchisee list, our finance team will not confirm receipt of the payment, will arrange for the funds to be returned, and will require the relevant franchisee to make payment from the franchisee’s own account, as applicable. In addition, we provide regular training and conduct periodic inspections on our franchisees to raise their awareness on third-party payment. Our Directors are of the view that the foregoing internal control measures are effective and adequate in preventing Third-party Payment Arrangement and associated risks, and our Directors will oversee the effectiveness of our internal control measures on the Third-party Payment Arrangement in the future.

FOOD SAFETY AND QUALITY CONTROL

Food safety and quality control are of paramount importance to our business. We are committed to bringing safe, high quality food products to consumers. We have established structured standards and specifications with respect to each aspect of our operations, including procurement and supplier management, logistics and store operation to ensure our product quality and operational safety. Our management is responsible for the implementation of our food safety management system. Our quality control team supports our management to interpret national food safety laws, oversee the food safety incident and report and maintain direct communication with relevant government authorities and our regional management teams. Under this management structure, we have dedicated regional supervisors who oversee food safety and conduct regular inspections and provide training to our franchisees and store staff on food safety issues. We also carry out random store inspections and impose penalties on franchisees for stores that fail to meet our food safety standards. Any non-compliance by our franchisees with applicable food safety laws and regulations would constitute a breach of franchisee agreement, which may trigger the termination of the franchise agreement. Furthermore, our quality control team plays a pivotal role in the management of our supply chain. We drive enhancements through the use of technologies, such as specialized preservation techniques for seafood products and a digital quality monitoring system. We are also involved in establishing industry standards as a key drafter of the national standard for “Agricultural Socialization Services — Community Fresh Store Service Specifications.” We also promote public education via initiatives like the “Little Apron Plan” to foster greater awareness and trust in food safety. Our integrated distribution centers in China are fully compliant with national and international standards. For example, we have obtained and maintain quality and safety management system certifications including ISO22000 and HACCP.

To address industry-wide food safety risks, such as pesticide and veterinary drug residues, we have strengthened our control measures across the entire supply chain. Specifically, we have expanded the frequency and scope of our in-house laboratory testing for key product offerings, such as vegetables and seafood. To further guarantee the objectivity and reliability of our results, we also engage independent, third-party laboratories to conduct supplementary verification testing. Furthermore, we conduct on-site inspections of key suppliers and farms, providing them with technical guidance to improve their own testing and quality control capabilities.

We have reinforced supplier accountability by tightening the food safety requirements in our contracts. We enforce a zero-tolerance policy for products that lack complete,

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up-to-date inspection documentation. To further ensure that the products procured from our suppliers are in strict compliance with food safety standards, we conduct regular supplier reviews to evaluate their production practices, particularly regarding the use of pesticides and veterinary drugs. Through these measures, we aim to maximize traceability and prevent risks right at the point of procurement.

As such, our Directors are of the view that the enhanced internal control measures above are sufficient and effective to address the relevant food safety risks. Based on the independent due diligence work performed by the Joint Sponsors and the information and representation given to the Joint Sponsors, nothing material has come to the Joint Sponsors’ attention that would reasonably cause them to cast doubt on the Directors’ view above.

Procurement and Supplier-related Quality Control

We carefully select our suppliers. Potential suppliers must pass evaluations before being accepted as our qualified suppliers. See “— Our Suppliers — Supplier Selection and Management.”

In the event that either we or regulatory authorities identify potential food safety or quality issues that could be attributed to our suppliers, we typically mandate them to promptly furnish relevant product certification and source verification within a 24-hour notice period. They are also required to cooperate fully with any investigations conducted by regulatory authorities or us. If our suppliers are found liable, they will be subject to administrative penalties and required to compensate us for any related costs and damages. Conversely, if our suppliers identify any quality issues with their products supplied to us, they are obligated to notify us promptly and undertake remedial actions proposed by us, at their own expense. These remedial actions may encompass product recall, suspension of delivery, and product return. Furthermore, the suppliers will be held accountable for all losses in connection to any customer complaints or negative publicity arising from such issues, as well as the costs of any remedial actions undertaken by us.

Furthermore, we implemented established standards for the selection of suppliers and the quality assurance measures for different categories of food ingredients, semi-prepared food and other products to ensure their quality. To ensure product quality, we prefer to cooperate with large-scale suppliers. As we adopt a direct sourcing from farming bases and order-based production model, we implement established product standards. For instance, the sweetness levels of at least 10 degrees for Kirin watermelons and over 12 degrees for Ganmei watermelons, with fruit diameters between 75 and 90mm for oranges. We have also developed patented technologies, such as leek field production pesticide control, to manage quality from the source. In supplier management, we implement a full lifecycle system with entry audits, mandatory submission of quality reports and complete qualification certificates, and rigorous multi-dimensional sampling inspections. Upon batch arrival, we conduct sample tests; for high-value items such as durians and cherries, we establish pre-inspection stations at supplier warehouses with on-site personnel for sampling and verification to ensure adherence to our requirements. In addition, we operate 13 standardized rapid-testing laboratories conducting approximately 750 sampling tests daily, with transportation vehicles equipped for intelligent temperature control and digital monitoring to preserve freshness during transit.

Logistics and Storage-related Quality Control

While our suppliers are responsible for delivering food products and raw materials to our distribution centers, we are responsible for the delivery from integrated distribution centers to stores. We have formulated strict requirements for the storage of food products and raw materials in our integrated distribution centers. See “— Supply Chain Infrastructure-Processing and Logistics Management.” Our suppliers and integrated distribution centers are fully responsible for the quantity, quality and packing appearance of the products stored. Upon acceptance of the products, our employees at the integrated distribution centers are required to inspect for any defects. We may refuse to accept products, if we discover defect with respect to our food products and raw materials. Our suppliers must

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compensate us for any damages and actual losses incurred. Cold-chain vehicles with temperature controls are required during the transportation of our products from our suppliers to our integrated distribution centers by our suppliers and from our integrated distribution centers to our stores by third-party logistics service providers. We have adopted a real-time supervising system for our cold-chain vehicles which receives the real-time temperature and location of each cold-chain vehicle on route, to ensure our employees fulfill their obligations and adhere to our standards. In terms of the delivery orders fulfilled by third-party food delivery platforms, we are responsible for ensuring safety and quality of our products to be delivered and liable for any issue thereof. Third-party food delivery platforms are responsible for ensuring that the delivery is punctual and that our products free from contamination during delivery. They are also liable for any damage to our products in delivery. We have a corresponding quality control system for internal traceability of products, especially pork products, and all incoming product data will be entered into the system; supplier information, warehousing arrival time, sorting time, and store arrival time, processing time and other data can be traced through the QR code. This system has been recognized by the government as an exemplar.

Store-related Quality Control

We formulated and implemented food safety and hygiene guidelines for our store operations. These guidelines, which our franchisees and their employees are mandated to adhere to, encompass a wide range of areas, including, among others, personal hygiene, the inspection and safe storage of food ingredients, temperature control, cleaning and sanitizing, and the packaging and labeling. All franchisees and store personnel are required to undergo mandatory training in relation to these standards.

Our store staff are required to inspect all products before they are displayed on shelves, including checking appearance, expiration dates and compliance with required storage and display temperatures for chilled, frozen and cooked products, and they take responsibility for any product quality issues resulting from their actions. They are also obligated to promptly address any consumer complaints and report them to us. Stores must adhere to all relevant food safety laws and regulations. In the event that franchisees violate food safety laws and regulations or our quality management standards and cause any food safety incidents that negatively impact our brand image, we reserve the right to seek recourse against the franchisee. In such cases, the franchisee would be required to compensate us for any losses incurred. We have ad hoc on-site inspections in our stores to check store operations and conduct examinations of product quality.

Management of Expired and Near-Expiry Products

We have implemented policies and procedures to identify, handle and dispose of expired and near-expiry products across our offline stores and e-commerce operations. Specifically:

- For our offline stores, all products, including chilled and prepared foods, are subject to the daily clearance requirements under our D&C Model. Products remaining unsold at the end of the day are cleared through progressive discounts and free giveaways and are not permitted to be sold overnight.
- For our e-commerce operations, we maintain expiry date records and conduct regular shelf-life monitoring. Products approaching their expiry dates are identified and prioritized for sales clearance measures. Expired products are immediately removed from sale, segregated from saleable inventory and transferred to designated areas, and are prohibited from being sold to consumers. All expired products are written off in the WMS, and are collected and disposed of by qualified third-party waste disposal service providers on a daily basis.

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AFTER SALES SERVICE

We have a dedicated customer service team that is primarily responsible for tracking and addressing feedback, suggestions, and complaints from franchisees and consumers. We have established hotlines for franchisees and consumers to voice any concerns or complaints they may have. Our customer service team keeps records of inquiries, feedback and complaints, and the results of any investigations or resolution measures. In addressing these complaints, we undertake to communicate and liaise with franchisees and consumers in a timely manner and to commence quality investigation procedures if necessary. This team's primary goal is to ensure that our franchisees and consumers' voices are heard and their concerns are addressed promptly and effectively. Our robust after-sales service enables us to properly manage customer complaints. During the Track Record Period and up to the Latest Practicable Date, we had not received complaints from customers that may have material and adverse effects on our operation or business reputation.

During the Track Record Period, our franchisee-initiated product returns were primarily attributable to issues identified during delivery and acceptance procedures, including the condition of products upon delivery and discrepancies identified at the time of acceptance. Our franchisees are generally not allowed to return our food products after they have accepted delivery except for defective products, discrepancies between the products delivered and the franchisee's order, and returns initiated by consumers. The sales of the returned products will be directly deducted from our total revenue of the relevant year. Either we or our suppliers are responsible for the costs of returning or exchanging the returned products, depending on the reasons for product returns. During the Track Record Period and up to the Latest Practicable Date, we and our franchisees had not experienced any material product recalls or product returns from our consumers. For each period during the Track Record Period, the amount of returned products accounted for approximately 1.0% of our total revenue from product sales. Given the quantities involved, we do not believe these returned products had a material adverse impact on our financial condition or results of operations. Accordingly, we did not record any provision for product warranty during the Track Record Period.

During the Track Record Period, our product returns by consumers are primarily related to consumer preferences, online order cancelations or non-collection by consumers in accordance with applicable sales channel policies. Returns and disputes involving consumers are typically handled by the stores first. The stores will then report to us and we may further liaise with our suppliers, if needed. As to sales via online channels, our stores generally accept returns or exchanges for any defective products that were damaged during transportation and delivery, after examination by our store staff.

Pursuant to the Food Safety Law and the Administrative Measures for Food Recall, for food producers and operators that are in violation and do not immediately suspend operation or voluntarily recall unsafe food, follow the prescribed time limit to activate recall procedures, recall unsafe food products in accordance with the recall plan or dispose of unsafe food products, the market regulation authorities shall issue warnings and impose fines between RMB10,000 and RMB30,000. During the Track Record Period and up to the Latest Practicable Date, neither we nor our franchisees had encountered any material food safety or quality issues, and health concerns.

PRICING

We endeavor to offer quality products with competitive prices to enhance consumers' purchasing experience. We have devised a pricing policy that takes into account factors, such as the procurement costs of products from our suppliers, product types, volume of products, promotions or discounts for our franchisees, and market prices across regions. We systematically connect the three aspects of our pricing divisions: (i) procurement pricing, (ii) wholesale pricing, and (iii) store retail pricing. In addition, we have established a rigorous dynamic market price monitoring mechanism. Through the coordination between our online price monitoring system and our offline procurement and market research team, we determine

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procurement prices and store-level retail pricing strategies to ensure that our product prices remain competitive and attractive to consumers.

Procurement Pricing

We implement a strategic approach to manage and control our procurement costs. This strategy involves the integration of multichannel supply resources from suppliers, which contributes to cost savings. Our procurement scale and established brand contribute to our bargaining power. Furthermore, we have entered into agreements with certain suppliers to ensure a steady supply at a predetermined price or price range. In general, the fluctuations of upstream cost are typically reflected in our dynamic pricing.

We use our Supplier Relationship Management (SRM) system to set prices for procurement, and to implement a daily quotation mechanism for suppliers to submit prices across all products. We have a dedicated inquiry team to conduct market research in advance to generate a market price, which will be entered into the SRM system. At the same time, the system will set the gross price of each category upon factoring in transportation costs and processing costs. Moreover, our suppliers need to offer a quotation through the system, and the system will automatically analyze all the quotations to choose the lowest price (in principle) for each product on that day.

Wholesale Pricing

We determine the price of the day for the products to be sold to our franchisees based on the procurement price of different items and also on the regions where the products are sold to consumers. The wholesale pricing is executed by our ERP system, and this is carried out differently depending on the product categories, as well as a series of other mechanisms including adjustment for promotional activities. At the beginning of a year, we normally set a monthly gross profit rate guide for wholesale, and the offline procurement and market research team can adjust the prices following such guide.

Store Pricing Guidance

We provide guidance on the pricing of products in the stores using our own pricing model, which is based on, among other factors, costs, profit margin, regional differences and market demand. As a result, the retail price varies across different stores. These recommended prices establish the maximum allowable level for store pricing, and we allow franchisees make downward adjustments in response to local market circumstances and conditions. However, franchisees are not permitted to make any pricing adjustments unilaterally without our prior approval. Where a franchisee considers that a downward price adjustment is necessary in response to local market circumstances and conditions, it is required to submit an application to us and may only implement such adjustment after obtaining our approval. This approval-based mechanism allows us to balance pricing flexibility and orderly pricing across our franchise network, thereby reducing the risk of excessive price competition and potential cannibalization among franchisees. To further mitigate such risks, we explicitly provide in our franchise agreements that unreasonable pricing practices are strictly prohibited, the violation of which may result in the termination of the franchise agreement. These contractual arrangements further reduce the potential for cannibalization within our franchise network. In addition, given our “no overnight meat” commitment and our aim to always provide fresh products to consumers, all of our franchise stores are required to comply with our D&C Model where all products would be sold on 10% discount at 19:00; and an additional discount of 10% is applied every 30 minutes. All remaining items after 23:30 would be free of charge. Such a policy is an essential support to our D&C Model. It not only ensures that no food would be wasted, but it also serves as a repetitive highlight to consumers that we only provide fresh products. This progressive discount policy also encourages franchisees to sell the products in store before 19:00.

COMPETITION

We compete in China’s community-based fresh product chains industry. According to CIC, the market in which we operate is relatively fragmented, with the top five players

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accounting for a combined fresh products GMV market share of 6.5% in China in 2025. Meanwhile, it is highly competitive, with store network, supply chain management capabilities, product diversity and quality management abilities being the key entry barriers and success factors. According to CIC, in terms of fresh products GMV from 2020 to 2025, we have been the largest community-based fresh product chain brand in China for six consecutive years. In 2025, our fresh products GMV in China reached RMB13.0 billion, accounting for a 1.9% market share of the community-based fresh product chains industry. The community-based fresh product chains accounted for 10.2% of the overall China’s fresh product retail market in 2025. Specifically, in China’s broader fresh product retail market, we ranked seventh among fresh product chain operators by fresh products GMV in 2025, representing a market share of 0.9%, and were the only community-based fresh product chain brand among the seven largest market players. In addition, in 2025, our sales per square meter ranked highest among the top five community-based fresh product chain brands in China and exceeded the industry average over the same period. We believe we are well prepared to excel in industry competition. However, we operate in a highly competitive industry. Failure to compete effectively could adversely affect our market share, growth and profitability. See “Risk Factors — 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.”

DATA PRIVACY AND SECURITY

In the ordinary course of business, we from time to time collect and use certain personal information of consumers, such as mobile phone numbers, location, delivery address and order information of our registered members which are primarily used for membership identification and provision of consumer services, including matching the stores near the consumers, processing orders placed by consumers, delivery of products, settlement of payment and issuing receipts, among others. Such personal information is only collected and processed after we obtain our registered members’ prior consent as required by applicable PRC laws and regulations. We retain registered members’ personal information only for the period necessary to fulfill the purposes for which such personal information was collected, or as otherwise required or permitted by applicable PRC laws and regulations. As of June 30, 2026, the number of registered members across various channels was over 30 million. In addition to consumers’ personal information, we also collect and process certain personal information of our franchisees in the ordinary course of business, including, among others, their names, identification document information, mobile phone numbers and other information necessary for purposes such as franchisee onboarding, identity verification, store operation management. We consider the protection of the data privacy of our consumers and franchisees to be of paramount importance. We have in place policies, procedures, software and technology infrastructure to collect, use, store, and transmit our consumer data and franchisee data to support compliance with applicable data protection laws and regulations of the PRC, such as the Personal Information Protection Law of the PRC, the revised Cybersecurity Law of the PRC, and the Data Security Law of the PRC. See “Regulatory Overview — PRC Laws and Regulations — Regulations Relating to Data Security, Cybersecurity and Personal Information Protection.”

We have adopted data security and protection policies, which provide for data management responsibilities, data classification, data protection and confidentiality procedures. We have also established an internal security compliance group for personal information protection, cybersecurity and data security. The internal security compliance group assumes the overall responsibilities of formulating and implementing internal data security strategies and management regulations, overseeing the security measures during the collection, storage, use, and transmission of data, providing data security training and technical support to employees, handling data security incidents and emergencies, effectively managing and protecting our internal cybersecurity, data security and personal information protection, and ensuring compliance with applicable PRC laws and regulations, with respect to cybersecurity, data security and personal information protection. In addition, we have currently implemented a number of specific measures with respect to personal information protection, data security and cybersecurity. For example, we have adopted necessary data

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backup and encryption measures to standardize the management of the use, transmission and storage of users’ personal information, ensuring that users’ personal information is encrypted during transmission using appropriate encryption and verification technologies. We have also managed access to databases with account passwords and provided training and educational outreach to employees on topics such as cybersecurity, data security, and the protection of personal information. During the Track Record Period and up to the Latest Practicable Date, all consumers’ personal information collected during our daily business operations in the PRC is currently stored within the PRC, and we did not transfer such personal information to Hong Kong, Macau or any other jurisdiction. We do not collect consumers’ personal information from Hong Kong or Macau, as we do not maintain any membership program in those regions. In addition, the Revised Measures for Cybersecurity Review prescribes the conditions under which a cybersecurity review must be conducted. Pursuant to Articles 5 and 7 of the Revised Measures for Cybersecurity Review, a CIIO purchasing network products and services that affect or may affect national security or a network platform operator with personal information of more than one million users which seeks listing in a foreign country is obliged to apply for a cybersecurity review. During the Track Record Period and up to the Latest Practicable Date, we had not received any official notification from relevant regulatory authorities designating our network facilities and information systems as critical information infrastructure or requiring us to apply for a cybersecurity review, and our proposed [REDACTED] is a [REDACTED] in Hong Kong instead of [REDACTED] abroad. Based on the foregoing, our PRC Legal Advisor is of the view that our proposed [REDACTED] does not trigger the obligation to proactively apply for a cybersecurity review. However, as advised by our PRC Legal Advisor, the Revised Measures for Cybersecurity Review grant the regulatory authorities the discretion to initiate a cybersecurity review if they deem any network products and services or data processing activity affects or may affect national security; therefore, we cannot rule out the possibility that the relevant regulatory authorities may conduct cybersecurity review on us accordingly.

Apart from the abovementioned measures and mechanisms we have adopted, we have also in place internal policies to provide our employees with the guidelines for data transmission and processing. Furthermore, we have implemented an access control mechanism. Our franchisees only have access to the personal data of the consumers of orders that are fulfilled by them, so as to process relevant orders. In addition, we have put in place online agreements with our franchisees, requiring them to comply with relevant data security and personal information protection laws and regulations.

In the ordinary course of business, our franchisees may have access to their respective consumers’ personal information but limited to the scope necessary for the purpose of processing and fulfilling orders and providing necessary services such as membership services. In addition, we may provide franchisees with certain consumer information, such as members’ contact information, order information and stored-value account information, to facilitate membership management, order fulfillment and after-sales services. We may also provide consumers’ delivery information such as delivery addresses, mobile phone numbers and order information to third-party logistics service providers solely for purposes of product delivery and order fulfillment. We only undertake such sharing after obtaining the relevant consumers’ consent or where necessary for the performance of consumers’ order, as permitted under applicable laws and regulations. We make efforts to enhance franchisees’ compliance with applicable data security and personal information protection laws. For example, our franchise agreements require them to fulfill personal information protection obligations, including the implementation of effective management, technical, and physical measures to ensure that the personal information they process is maintained with a reasonable level of security, and the franchisees are subject to liability in case of breach of such agreements.

As advised by our PRC Legal Advisor, during the Track Record Period and up to the Latest Practicable Date, we had complied with all applicable laws in the PRC relating to data security, cybersecurity and personal information protection in material respects. In addition, during the Track Record Period and up to the Latest Practicable Date, we had not experienced any material data loss, data leakage, unauthorized use of data or other data security incidents, been subject to any material claims, investigations or legal proceedings settled, pending or threatened for any material non-compliance with or violations of applicable PRC laws and

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regulations with respect to data privacy and security. Nor had our information technology and software systems encountered any material malfunction, unexpected system failure or interruption during the Track Record Period and up to the Latest Practicable Date.

INTELLECTUAL PROPERTY

Our intellectual property rights are key to our success and competitiveness. Our intellectual property rights primarily consist of trademarks, copyrights, patents and domain names. As of the Latest Practicable Date, we had 921 registered trademarks, 159 copyrights, 26 patents and 18 domain names in Chinese Mainland. See “Statutory and General Information — Further Information about the Business — Intellectual Property” in Appendix IV to this document. We also protect our intellectual property rights through confidentiality agreements or provisions with all of our employees and franchisees. We undertake a proactive approach to manage our intellectual properties. Our legal team is responsible for handling intellectual property-related issues, including monitoring the application status of intellectual property rights and performing routine checks on the public platform to ensure our intellectual properties are not infringed by third parties. We also engage intellectual property experts and legal consultants to assist our intellectual property rights protection. We have implemented various measures to detect potential intellectual property infringements, including market visits by our sales and marketing team and hotlines to collect complaints and reports. After discovering potential incidents of infringements, we will conduct immediate investigation and require the infringers to stop related actions by delivering notices and report to regulatory authorities, if needed. During the Track Record Period and up to the Latest Practicable Date, we did not experience any threatened or pending disputes relating to the infringement of intellectual property rights that would have a material adverse effect on our business.

PROPERTIES

Our headquarters are located in Guangdong, China. As of the Latest Practicable Date, none of the properties leased by us had a carrying amount of 15% or more of our consolidated total assets. According to section 6(2) of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice, this document is exempt from the requirements of section 342(1)(b) of the Companies (Winding up and Miscellaneous Provisions) Ordinance to include all interests in land or buildings in a valuation report as described under paragraph 34(2) of the Third Schedule to the Companies (Winding up and Miscellaneous Provisions) Ordinance. As of the Latest Practicable Date, we did not own any property, and we leased 140 properties with a total GFA of approximately 152,987 sq.m. in China, which are used as self-operated stores, employee dormitories, integrated distribution centers and office premises. The relevant lease agreements generally have a term between one and five years. See “Risk Factors — Failure to renew the current leases or locate desirable alternatives for our existing stores could materially and adversely affect our business.”

As of the Latest Practicable Date, 131 of our leased properties were not registered with the competent authorities primarily due to the unwillingness of the landlords to cooperate. Under the relevant PRC laws and regulations, parties to a lease agreement are required to register and file the executed lease agreement with the competent government authorities. As advised by our PRC Legal Advisor, the failure to register or file such agreements does not affect their validity or enforceability. However, 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. The maximum potential penalties for such non-compliance would be approximately RMB1.3 million. During the Track Record Period and up to the Latest Practicable Date, we had not received any order from the relevant authorities requiring the registration of these lease agreements, and no administrative penalty had been imposed on us for such non-registration. As such, our Directors are of the view, and our PRC Legal Advisor concurs, that considering that the potential administrative penalties for the non-registration of these 131 lease agreements are immaterial, the non-registration of the lease agreements for these 131 properties will not have any material adverse effect on our business operations.

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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. Such title defects were primarily attributable to certain landlords’ or lessors’ inability or unwillingness to provide complete ownership certificates or other title documentation. These properties are primarily used as stores, office premises, integrated distribution centers and employee dormitories, with an aggregate area of approximately 12,673 sq.m. As advised by our PRC Legal Advisor, though we would not face any penalties arising from such matters, without valid lease contracts or title certificates, our use of these leased properties may be affected by third parties’ claims or challenges against the lease rights. In addition, we may be requested to vacate these 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 these properties in the absence of valid lease contracts. Nevertheless, considering that there are alternative options available for the properties in question, our Directors are of the view that, if our lease agreements were deemed invalid or if we were required to vacate these properties, we would be able to relocate to alternative premises in a timely manner at relatively low relocation costs and enter into new lease agreements on comparable commercial terms, and such circumstances would not have any material adverse impact on our business operations.

To avoid the recurrence of the abovementioned non-compliance issues, we have implemented internal control measures such as (i) strengthening our internal approval procedures for entering into lease arrangements and urging the relevant personnel to prioritize pursuing lease without any title defect; (ii) requiring verification of valid property ownership certificates or relevant authorizations from property owners prior to the execution of any lease agreements; and (iii) following the execution of lease agreements, assisting the lessors or other relevant parties in completing the registration and filing of such lease agreements where applicable. We undertake to cooperate and do our best effort to coordinate our lessors to facilitate such registration of the lease agreements once we receive any order to do so from the competent government authorities.

INSURANCE

As of the Latest Practicable Date, we believe that our insurance coverage is in line with the industry practice and adequate to cover our key assets, facilities and liabilities, including but not limited to property insurance, public liability insurance, food insurance, employer’s liability insurance, and group accident insurance for high-risk positions. Notably, the food insurance we purchased covers our legal liabilities arising from death, bodily injury or property damage suffered by third parties in connection with the provision of food and beverages. The insurance provides for a maximum aggregate compensation limit of RMB1.0 million and a maximum compensation limit of RMB1.0 million per accident, with a maximum compensation limit of RMB0.3 million per person for bodily injury. We procured insurance policies by type and amount that we consider sufficient and evaluated such insurance policies from time to time based on our past experience, changes in production and industry developments. We are committed to minimizing the risks of product liability claims and warranty claims through strict quality control. As of the Latest Practicable Date, we had not made nor been the subject of any material insurance claims. However, we may not be able to obtain or purchase adequate insurance for losses and liabilities arising from various operational risks. See “Risk Factors — Risk Relating to Our Business and Industry — We may not have sufficient insurance to cover our business risks.”

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RISK MANAGEMENT AND INTERNAL CONTROL

We have established a robust internal control and risk management framework that operates across all major aspects of our business, including procurement, production, logistics, finance and compliance. Our dedicated Internal Control Center oversees key functions such as auditing, legal compliance, food safety, quality control, crisis management and risk monitoring. This Center collaborates closely with the Finance, Operations and Supply Chain Centers to ensure a clear segregation of duties, cross-functional supervision and accountability. Oversight of our internal control and risk management system rests with the Board of Directors, which regularly reviews its effectiveness to ensure alignment with our business operations and regulatory standards.

Risk Identification and Mitigation

We identify, assess and control risks throughout our value chain. Each supplier is subject to strict qualification and performance evaluations, including site audits and ongoing quality ratings. We have established food safety protocols such as random pesticide residue inspections and full cold-chain temperature monitoring via our digital tracking system. We have also developed emergency response procedures for major product quality incidents, with trained teams responsible for investigation, corrective actions and communications.

Quality and Operational Controls

We have built an end-to-end quality assurance system that covers procurement, processing, warehousing, distribution and retail. We conduct regular inspections and internal audits of both franchise and self-operated stores to ensure compliance with hygiene, packaging and labeling standards. All production activities are governed by standardized operating procedures to uphold consistent product quality and strengthen traceability from source to store. See “ — Food Safety and Quality Control.”

Financial Management

Our financial management system covers accounting, budgeting, financial reporting and controls over cash and assets. We maintain segregation of duties, approval procedures and regular financial reviews, supported by internal policies and ongoing training to ensure compliance with applicable standards.

Audit and Oversight

We have established an internal audit function to review internal controls and identify control deficiencies. Our audit and compliance processes are supported by centralized digital systems with multi-level approvals and audit trails, and a bank clearing system to monitor and reconcile franchise-related transactions, enhancing fund traceability and financial discipline.

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LICENSE, APPROVALS AND PERMITS

As advised by our PRC Legal Advisor and legal advisors as to Hong Kong laws, we had obtained all requisite licenses, approvals and permits from relevant authorities that are material for our operations in the Chinese Mainland and Hong Kong; and such licenses, approvals and permits are valid and effective. Our Directors do not expect any impediment in the renewal of our material licenses. The following table sets out details of the material licenses, approvals and permits held by us as of the Latest Practicable Date:

Name of Licenses, Permits and Approvals	Number of Licensees	Issuing Authorities	Expiry Dates
Food Operation License	19	Administration for market regulation/other competent government authorities with relevant functions and powers at the place of registration	From March 31, 2027 to October 30, 2030
Filing for Prepackaged Food Sales Only	6	Administration for market regulation/other competent government authorities with relevant functions and powers at the place of registration	Valid without an expiration date
Value-Added Telecommunications Business License. . . .	1	PRC Ministry of Industry and Information Technology	August 29, 2027
Single-Purpose Commercial Prepaid Cards Registration . . .	1	Guangdong Department of Commerce	Valid without an expiration date
Permit for Discharge of Urban Sewage into Drainage Network . . .	1	Baiyun District Water Affairs Bureau	January 11, 2031
Fresh Provision Shop License	11	Hong Kong Food and Environmental Hygiene Department	From December 17, 2026 to 7 July, 2027

ENVIRONMENTAL, SOCIAL RESPONSIBILITY AND GOVERNANCE

ESG Governance

We recognize that ESG factors present both risks and opportunities for our business. Accordingly, we are integrating sustainable development principles into our corporate governance and strategy. We have established a three-tier ESG governance structure. At the decision-making level, the Board of Directors oversees ESG matters, holds at least one meeting annually to review management’s ESG reports, examines ESG goals, policies and strategies, and monitors progress and related disclosures. It also strengthens ESG expertise by engaging external institutions to provide ESG-focused training. At the management level, senior executives drive ESG initiatives by identifying ESG-related risks and opportunities, formulating and assessing management plans, and reporting regularly to the Board. At the operational level, functional departments implement ESG measures in daily operations and report progress and effectiveness to management. In the six months ended June 30, 2026, we invested over RMB3 million to address ESG compliance risks, covering key areas such as food safety testing and store sanitation. Going forward, the related expense ratio is expected to remain relatively stable.

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Materiality, Risks and Opportunities of ESG Issues

We systematically identify and assess material ESG issues. Considering industry trends, business realities, and capital market concerns, we gather input from stakeholders through benchmarking, expert assessments, and surveys. We evaluate issues based on their importance to company development and stakeholder interests, integrating the results into our strategy and planning. Our key issues include (i) food safety and quality control, where inadequate controls may result in regulatory and reputational risks; (ii) responsible supply chain management, including upstream environmental and labor compliance and downstream franchisee standards; (iii) emissions management, given regulatory and public scrutiny over waste and greenhouse gas emissions; and (iv) resource management, as high energy consumption affects costs and efficiency. Addressing these issues supports compliance, operational resilience, and sustainable growth.

Food Safety and Quality Control

We have established a food safety management system covering the entire supply chain. At the policy level, we have formulated a “Food Safety Management Policy,” a “Food Safety Risk Prevention and Management Policy,” and a “Store Food Safety Audit Policy” to clarify management requirements and responsibilities at each link. The system systematically identifies and prevents risks from procurement to sale, and ensures ongoing compliance through regular store inspections. At the quality-inspection level, we have set up a professional food safety testing center equipped with a rapid-testing laboratory that conducts daily spot checks on products in distribution centers, and we collaborate with authoritative institutions to carry out quantitative testing. We have also launched a quality traceability system; consumers can scan a QR code to trace a product’s source and production process, enhancing transparency and trust. In addition, we have built an end-to-end quality-control system covering upstream quality assurance, supplier management, and cold-chain distribution; some distribution centers have obtained ISO 22000 and HACCP certification. We have also established a “Product Recall Management Procedure” to ensure rapid response when problems occur. During the Track Record Period and up to Latest Practicable Date, neither we nor our franchisees have experienced any major product recalls due to food safety issues.

Responsible Supply Chain

We have established a supplier management system that strictly enforces admission, grading, and evaluation procedures. We conduct regular assessments and classify suppliers by product quality, providing corrective guidance to vendors with issues; when necessary, we commission third-party audits. For suppliers who repeatedly present quality problems or commit serious violations, we terminate the cooperation to ensure a standardized and transparent supply chain.

For franchisee management, we have established a Franchisee Management Charter that sets out five core operating principles: honest business conduct, compliant operations, brand-oriented management, standardized operations, and information confidentiality. We have also implemented franchisee credit and rights-protection systems and a new-franchisee admission mechanism. Through a credit-evaluation system, we monitor business conduct to safeguard franchisees’ lawful rights and ensure compliance with brand standards. To strengthen execution and oversight, we provide regular training and guidance to franchisees, including energy-saving education and electricity-management training, and compliance- and ESG-related training, to ensure they understand and abide by the company’s management policies. We also assess operations through on-site inspections and reinforce controls with intelligent ordering systems and video surveillance to reduce product loss, laboratory spot checks and store compliance penalties, and the inclusion of green clauses in contracts to supervise franchisees’ implementation of ESG practices. Through these measures, we work with franchisees to protect brand reputation, achieve mutual benefit, and promote sustainable brand development.

Emissions Management

We strictly comply with applicable environmental laws and regulations, and standardize the management of waste and wastewater to ensure proper disposal. Our operations primarily

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generate household waste and hazardous wastes such as discarded light fixtures and dry batteries; these are stored separately and collected regularly. We systematically promote source reduction by using environmentally friendly cleaning agents, replacing fixtures with energy-saving lighting, and purchasing longer-life batteries to implement green operations. We have set a target that, by 2027, non-hazardous waste emissions will remain broadly stable compared with 2024. In terms of food loss management, we adhere to a “no overnight meat sales” commitment and have built an efficient supply chain. Through order-based planting, digital demand forecasting, and a discount-same-day-clearance model, we achieve precise ordering and next-day zero inventory to maximize product sales. Small amounts of unsold products are donated or processed for resource recovery, creating a waste-reduction closed loop from prevention to disposal and effectively saving resources. The table below sets out the amount of waste emissions of our Company during the Track Record Period:

Metrics	Unit	Year ended December 31,			Six months ended June 30,
		2023	2024	2025	2026
Hazardous waste . Amount of hazardous waste emissions	Tons	0.96	0.77	0.73	0.32
Hazardous waste emission intensity	kg/million in revenue	0.08	0.07	0.06	0.06
Non-hazardous waste . Amount of non-hazardous waste emissions	Tons	13	13	13	6
Non-hazardous waste emission intensity	kg/million in revenue	1.11	1.10	1.12	1.17

Notes: (1) The statistical scope of hazardous waste includes waste lamps and waste dry batteries; and (2) The statistical scope of non-hazardous waste covers domestic waste, including office paper, food waste, waste packaging materials, etc.

Resource Management

We primarily consume electricity and municipal water in our operations, and we are committed to promoting green offices through energy- and water-saving measures. At headquarters and stores we implement a combined intelligent-and-staff electricity management approach, including scheduled controls for air conditioning and lighting, unified meter-setting controls, and encouragement to power down after hours. For water resources, we strengthen equipment inspections, promptly repair leaks, and post water-saving signage in key areas to eliminate continuous running water. To systematically advance resource conservation, we have set a target to reduce electricity and water consumption by 5% by 2027 compared with 2024. We will continue to devote efforts in reducing environmental impact. In 2025, thanks to store network adjustments and energy-saving efforts, electricity and water intensity declined further. The table below sets out the amount of resource consumption of our Company during the Track Record Period:

Metrics	Unit	Year ended December 31,			Six months ended June 30,
		2023	2024	2025	2026
Electricity consumption	kWh	26,434,986	24,941,981	17,453,640	7,825,920
Electricity consumption intensity	kWh/million in revenue	2,250.92	2,115.92	1,538.63	1,536.00
Water consumption	Cubic meter	312,412	296,653	181,870	86,286
Water consumption intensity	Cubic meter/million in revenue	26.60	25.17	16.03	16.94

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Responding to Climate Change

In response to the national “dual-carbon” strategy, we have integrated climate change into our sustainability and financial planning and systematically identify and address related risks. To manage physical risks such as typhoons and heavy rainfall, we have developed extreme-weather emergency plans and adjust store operations and logistics in advance. To address transition risks from low-carbon policies and changing market preferences, we optimize green logistics through a big-data platform to improve routing and increase the share of new-energy vehicles, and we prioritize degradable and recyclable materials for packaging while reducing single-use plastics to meet regulatory requirements and consumer expectations. We have set a target to reduce our greenhouse gas emissions by 5% by 2027 compared with 2024. While managing risks, we will continue to drive a green, low-carbon transition.

The table below sets out the amount of greenhouse gas emissions of our Company during the Track Record Period:

Metrics	Unit	Year ended December 31,			Six months ended June 30,
		2023	2024	2025	2026
Scope 2 greenhouse gas emissions	Tons of CO ₂ equivalent	14,185.01	13,383.87	9,365.62	4,199.39
Scope 2 greenhouse gas emission intensity . . .	Tons of CO ₂ equivalent/ million in revenue	1.21	1.14	0.83	0.82
Scope 3 greenhouse gas emissions (category 14 – Franchises)	Tons of CO ₂ equivalent	80,867.43	94,327.65	75,197.01	47,959.23
Scope 3 greenhouse gas emission intensity (category 14 – Franchises)	Tons of CO ₂ equivalent/ store	28.34	33.11	26.27	16.52

Note:

- (1) Our carbon emissions during operations mainly come from electricity consumption. Electricity consumption in integrated distribution centers, self-operated stores, and office buildings constitutes Scope 2 greenhouse gas emissions; electricity consumption of franchise stores is included in Scope 3 greenhouse gas emissions (category 14 – Franchises). The calculation method for greenhouse gas emissions refers to the Greenhouse Gas Protocol (GHG Protocol) and the Announcement on the Release of 2022 Power Grid Carbon Dioxide Emission Factors issued by the Ministry of Ecology and Environment. The Scope 3 greenhouse gas emission density (category 14 – Franchises) data is derived by dividing the Scope 3 greenhouse gas emissions (category 14 – Franchises) by the average number of franchise stores, where the average number of franchise stores is the average of the number of franchise stores at the beginning and end of the period.

Rural Revitalization and Public Welfare and Charity

We promote rural revitalization through agricultural product branding and collaboration with suppliers. In 2025, we supported over 5,100 farming households, with an average increase in household income of RMB67,400 per household for the year. We also carry out education support, disaster relief, and community initiatives under a regulated external donation framework, and our social responsibility efforts have received multiple external recognitions.

Protection of Employee Rights and Interests

We strictly adhere to relevant laws and regulations such as the Labor Law of the PRC and the Labor Contract Law of the PRC, and have formulated a regional HR operation manual and attendance system to prohibit child labor and any form of forced labor. During the Track Record Period, we did not identify any incidents of child labor or forced labor. We are committed to diversity and equal opportunity, providing a fair and non-discriminatory workplace. We prohibit discrimination and harassment on any protected grounds and support equal employment and career development opportunities for all employees. As of December 31, 2023, 2024, 2025 and June 30, 2026, our total number of employees was 3,133, 2,861, 2,233 and 2,236, respectively, with the proportion of female employees remaining stable at approximately 40%.

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Employee Health and Safety

We strictly comply with the relevant provisions of the Law of the PRC on the Prevention and Control of Occupational Diseases, and are committed to providing a safe and healthy working environment for our employees. We promote employee well-being and workplace safety through mandatory pre-employment and role-specific health checks, annual medical examinations, ongoing health certification for food-handling staff, and psychological support provided by designated HR business partners. During the Track Record Period and up to the Latest Practicable Date, we had no work-related fatalities.

Employee Development and Training

We maintain a structured talent management framework with clear career development pathways and performance-based evaluation and remuneration mechanisms. We support employees’ professional growth through targeted training, skill development incentives, and multi-track career progression paths for frontline staff, management, and senior leadership.

Anti-corruption and Anti-bribery

We comply with applicable PRC laws and regulations and maintain internal anti-corruption policies and controls. We have established whistleblowing and reporting channels with confidentiality and non-retaliation safeguards, and promote a culture of integrity through training and ongoing awareness initiatives across our operations. During the Track Record Period, we conducted three anti-corruption training sessions for Directors and 221 for employees.

EMPLOYEES

As of June 30, 2026, we had a total of 2,236 full-time employees, of which 2,057 were located in Chinese Mainland and 179 were located in Hong Kong and Macau. The following table sets forth the number of employees by business function as of June 30, 2026:

Function	Number	Percentage
		(%)
Supply chain	775	34.7
Store operations and franchisee management	775	34.7
Branding and Marketing	76	3.4
Information technology	205	9.2
Administrative and management	405	18.1
Total	2,236	100.0

We recruited our employees primarily through employment agencies and posting advertisements on recruitment websites during the Track Record Period, and offered competitive remuneration packages to our employees. We enter into standard labor contracts with our employees and incorporate confidentiality and non-compete provisions with key personnel. We offer training for our employees to enhance their understanding of our industry and workplace safety standards, their professional skills and comprehensive performance, and have developed a performance evaluation system to assess the performance of our employees. As of the Latest Practicable Date, our employees were not represented by any labor union. We believe that we generally maintain a good working relationship with our employees, and we did not experience any significant labor disputes or any difficulty in recruiting staff for our operations during the Track Record Period and up to the Latest Practical Date.

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During the Track Record Period, we engaged outsourcing and third-party firms who sent their employees to work in our integrated distribution centers and stores. Unlike our employees who can be deployed across all departments, these outsourced personnel typically perform specific operational tasks, including meat cutting, warehouse operations, packaging, cleaning and logistics-related support. Under our outsourcing agreements, the service providers arrange outsourced personnel to perform specified services in accordance with agreed service standards and personnel requirements. They are responsible for recruiting, employing and managing the outsourced personnel and bearing employer liabilities, while we supervise service performance. Service fees are generally settled on a periodic basis and calculated based on agreed pricing mechanisms such as headcount, service hours or actual service output, and are inclusive of labor costs, management fees, statutory contributions, insurance costs and applicable taxes. The outsourcing agreements are typically entered into for fixed terms, and may be terminated in accordance with the contractual provisions, including for non-performance, non-compliance or business needs. We did not have any employment or labor relationship with the outsourced personnel. 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.

During the Track Record Period, we did not make full contributions to social insurance and housing provident funds for certain employees, 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. See “Risk Factors — Risks Relating to Our Business and Industry — We may be subject to additional contributions of social insurance and housing fund and late payments and fines imposed by relevant governmental authorities.” In 2023, 2024, 2025 and the six months ended June 30, 2026, 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. Pursuant to the relevant PRC laws and regulations, employers that fail to make full contributions to social insurance may be required by the relevant PRC authorities to make the outstanding social insurance contributions within a prescribed period. Such employers may also be subject to a late payment surcharge of 0.05% of the outstanding amount for each day of delay. If the employer fails to make the required payment within the prescribed period, it may further be subject to a fine ranging from one to three times the outstanding contributions. In relation to housing provident fund contributions, where an employer fails to make contributions in full as required, the relevant housing provident fund management center may order the employer to rectify the non-compliance and pay the outstanding amount within a prescribed period. The maximum potential penalty for the social insurance contribution shortfall would be approximately RMB279.7 million. Under the Interpretation, any arrangement to waive the full contributions of social insurance would be deemed invalid and the employee is entitled to terminate the employment contract and seek economic compensation. With respect to a failure to pay the full amount of housing provident fund as required, the housing provident fund management center in China may require payment of the outstanding amount within a prescribed period. If the payment is not made within such time limit, an application may be made to the PRC courts for compulsory enforcement. As a result, 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.

In addition, in 2023 and January 2024, we engaged third-party human resources agencies to make social insurance and housing provident fund contributions for certain employees. Such arrangements were primarily adopted because our employees were geographically dispersed and we had not established branch offices or subsidiaries in certain locations where such employees were based. Since February 2024, we ceased the use of third-party agencies for making social insurance and housing provident fund contributions, and the relevant contributions have been made directly by us.

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Our Directors believe, and our PRC Legal Advisor concurs, that the aforementioned issues would not have a material and adverse effect on our business and results of operations, considering that (i) during the Track Record Period and up to the Latest Practicable Date, we had not received any administrative penalty, rectification order imposed by competent authorities in PRC relating to social insurance and housing provident funds, or any material complaint from our employees concerning their payment of social insurance and housing provident funds; and (ii) proper provisions have been made in light of the circumstances. Based on the foresaid (i) and (ii), and assuming that (a) there is no material change to current PRC laws and regulations and the practice in policy implementation and inspection of local governments in connection with the aforementioned issue, and (b) if we make contributions to social insurance and housing provident funds upon the requests from competent authorities in a timely manner, our PRC Legal Advisor is of the view that, the likelihood that we will be subject to a material administrative penalty by the relevant competent social insurance and housing provident fund authorities is remote. In addition, as advised by our PRC Legal Advisor, the Interpretation will not have a material adverse effect on our business, financial condition or results of operations, taking into account that: (i) the Interpretation does not change the existing legal framework on social insurance and housing provident fund contributions; (ii) it does not create any new basis for reassessing contribution shortfalls or impose heightened penalties; and (iii) it did not affect our compliance status with respect to social insurance contributions during the Track Record Period, nor did it give rise to any additional potential risks associated with historical shortfall.

We have taken internal control rectification measures to prevent future occurrences of such non-compliance. We have enhanced our human resources policies, which explicitly require social insurance and housing provident fund contributions to be made in full in accordance with applicable local requirements. We have designated our human resources department to review and monitor the reporting and contributions of social insurance and housing provident fund on a regular basis in order to ensure that we have made these payments for our employees in compliance with the applicable laws and regulations or in a manner as required by the relevant government authorities. The designated human resources personnel shall prepare the written records of the relevant payments on a monthly basis and submit the same to the heads of our human resources and finance departments for review. We will keep abreast of latest developments in PRC laws and regulations in relation to social insurance and housing provident funds. We will strengthen legal compliance training to our employees to increase their awareness of the relevant PRC laws and regulations and encourage their cooperation in making payments for social insurance and housing provident funds. We will consult our PRC legal counsel on a regular basis for advice on relevant PRC laws and regulations to keep us abreast of relevant regulatory developments.

Going forward, we will continue to implement the above measures to ensure compliance with the social insurance and housing provident fund contribution requirements under applicable laws and regulations. We plan to gradually rectify such non-compliance and make full contributions to social insurance and housing provident funds. We started rectification efforts in June 2026. We undertake to fully comply with such laws and regulations and the Interpretation as soon as practicable, subject to the cooperation of our employees in making full contributions to social insurance and housing provident funds on an ongoing basis. If the relevant authorities require us to make full contributions to social insurance and/or housing provident funds, or cease using third-party agencies for social insurance and housing provident provisions, we will complete such contributions and implement the necessary rectification measures within the prescribed period. In addition, we will proactively communicate with relevant local authorities to remain informed of applicable laws and regulations relating to social insurance and housing provident funds. We will also communicate such updates to our employees to enhance their understanding of the relevant regulatory requirements and further strengthen our compliance with applicable laws and regulations.

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LEGAL PROCEEDINGS AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, as advised by our PRC Legal Adviser, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us that could, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations. During the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations. Our Directors are of the view that, and our PRC Legal Adviser concurs, that we had complied, in all material respects, with all relevant laws and regulations in the PRC during the Track Record Period and up to the Latest Practicable Date.

AWARDS AND RECOGNITIONS

We have received various honors and awards. The following table sets out our major awards during the Track Record Period:

Year	Award/recognition	Awarding body
2026	Top 100 Chain Enterprises in China	China Chain Store & Franchise Association
2026	Top 300 Franchise Enterprises in China	China Chain Store & Franchise Association
2025	High and New Technology Enterprise	Department of Science and Technology of Guangdong Province
2025	Top 500 Service Industry Enterprises in China	China Enterprise Confederation, China Enterprise Directors Association
2025	Key Leading Agricultural Enterprise of Guangdong Province	Guangdong Provincial Department of Agriculture and Rural Affairs
2025	Top 100 Private Enterprises in Guangdong Province	Guangdong Federation of Industry and Commerce
2025	Top 50 Private Service Industry Enterprises in Guangdong Province	Guangdong Federation of Industry and Commerce
2024	Grain Emergency Support Enterprises of Guangdong Province	Shenzhen Development and Reform Commission
2024	Top 100 Chinese Supermarkets	China Chain Store & Franchise Association
2024	Model Case of Developing Business with Integrity in Guangdong Province in 2024	Guangdong Provincial Department of Commerce
2023	Leading Enterprise in Agricultural Industry in Guangdong Province	Guangdong Provincial Department of Agriculture and Rural Affairs
2023	Model Case of Developing Business with Integrity in Guangdong Province in 2023	Guangdong Provincial Department of Commerce
2023	Top 500 Global Unicorn Companies in 2022	Global Unicorn 500 Evaluation Committee
2023	Key Production Enterprises for Ensuring Stable Production and Supply of Local Agricultural Products in Guangzhou	Guangzhou Agriculture and Rural Affairs Bureau
2023	2023 Responsible Enterprise Award	The Sixth Social Responsibility Conference