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Application Proof of



Qdama International Holding Ltd.

钱大妈国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

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Qdama International Holding Ltd.
钱大妈国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

Number of [REDACTED] under the [REDACTED] : [REDACTED] Shares (subject to the [REDACTED])
Number of Hong Kong [REDACTED] : [REDACTED] Shares (subject to [REDACTED])
Number of International [REDACTED] : [REDACTED] Shares (subject to [REDACTED] and the [REDACTED])
Maximum [REDACTED] : HK\$[REDACTED] per [REDACTED] plus brokerage of 1.0%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565% (payable in full on application, subject to refund)
Nominal value : US\$0.00001 per Share
[REDACTED] : [REDACTED]

*Joint Sponsors, [REDACTED], [REDACTED]
[REDACTED] and [REDACTED]*



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Applicants for Hong Kong [REDACTED] may be required to pay, on application (subject to application channels), the maximum [REDACTED] of HK\$[REDACTED] for each Hong Kong [REDACTED] together with a brokerage fee of 1.0%, an SFC transaction levy of 0.0027%, an AFRC transaction levy of 0.00015% and the Stock Exchange trading fee of 0.00565%, subject to refund if the [REDACTED] as finally determined is less than HK\$[REDACTED].

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this document, including the risk factors set out in “Risk Factors” in this document. The obligations of the [REDACTED] under the [REDACTED] are subject to termination by the [REDACTED] (for themselves and on behalf of the [REDACTED]) if certain grounds arise prior to 8:00 a.m. on the [REDACTED]. See “[REDACTED] — Grounds for Termination” of this document.

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[REDACTED]

[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you. You should read the whole [REDACTED] before you decide to invest in the [REDACTED]. There are risks associated with any investment. Some of the particular risks in investing in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully in full before you decide to invest in the [REDACTED].

OVERVIEW

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

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

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

OUR STRENGTHS

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

OUR STRATEGIES

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

SUMMARY

OUR PRODUCT OFFERINGS

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

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

Notes:

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

See “Business — Our Product Offerings.”

OUR SALES NETWORK

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

SUMMARY

OUR SUPPLY CHAIN INFRASTRUCTURE

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

CUSTOMERS AND SUPPLIERS

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

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

OUR DIGITALIZATION

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

COMPETITION

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

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

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

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

Consolidated Statements of Comprehensive Income

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

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

Non-HKFRS Financial Measure

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

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

Notes:

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

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

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

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

Revenue by Business Segment

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

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

Notes:

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

SUMMARY

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

Revenue by Sales Channel

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

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

Notes:

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

Cost of Sales

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

Gross Profit and Gross Profit Margin by Business Segment

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

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

Note:

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

SUMMARY

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

Consolidated Statements of Financial Position

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

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

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

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

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

SUMMARY

Consolidated Statements of Cash Flows

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

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

KEY FINANCIAL RATIOS

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

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

RISK FACTORS

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

[REDACTED]

SUMMARY

[REDACTED]

OUR CONTROLLING SHAREHOLDERS

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

PRE-[REDACTED] INVESTMENTS

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

USE OF [REDACTED]

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

[REDACTED]

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

Notes:

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

SUMMARY

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

DIVIDENDS AND DIVIDEND POLICY

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

[REDACTED]

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

RECENT DEVELOPMENT AND NO MATERIAL ADVERSE CHANGE

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

DEFINITIONS

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

“Accountant’s Report”	the accountant’s report of the Company, the text of which is set out in Appendix I to this document
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles” or “Articles of Association”	the articles of association of the Company with effect upon the [REDACTED], a summary of which is set out in Appendix III to this document
“Audit Committee”	the audit committee of the Board
“Board” or “Board of Directors”	the board of Directors of the Company
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	British Virgin Islands

[REDACTED]

“China”, “Chinese Mainland” or “the PRC”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this document only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“CIC”	China Insights Industry Consultancy Limited, an independent market research and consulting company
“CIC Report”	an independent market research report commissioned by us and prepared by CIC for the purposes of this document
“Circular 37”	the Notice of the SAFE on Issues Concerning Foreign Exchange Administration of the Overseas Investment and Financing and the Round-Tripping Investment Made by Domestic Residents through Special-Purpose Companies (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》)

DEFINITIONS

“Companies Act” or “Cayman Companies Act”	the Companies Act (Revised) of the Cayman Islands, as amended or supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	Qdama International Holding Ltd. (錢大媽國際控股有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands on May 12, 2021
“Compliance Advisor”	Red Solar Capital Limited
“Controlling Shareholders”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Ms. Feng, FWH Holding Ltd., Feng WH, WH Feng Ltd. and Qdama Talent
“Corporate Governance Code”	the Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	the director(s) of the Company
“Dongguan Qdama Agricultural Products”	Dongguan Qdama Agricultural Products Co., Ltd. (東莞市錢大媽農產品有限公司), a limited liability company incorporated under the laws of the PRC on October 12, 2016 and a wholly-owned subsidiary of the Company
“EIT”	enterprise income tax
“EIT Law”	the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》)
“ESG”	Environmental, Social and Governance
	[REDACTED]
“Extreme Conditions”	extreme conditions as announced by the government of Hong Kong in the case where a super typhoon or other natural disaster of a substantial scale serious affects the working public’s ability to resume work or brings safely concern for a prolonged period
“Feng WH”	Feng WH Ltd. (formerly known as JS Feng Ltd.), a limited liability company incorporated under the laws of BVI indirectly wholly owned by Ms. Feng, one of our Controlling Shareholders

DEFINITIONS

[REDACTED]

“FWH Holding Ltd.”	FWH Holding Ltd., a limited liability company incorporated under the laws of BVI wholly owned by Ms. Feng, one of our Controlling Shareholders
“Gaorong QDM Holding”	Gaorong QDM Holding Limited, a limited partnership incorporated in the BVI, as a designated offshore investment holding entity of Xizang Rongan, one of our Pre-[REDACTED] investors
“Generation Alpha”	Generation Alpha Investment Ltd., a limited partnership incorporated in the BVI, one of our Pre-[REDACTED] investors
“Generation Alpha Omega”	Generation Alpha Omega Investment Ltd., a limited partnership incorporated in the BVI, one of our Pre-[REDACTED] investors

[REDACTED]

“Group”	the Company and its subsidiaries, or any one of them as the context may require, and where the context requires, the businesses operated by the Company and/or its subsidiaries and their predecessors (if any)
“Guangzhou Caiba”	Guangzhou Caiba Technology Co., Ltd. (廣州市菜吧科技有限公司), a limited liability company established in the PRC, one of our subsidiaries
“Guangzhou Hezhi Fresh”	Guangzhou Hezhi Fresh Enterprise Management Center (Limited Partnership) (廣州和智鮮生企業管理中心(有限合夥)), a limited partnership established in the PRC, one of our Pre-[REDACTED] investors
“Guangdong Qiantu”	Guangdong Qiantu Investment Holding Co., Ltd. (廣東錢途投資控股有限公司), a limited liability company established in the PRC, one of our subsidiaries
“Guangzhou Qdama”	Guangzhou Qdama Agricultural Products Company Limited (廣州市錢大媽農產品有限公司), a limited liability company incorporated under the laws of the PRC on May 16, 2014 and a wholly-owned subsidiary of the Company
“Guangzhou Qdama Supply Chain”	Guangzhou Qdama Supply Chain Co., Ltd. (廣州市錢大媽供應鏈有限公司), a limited liability company incorporated under the laws of the PRC on February 12, 2020 and a wholly-owned subsidiary of the Company

DEFINITIONS

“Guangzhou Qinghe”	Guangzhou Qinghe Zhiyun Technology Co., Ltd. (廣州青禾智雲科技有限公司), a limited liability company established in the PRC, one of our subsidiaries
“Guangzhou Zhuixian”	Guangzhou Zhuixian Food Co., Ltd. (廣州市追鮮食品有限公司), a limited liability company established in the PRC, one of our subsidiaries
“Guide” or “Guide for New Listing Applicants”	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Hehong Zhiyi”	Ningbo Meishan Bonded Port Area Hehong Zhiyi Investment Partnership (Limited Partnership) (寧波梅山保税港區和宏致益投資合夥企業(有限合夥)), a limited partnership established in the PRC, and the holding entity of HHZY Holding
“Hezhi Fresh Food (Shenzhen)”	Hezhi Fresh Food (Shenzhen) Enterprise Chain Management Partnership Enterprise (Limited Partnership) (和智鮮食(深圳)企業連鎖管理合夥企業(有限合夥)), a limited partnership established in the PRC, one of our Pre-[REDACTED] investors
“HHZY Holding”	HHZY Holding Limited, a limited partnership incorporated in the BVI, as a designated offshore investment holding entity of Hehong Zhiyi, one of our Pre-[REDACTED] investors
“HJHY Holding”	HJHY Holding Limited, a limited partnership incorporated in the BVI, as a designated offshore investment holding entity of Suzhou Huiyi, one of our Pre-[REDACTED] investors
“HJRY Holding”	HJRY Holding Limited, a limited partnership incorporated in the BVI, as a designated offshore investment holding entity of Suzhou Rongyi, one of our Pre-[REDACTED] investors

[REDACTED]

“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants

[REDACTED]

DEFINITIONS

[REDACTED]

“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”, “HK\$” or “HKD”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

[REDACTED]

“Hong Kong Qdama Fresh”	Hong Kong Qdama Fresh Foods Chain Store Co., Limited (香港錢大媽生鮮食品連鎖有限公司), a limited liability company incorporated under the laws of Hong Kong on February 27, 2019 and a wholly-owned subsidiary of the Company
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

DEFINITIONS

“Hong Kong Takeovers Code” or “Takeovers Code” the Codes on Takeovers and Mergers and Share Buybacks issued by the SFC, as amended, supplemented or otherwise modified from time to time

[REDACTED]

“Huixing Limited” Huixing Limited, a limited liability company incorporated under the laws of BVI, one of our Pre-[REDACTED] investors

“Immensus Capital” Immensus Capital China PE Fund II LP – SPV I, a limited partnership incorporated in the Cayman Islands, one of our Pre-[REDACTED] investors

“Independent Third Party(ies)” any person(s) or entity(ies) who is not a connected person of the Company within the meaning of the Listing Rules

[REDACTED]

DEFINITIONS

“JG Queens”	JG Queens Holding Limited, a limited partnership incorporated in the BVI, one of our Pre-[REDACTED] investors
“Jiaxing Hanyuan”	Jiaxing Hanyuan Equity Investment Partnership (Limited Partnership) (嘉興瀚源股權投資合夥企業(有限合夥)), a limited partnership incorporated in the PRC, and the holding entity of Lighthouse
[REDACTED]	
“Joint Sponsors” and “Sponsor [REDACTED]”	the joint sponsors and the sponsor-[REDACTED] as named in “Directors and Parties Involved in the [REDACTED]”
“Latest Practicable Date”	August 14, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication
“Lighthouse”	Lighthouse Gotrays Limited, a limited partnership incorporated in the BVI, as a designated offshore investment holding entity of Jiaxing Hanyuan, one of our Pre-[REDACTED] investors
“Linghui CoStone”	Shenzhen Linghui Cornerstone Equity Investment Fund Partnership (Limited Partnership) (深圳市領匯基石股權投資基金合夥企業(有限合夥)), a limited partnership incorporated in the PRC, one of our Pre-[REDACTED] investors
“Lingyu CoStone”	SHENZHEN LINGYU CO-STONE PRIVATE EQUITY PARTNERSHIP (LIMITED PARTNERSHIP) (深圳市領譽基石股權投資基金合夥企業(有限合夥)), a limited partnership incorporated in the PRC, one of our Pre-[REDACTED] investors
[REDACTED]	
“Listing Rules” or “Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock exchange (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange

DEFINITIONS

“Memorandum” or “Memorandum of Association”	the memorandum of association of our Company, with effect from the [REDACTED], a summary of which is set out in Appendix III to this document
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM” or “Ministry of Commerce”	the Ministry of Commerce of the PRC (中華人民共和國商務部) (formerly known as the Ministry of Foreign Trade and Economic Cooperation of the PRC (中華人民共和國對外經濟貿易部))
“MOP”	Macau Pataca, the lawful currency of Macau
“Mr. Feng”	FENG Jisheng (馮冀生), our founder and former director of our Company
“Ms. Feng”	FENG Weihua (馮衛華), our founder, chairperson of the Board, executive Director and chief executive officer of our Company and one of our Controlling Shareholders
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of the Board

[REDACTED]

“Ordinary Shares” or “Share(s)”	ordinary share(s) in the share capital our Company, with a par value of US\$0.00001 each

[REDACTED]

“Overseas Listing Trial Measures”	The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies and five supporting guidelines (《境內企業境外發行證券和上市管理試行辦法》及五項配套指引) promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023

DEFINITIONS

“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the People’s Republic of China (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisor”	Jingtian & Gongcheng, the PRC legal advisor to the Company
“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company undertaken by the Pre-[REDACTED] Investors prior to this [REDACTED], the details of which are set out in “History, Reorganization, and Corporate Structure — Pre-[REDACTED] Investments”
“Pre-[REDACTED] Investor(s)”	the Pre-[REDACTED] investor(s) of our Company, details of which are set out in “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments”
“Preferred Share(s)”	Series A Preferred Shares, Series B Preferred Sharers, Series B+ Preferred Shares, Series C Preferred Shares, Series D Preferred Shares, Series E Preferred Shares, Series Pre-A Preferred Shares

[REDACTED]

“province”	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
“Qdama BVI”	Qdama International Investment Holding Ltd., a limited liability company incorporated in the BVI on 20 May 2021 and a wholly-owned subsidiary of the Company
“Qdama HK”	Qdama (Hong Kong) Investment Holding Limited, a limited liability company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company

DEFINITIONS

“Qdama Talent” or “ESOP Platform”	Qdama Talent Holding Limited, a limited liability company incorporated in the BVI, a platform holding the underlying incentive Shares under the Pre-[REDACTED] Share Incentive Scheme, which is wholly owned by TMF Trust (HK) Limited (as trustee of QDM Employee Trust, which was established by the Company as the settlor for the purposes of the Pre-[REDACTED] Share Incentive Scheme), one of our Controlling Shareholders
	[REDACTED]
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	the remuneration committee of the Board
“Reorganization”	the offshore and onshore reorganization as set out in section headed “History, Reorganization and Corporate Structure — Reorganization” in this document
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局)
“SASAC”	State-owned Assets Supervision and Administration Commission (國有資產監督管理委員會)
“Securities and Futures Commission” or “SFC”	the Securities and Futures Commission of Hong Kong
“Series A Preferred Shares”	the series A preferred shares of our Company, with a par value of US\$0.00001 each
“Series B Preferred Shares”	the series B preferred shares of our Company, with a par value of US\$0.00001 each
“Series B+ Preferred Shares”	the series B+ preferred shares of our Company, with a par value of US\$0.00001 each
“Series C Preferred Shares”	the series C preferred shares of our Company, with a par value of US\$0.00001 each
“Series D Preferred Shares”	the series D preferred shares of our Company, with a par value of US\$0.00001 each
“Series E Preferred Shares”	the series E preferred shares of our Company, with a par value of US\$0.00001 each
“Series Pre-A Preferred Shares”	the series Pre-A preferred shares of our Company, with a par value of US\$0.00001 each

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Qdama Agricultural Products”	Shanghai Qdama Agricultural Products Co., Ltd. (上海市錢大媽農產品有限公司), a limited liability company incorporated under the laws of the PRC on March 22, 2019 and a wholly-owned subsidiary of the Company
“Shanghai Shangshi”	Shanghai Shangshi Hongzhang Investment Center (Limited Partnership) (上海尚時弘章投資中心(有限合夥)), a limited partnership established in the PRC, and the holding entity of Super Fresh
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Hanyuan”	Shenzhen Hanyuan Investment Center (Limited Partnership) (深圳瀚源投資中心(有限合夥)), a limited partnership incorporated in the PRC, one of our Pre-[REDACTED] investors
“Shenzhen Jiangu”	Shenzhen Jiangu Equity Investment Fund Enterprise (Limited Partnership) (深圳兼固股權投資基金企業(有限合夥)), a limited partnership established in the PRC, and the holding entity of JG Queens
“Shenzhen Qdama Agricultural Products”	Shenzhen Qdama Agricultural Products Co., Ltd. (深圳市錢大媽農產品有限公司), a limited liability company incorporated under the laws of the PRC on December 2, 2013 and a wholly-owned subsidiary of the Company
“Shenzhen Rongxiang”	Shenzhen Rongxiang Consulting Partnership (Limited Partnership) (深圳榕祥諮詢合夥企業(有限合夥)), a limited partnership established in the PRC, and the holding entity of Gaorong QDM Holding
“STA”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Super Fresh”	Super Fresh Ltd., a limited partnership incorporated in the BVI, as a designated offshore investment holding entity of Shanghai Shangshi, one of our Pre-[REDACTED] investors
“Suzhou Huiyi”	Suzhou Heju Huiyi Investment Partnership (Limited Partnership) (蘇州和聚匯益投資合夥企業(有限合夥)), a limited partnership incorporated in the BVI, and the holding entity of HJHY Holding

DEFINITIONS

“Suzhou Rongyi”	Suzhou Heju Rongyi Investment Partnership (Limited Partnership) (蘇州和聚融益投資合夥企業(有限合夥)), a limited partnership incorporated in the BVI, and the holding entity of HJRY Holding
“Taikang Life Insurance”	Taikang Life Insurance Co., Ltd. (泰康人壽保險有限責任公司), a limited liability company incorporated in the PRC, one of our Pre-[REDACTED] investors
“Track Record Period”	the financial years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026
[REDACTED]	
“United States” or “U.S.”	the United States of America, its territories and possessions, any State of the United States, and the District of Columbia
“U.S. dollar(s)”, “US\$” or “USD”	United States dollar, the lawful currency of the United States
“U.S. persons”	U.S. persons as defined in Regulation S
“U.S. Securities Act”	the U.S. Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“VAT”	value-added tax
“WH Feng Ltd.”	WH Feng Ltd., a limited company incorporated under the laws of BVI on 29 April 2021 and indirectly wholly owned by Ms. Feng, one of our Controlling Shareholders.
“Xizang Rongan”	Xizang Rongan Growth Investment Center (Limited Partnership) (西藏榕安成長投資中心(有限合夥)), a limited partnership established in the PRC, and the holding entity of Gaorong QDM Holding
“%”	per cent

In this document, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” “subsidiary,” “substantial shareholder” and “treasury shares” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

GLOSSARY OF TECHNICAL TERMS

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

“3R”	ready-to-eat, ready-to-cook and ready-to-heat products that are designed for convenient consumption
“App”	applications on smart mobile devices
“CAGR”	compound annual growth rate
“cold-chain”	a temperature-controlled supply chain infrastructure comprising refrigerated warehousing and logistics facilities supported by equipment that can constantly maintain the required low-temperature range
“D&C Model”	end of the day discount and clearance model, an operational pricing model under which perishable products are discounted or cleared at the end of the day to improve turnover
“Digital Operation Platform”	a digital platform that connects the headquarters directly with all franchise stores, integrating ordering, sales, store level inventory and pricing data
“ERP system”	enterprise resource planning system, an integrated software platform that enables an organization to manage and automate core business processes such as finance, procurement, inventory, production, and human resources through a unified database and standardized workflows
“GFA”	gross floor area
“GMO”	genetically modified organism, whose genetic material has been altered using genetic engineering techniques
“GMV”	gross merchandise value
“HACCP”	Hazard Analysis and Critical Control Points, a systematic approach to food safety that identifies, evaluates, and controls potential hazards throughout the food production process
“integrated distribution center”	distribution center that integrates sorting and processing functions
“IT”	information technology
“kg”	kilogram

GLOSSARY OF TECHNICAL TERMS

“KOL”	key opinion leader, an individual influencer with recognized expertise, credibility, or a substantial following in a particular field who can influence consumer perceptions and purchasing decisions through content creation and recommendations
“lean-meat yield”	the proportion of usable lean meat obtained from a carcass relative to its total weight
“MCN agency”	multi-channel network agency, an organization that manages and supports multiple content creators or influencers by providing services such as talent management, content production, marketing, brand partnerships, and monetization opportunities
“municipalities”	Beijing, Tianjin, Shanghai and Chongqing
“POS”	a retail management system for points of sales
“R&D”	research and development
“ready-to-cook” or “RTC”	semi-finished ingredients that are pre-cut, seasoned and mixed, or even deep-processed (i.e. fried or grilled), ready for cooking
“ready-to-eat” or “RTE”	pre-prepared and packaged foods ready for consumption without further preparation or cooking
“ready-to-heat” or “RTH”	pre-prepared foods that are already cooked and need only heating by microwave, oven, boiling, steaming, etc. before consuming
“SPU”	standard product unit
“sq.m.”	square meter
“SRM system”	supplier relationship management system, a digital platform that helps organizations manage supplier information, sourcing, performance, and collaboration to improve procurement efficiency and supply chain effectiveness
“TMS system”	transportation management system, a digital system used to plan, execute, and optimize the transportation of goods, including route planning, carrier management and freight settlement
“WMS system”	warehouse management system, a software system that manages and optimizes warehouse operations such as inventory tracking, picking, packing and inbound and outbound logistics

FORWARD-LOOKING STATEMENTS

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

- general political and economic conditions, including those related to the PRC, Hong Kong and Macau;
- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business operations and prospects;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- various business opportunities that we may pursue; and
- changes or volatility in interest rates, foreign exchange rates, equity prices or other rates or prices, including those pertaining to the PRC, Hong Kong and Macau and the industry and markets in which we operate.

Additional factors that could cause actual performance or achievements to differ materially include, but are not limited to, those discussed in “Risk Factors” and elsewhere in this document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management’s view only as of the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

RISK FACTORS

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

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

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

We face intense competition in the markets in which we operate. Failure to compete effectively could materially and adversely affect our customer base, market share and profitability.

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

Growth of our business depends on our brand, and any failure to maintain, protect and enhance our brand could materially and adversely affect our business prospects and results of operations.

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

RISK FACTORS

Growth of our business depends on our ability to attract and retain a large community of consumers, and any failure to meet the evolving demand and preference of consumers or maintain superior consumer experience could materially and adversely affect our brand reputation, business prospects and results of operations.

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

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

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

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

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

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

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

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

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

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

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

Moreover, we operate in a highly competitive community based fresh product retail industry that is generally characterized by relatively low profit margins. As a result, our profitability is sensitive to changes in procurement costs, logistics expenses, labor costs and other operating expenses. Even relatively small fluctuations in the prices of fresh products or increases in operating costs may have a disproportionate impact on our margins and results of operations. Given our low margin business model, our ability to absorb cost increases without materially affecting our profitability is limited, especially during periods of heightened competition or weakened consumer demand. If adverse market conditions, including rising input costs, intensified price competition or reduced order volumes from franchisees, persist for an extended period, our results of operations, financial condition and prospects could be materially and adversely affected.

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

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

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

Purchases from our five largest suppliers in each year/period of the Track Record Period amounted to RMB1,043.8 million, RMB1,139.4 million, RMB1,217.8 million and

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RMB500.3 million, respectively, representing 14.4%, 11.1%, 12.2% and 11.5% of our total purchases for the same periods. In addition, purchases from our largest supplier in each year of the Track Record Period amounted to RMB256.9 million, RMB303.6 million, RMB311.1 million and RMB133.6 million, respectively, representing 3.5%, 3.0%, 3.1% and 3.1% of our total purchases for the same periods. We cannot guarantee that we will maintain good and stable relationships with our suppliers. If any of our suppliers do not perform adequately or otherwise fail to distribute quality products to us in a timely manner due to deteriorated relationships with us or insufficient production capacity, we cannot guarantee that we will be able to secure alternative suppliers on commercially acceptable terms in a timely manner, or at all. Any failure to do so could increase our procurement costs and could cause shortages of products, which will further lead to the shortages of our products and may cause us to replace certain products with others that may affect the tastes of our products. In addition, the productivity of our suppliers may also be negatively affected by labor shortages, unexpected mechanical failures, utility shortages or outage, fire, acts of God or other calamities of our suppliers, which would render our suppliers unable to maintain their supply at the same or a similar level of product quality and quantity in the future. Any significant changes to the tastes of our products for a prolonged period could result in a significant reduction in revenue during the time affected by the shortage and could adversely affect our business and results of operations.

We face risks associated with our operation outside Chinese Mainland.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

We may not be successful in promoting our promotion programs.

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

Our results of operations are affected by seasonal fluctuations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Digital transformation is important to our operations and rapid expansion. Since establishing our internal technology function in 2015, we have developed in-house digital capabilities that cover the entire business chain, from consumer engagement to supply-chain management and store operations, which significantly enhance our operational efficiency and data visibility. See “Business — Our Digitalization.” Our research and development expenses amounted to RMB19.5 million, RMB16.4 million, RMB11.3 million, RMB6.3 million and RMB5.3 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively. We cannot assure you that our investment in developing IT systems could produce the expected outcomes, in which case our management capabilities, results of operations and prospects may be adversely affected. In addition, we offer a wide range of products with high quality and competitive prices, carefully sourced from our suppliers, making us a preferred destination for household kitchen and meal needs. Therefore, we are committed to broadening our SPUs to meet evolving customer needs. As of June 30, 2026, we had a total of 766 SPUs. However, we cannot guarantee that we can successfully further enrich our product portfolio even though we invest in our development efforts, in which case our business prospects and results of operations may be adversely affected.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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RISKS RELATING TO DOING BUSINESS IN THE JURISDICTIONS WHERE WE OPERATE

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

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

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

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

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

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

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

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

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

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

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

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

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

We are an exempted company incorporated in the Cayman Islands, and all of our assets and subsidiaries are located in Chinese Mainland. The majority of our Directors and senior management reside in Chinese Mainland. Judgments rendered by Hong Kong courts may be recognized and enforced in Chinese Mainland if the requirements set forth by the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) are met. Nonetheless, it may be difficult for you to effect service of process within Hong Kong upon us or these persons, or to bring an action in Hong Kong against us or against these individuals in the event that you believe that your rights have been infringed under the applicable securities laws or otherwise. In addition, it may be difficult for you to bring an original action against us or our resident officers and directors in Chinese Mainland in a court of Chinese Mainland based on the liability provisions of non-Chinese Mainland securities laws. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of regions where we operate may render you difficult to enforce a judgment against our assets or the assets of our Directors and officers. Although we will be subject to the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong upon the [REDACTED] of our Shares on the Stock Exchange, the holders of the Shares will not be able to bring actions on the basis of violations of the Listing Rules and must rely on the Stock Exchange to enforce its rules. The Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong do not have the force of law in Hong Kong.

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

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

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

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

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

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

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

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

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

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

RISKS RELATING TO THE [REDACTED]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This document, particularly the section headed “Industry Overview,” contains information and statistics relating to the community-based fresh product chain industry in China. Such information and statistics have been derived from various official government and other publications and from a third-party report commissioned by us. We believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, we cannot guarantee the quality or reliability of information from official government sources. The information from official government sources has not been independently verified by the Company, the Joint Sponsors, any of our or their respective directors, officers or representatives or any other person involved in the [REDACTED] and no representation is given as to its accuracy. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as or consistent with similar statistics presented elsewhere or similar metrics we used, and such information may not be complete or up-to-date. In any event, you should consider carefully the importance placed on such information or statistics.

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

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

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

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

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

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

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the [REDACTED], the Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules provides that a new applicant for [REDACTED] on the Stock Exchange must have a sufficient management presence in Hong Kong and, under normal circumstances, at least two of the new applicant’s executive directors must be ordinarily resident in Hong Kong.

The Company’s headquarters are based, and most of the business operations of the Group, are managed and conducted in the PRC. The executive Directors ordinarily reside in the PRC, as the Board believes it would be more effective and efficient for the executive Directors to be based in a location where the Group’s substantial operations are located. As such, the Company does not and, in the foreseeable future, will not be able to comply with the requirements of Rule 8.12 of the Listing Rules for sufficient management presence in Hong Kong.

Accordingly, the Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules, provided that the Company implements the following arrangements:

- (i) the Company has appointed Ms. Feng and Mr. Wong Keith Shing Cheung (王承鐸先生) (“**Mr. Wong**”) as the authorized representatives of the Company (the “**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will serve as the Company’s principal channel of communication with the Stock Exchange. They can be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange and will also be available to meet with the Stock Exchange to discuss any matters on short notice. The contact details of the Authorized Representatives have been provided to the Stock Exchange;
- (ii) all the Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including office phone numbers, mobile phone numbers and email addresses (if any), to the Authorized Representatives and to the Stock Exchange, so that each of the Authorized Representatives and the Stock Exchange would be able to contact all the Directors (including the independent non-executive Directors) promptly at all times if and when the Stock Exchange wishes to contact the Directors;
- (iii) the Company has appointed Red Solar Capital Limited as its Compliance Advisor for the period commencing on the [REDACTED] and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of the Company’s financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will act as the Company’s additional and alternative channel of communication with the Stock Exchange, and its representatives will be readily available to answer enquiries from the Stock Exchange; and
- (iv) the Company has appointed designated staff members as the responsible communication officers at the Company’s headquarters to oversee regular communication with the Authorized Representatives and the Company’s professional advisors in Hong Kong, including its legal advisors and the Compliance Advisor, keep abreast of any correspondence and/or inquiries from the Stock Exchange and report to the executive Directors, streamlining communication between the Stock Exchange and the Company following the [REDACTED].

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the Stock Exchange, capable of discharging the functions of the company secretary. Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (i) length of employment with the issuer and other issuers and the roles he played;
- (ii) familiarity with the Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

The Company has appointed Ms. Li Zhihong (“**Ms. Li**”) as one of the joint company secretaries. Ms. Li joined the Group in August 2022. She currently also holds the position of head of investment and financing of our Group. See “Directors and Senior Management” in this document for further biographical details of Ms. Li. Although Ms. Li does not possess the qualifications set out in Rule 3.28 of the Listing Rules, the Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have Ms. Li as its joint company secretary who is familiar with the Group’s internal operation and management and possesses professional knowledge and experience in handling corporate governance and compliance, legal affairs and public relationship related matters. The Company has also appointed Mr. Wong to act as the other joint company secretary to assist Ms. Li in discharging the duties of a company secretary of the Company. Mr. Wong is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and is therefore qualified under Rule 3.28 of the Listing Rules to act as a joint company secretary of the Company. He is also a member of Hong Kong Institute of Certified Public Accountants. See “Directors and Senior Management” for further biographical details of Mr. Wong.

Since Ms. Li does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Listing Rules, the Company has applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules for a period of three years since the [REDACTED] on the following conditions: (i) Ms. Li must be assisted by Mr. Wong who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver will be revoked in the event of a material breach of the Listing Rules by the Company.

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In support of the waiver application, the Company has adopted, or will adopt the following arrangements:

- (i) in preparation for the application for the [REDACTED], Ms. Li has attended training on the respective obligations of the Directors, senior management and the Company under the relevant Hong Kong laws and the Listing Rules organized by the Hong Kong legal advisors to the Company;
- (ii) Mr. Wong will work closely with Ms. Li to jointly discharge the duties and responsibilities as the joint company secretaries and to assist Ms. Li in acquiring the relevant experience as required under the Listing Rules for an initial period of three years from the [REDACTED], a period which should be sufficient for Ms. Li to acquire the relevant experience as required under the Listing Rules;
- (iii) the Company will ensure that Ms. Li continues to have access to the relevant training and support in relation to the Listing Rules and the duties required for a company secretary of an issuer [REDACTED] on the Stock Exchange. Furthermore, both Ms. Li and Mr. Wong will seek advice from the Company’s Hong Kong legal and other professional advisors as and when required. Ms. Li also undertakes to take no less than 15 hours of relevant professional training in each financial year of the Company; and
- (iv) before the end of the three-year period, the qualifications and experience of Ms. Li and the need for on-going assistance of Mr. Wong will be further evaluated by the Company. The Company will then endeavor to demonstrate to the Stock Exchange’s satisfaction that Ms. Li, having had the benefit of the assistance of Mr. Wong for the immediately preceding three years, has acquired the relevant experience (within the meaning of Note 2 to Rule 3.28 of the Listing Rules) such that a further waiver from Rules 3.28 and 8.17 of the Listing Rules will not be necessary. The Company understands that the Stock Exchange will immediately revoke the waiver if Mr. Wong ceases to provide assistance to Ms. Li during the three-year period or when there is an event of a material breach of the Listing Rules by the Company.

Prior to the expiry of the three-year period, the Company will liaise with the Stock Exchange to enable it to assess whether Ms. Li has acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules.

WAIVER IN RESPECT OF CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which will constitute continuing connected transactions under the Listing Rules following the completion of the [REDACTED]. We have applied to the Stock Exchange for, and [have been] granted, a waiver from strict compliance with certain requirements of Chapter 14A of the Listing Rules. Details of such transactions, together with the relevant waiver granted are set out in “Connected Transactions” in this document.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name (Nationality)	Address
<i>Executive Directors</i>	
Ms. Feng Weihua (馮衛華女士) (Chinese)	10A, Block 18, Jiaxin City Garden, Xianghe Road, Daliang Sub-district, Shunde District, Foshan City, Guangdong Province, PRC
Mr. Zhou Lin (周林先生) (Chinese)	Room 803, Building 40, Huahui Mingyuan, No. 5 Luopu Road, Panyu District, Guangzhou, Guangdong Province, PRC
<i>Independent Non-Executive Directors</i>	
Mr. Lee Wai Kong Albert (李維剛先生) (Chinese (Hong Kong))	Flat 108, 1/F, Kent Mansion, 97 Tin Hau Temple Road, North Point, Hong Kong
Mr. Shi Kangping (施康平先生) (Chinese)	Room 801, Unit 2, Building 3, Yard 9, Nanxiange Street, Xuanwu District, Beijing, PRC
Mr. Chung Chong Sun (鍾創新先生) (Chinese (Hong Kong))	Unit D, 15th Floor, Ko Kwan Building, 48 Jordan Road, Kowloon, Hong Kong

For further details, see “Directors and Senior Management.”

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

**China International Capital Corporation
Hong Kong Securities Limited**
29/F, One International Finance Center
1 Harbour View Street
Central
Hong Kong

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to the Company

As to Hong Kong and U.S. laws:

Clifford Chance

27/F, Jardine House
One Connaught Place
Central
Hong Kong

As to PRC law:

Jingtian & Gongcheng

34/F, Tower 3
China Central Place
77 Jianguo Road
Beijing
PRC

As to Cayman Islands law:

Maples and Calder

(Hong Kong) LLP
26th Floor, Central Plaza
18 Harbour Road
Wanchai
Hong Kong

Legal Advisors to the Joint Sponsors and the [REDACTED]

As to Hong Kong and U.S. laws:

Baker & McKenzie

14/F, One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

As to PRC law:

CM Law Firm

Room 2805, Plaza 66 Tower 2
1366 West Nanjing Road
Shanghai
PRC

**Auditor and Reporting
Accountant**

PricewaterhouseCoopers

*Certified Public Accountants
and Registered Public
Interest Entity Auditor*
22/F, Prince's Building
Central
Hong Kong

Industry Consultant

China Insights Consultancy

10F, Block B, Jing'an
International Center
88 Puji Road
Jing'an District
Shanghai
PRC

[REDACTED]

CORPORATE INFORMATION

Registered Office

PO Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Headquarters and Principal Place of Business in the PRC

Building 69, Zone A
Guangzhou Venture Town
Nos. 1601-1603,
Guangzhou Avenue South
Haizhu District
Guangzhou
PRC

Place of Business in Hong Kong

Flat 01, 21/F,
China Shipbuilding Tower
650 Cheung Sha Wan Road
Cheung Sha Wan
Kowloon
Hong Kong

Company’s Website

www.qdama.cn

(A copy of this document is available on the Company’s website. Except for the information contained in this document, none of the other information contained on the Company’s website forms part of this document)

Joint Company Secretaries

Ms. Li Zhihong

Building 69, Zone A
Guangzhou Venture Town
Nos. 1601-1603, Guangzhou Avenue South
Haizhu District
Guangzhou
PRC

Mr. Wong Keith Shing Cheung

*Associate of The Hong Kong Chartered
Governance Institute, Associate of
The Chartered Governance Institute and
Member of Hong Kong Institute of
Certified Public Accountants*
Room 1912, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Authorized Representatives

Ms. Feng Weihua (馮衛華女士)

10A, Block 18, Jiabin City Garden
Xianghe Road
Daliang Sub-district
Shunde District
Foshan City
Guangdong Province
PRC

Mr. Wong Keith Shing Cheung (王承鐸先生)

Room 1912, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

CORPORATE INFORMATION

Audit Committee

Mr. Lee Wai Kong Albert
(李維剛先生) (*Chairperson*)
Mr. Shi Kangping
(施康平先生)
Mr. Chung Chong Sun
(鍾創新先生)

Nomination Committee

Ms. Feng (馮女士)
(*Chairperson*)
Mr. Lee Wai Kong Albert
(李維剛先生)
Mr. Chung Chong Sun
(鍾創新先生)

Remuneration Committee

Mr. Shi Kangping
(施康平先生) (*Chairperson*)
Ms. Feng (馮女士)
Mr. Chung Chong Sun
(鍾創新先生)

Compliance Advisor

Red Solar Capital Limited
Unit 402B, 4/F
China Insurance Group
Building
No. 141 Des Voeux Road
Central
Central
Hong Kong

Principal Share Register

**Maples Fund Services
(Cayman) Limited**
P.O. Box 1093,
Boundary Hall
Cricket Square,
Grand Cayman
KY1-1102, Cayman Islands

[REDACTED]

Principal Banks

**China Merchants Bank Co., Ltd.
Guangzhou Branch**
No. 5 Huashui Road
Tianhe District
Guangzhou
PRC

**Bank of China Limited
Guangzhou Panyu Sub-branch**
No. 338 Qinghedong Road
Shiqiao Street
Panyu District
Guangzhou
PRC

INDUSTRY OVERVIEW

The information and statistics set out in this section and other sections of this document were extracted from different official government publications, available sources from public market research and other sources from independent suppliers, and from the independent industry report prepared by CIC (the “CIC Report”). We engaged CIC to prepare the CIC Report in connection with the [REDACTED]. The information from official government sources has not been independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED], any of their respective directors and advisors, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

OVERVIEW OF CHINA’S FRESH PRODUCT INDUSTRY

Fresh products primarily comprise vegetables, fruits, meat, seafood, and 3R (ready-to-cook, ready-to-heat, and ready-to-eat). According to CIC, China’s fresh product retail market has developed rapidly in recent years. The market size of China’s fresh product retail market (by GMV) increased from RMB5,724.3 billion in 2021 to RMB6,853.5 billion in 2025, representing a CAGR of 4.6%. Driven by rising disposable income and purchasing power, growing consumer demand for quality of life and healthy diet, the enrichment of retail channels, the continuous development of supply chain technology, and a series of encouraging policies promoting agricultural and rural modernization and food safety, China’s fresh product retail market still possesses huge potential for further growth. The GMV of China’s fresh product retail market is projected to further grow from RMB7,149.5 billion in 2026 to RMB8,445.1 billion in 2030, representing a CAGR of 4.3%.

Fresh products are essential consumer goods characterized by high purchase frequency and rigid demand. On average, consumers purchase vegetables and meat twice as frequently as fruits, approximately 20 times as frequently as hot pot ingredients, and four to five times as frequently as freshly-made tea beverages, or snacks.

CHINA’S FRESH PRODUCT INDUSTRY BY CONSUMPTION CHANNEL AND SCENARIO

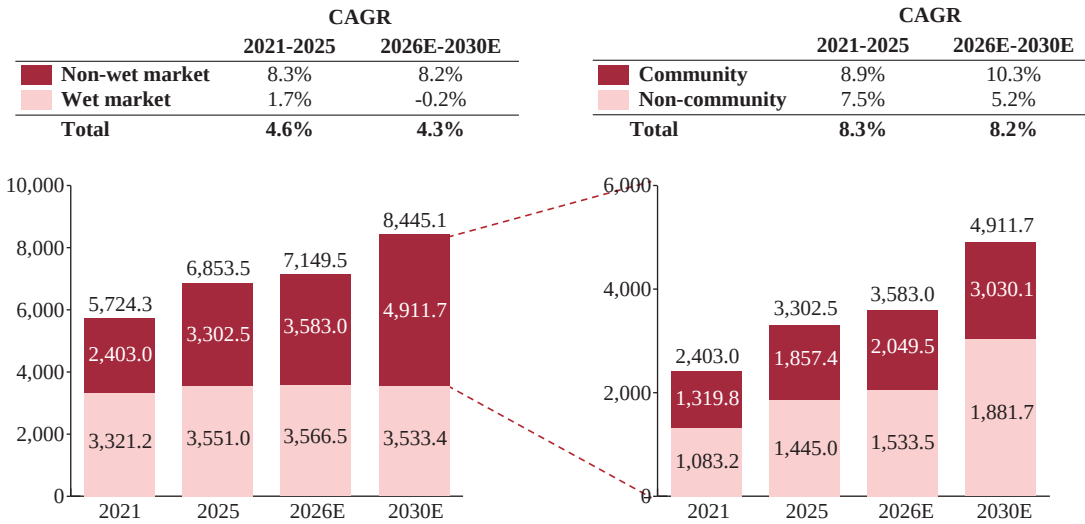
Due to extremely fragmented supply and demand across the upstream and downstream sectors, China’s fresh product retail industry is characterized by long distribution chains and multiple layers of wholesalers, resulting in high mark-up rates, high loss rates, low turnover, and uneven product quality.

Chinese consumers purchase fresh products through numerous channels, including relatively traditional formats such as wet markets, supermarkets and hypermarkets, traditional e-commerce platforms, and non-chain mom-and-pop stores that have existed for a long time, as well as emerging formats that have appeared in recent years such as community-based fresh product chains, on-demand e-commerce (frontline fulfillment grid and store-as-a-warehouse), and community group purchasing. Among these, wet markets have existed for a long time in the past and remain the primary channel for Chinese consumers to purchase fresh products. However, due to the inherent limitations of their business models, they cannot simultaneously satisfy consumer demands for fresh product in terms of food quality, variety, price favorability, and shopping convenience, nor can they solve the traditional pain points of China’s fresh product retail industry; consequently, their market size is gradually being eroded by other channels. The following chart sets forth the breakdown

INDUSTRY OVERVIEW

of China’s fresh product retail market by consumption channel and consumption scenario calculated by GMV (2021-2030E):

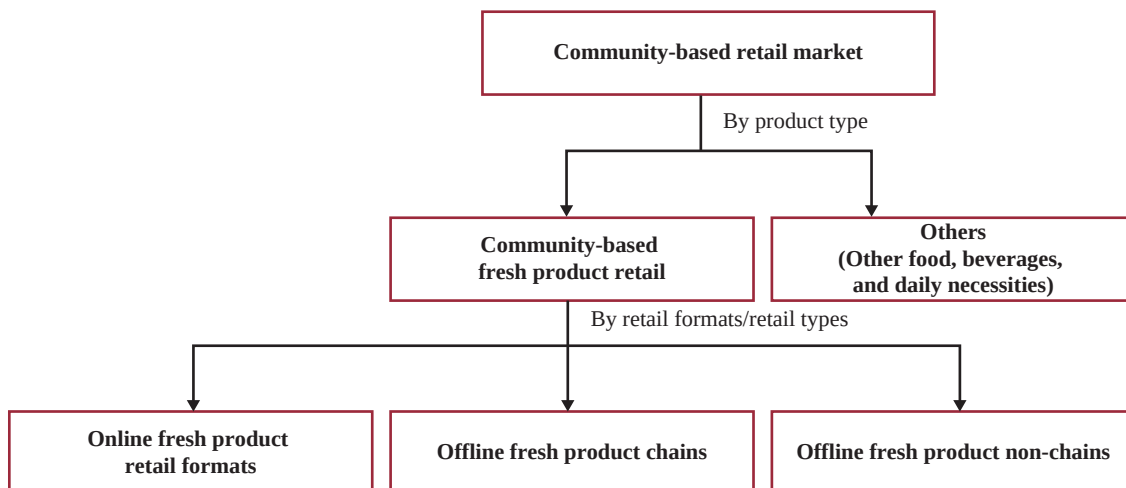
RMB billion



Source: CIC, National Bureau of Statistics, and International Monetary Fund

The non-wet market fresh product retail market can be further categorized into community and non-community scenarios. In 2025, nearly 60% of fresh product retail was completed within community scenarios, occupying the mainstream fresh product consumption. In community scenarios, consumers can purchase fresh products through diverse consumption channels, including community-based fresh product chains, community group purchasing, on-demand e-commerce (frontline fulfillment grid and store-as-a-warehouse), and non-chain mom-and-pop stores located in communities. Non-community scenarios primarily include supermarkets and hypermarkets, as well as traditional e-commerce.

The following chart further sets forth the segmentation of community-based retail market and community-based fresh product retail:



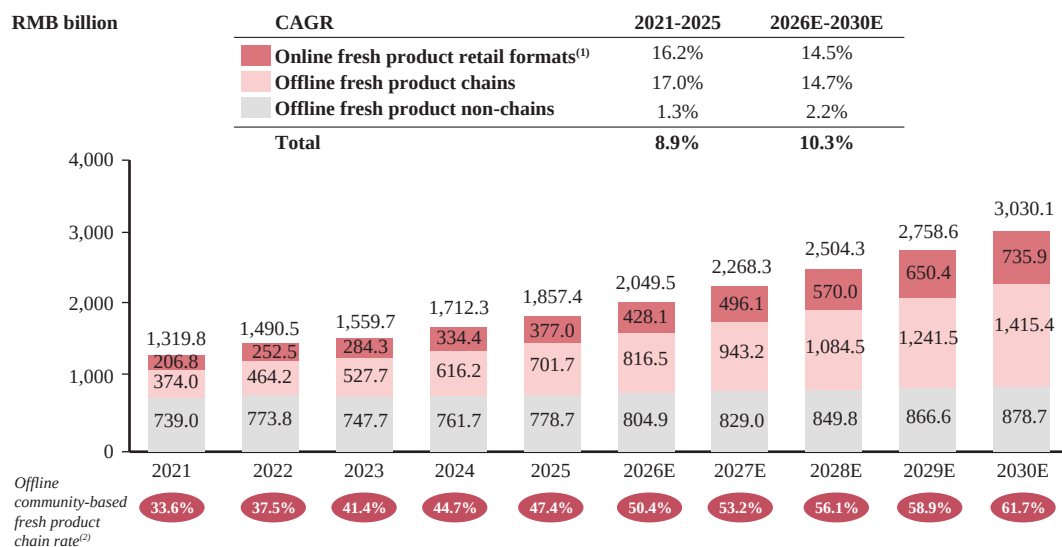
Source: CIC

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We believe that China’s community-based retail market is highly likely to incubate retail giants. Retail development experience in mature markets indicates that the formats of retail giants are highly adapted to the residential patterns of local residents. In China, residents live in high-density clusters within communities, thereby giving rise to an extremely large-scale community-based retail market. According to CIC, the scale of China’s community-based retail sales reached RMB3,953.9 billion in 2025 (calculated by the GMV of food, beverages, and daily necessities), accounting for nearly 40% of the total consumption scale of food, beverages and daily necessities in China during the same period, having become one of the most important retail scenarios in China. Concurrently, as consumer spending in communities revolves closely around cooking and meal preparation needs, accounting for nearly 50% of the total scale of community-based retail in 2025, a massive community-based fresh product retail market has been formed. According to information from CIC, the market size of China’s community-based fresh product retail market increased from RMB1,319.8 billion in 2021 to RMB1,857.4 billion in 2025, and is expected to further grow to RMB3,030.1 billion by 2030. Therefore, by analogy with mature markets, China’s community-based fresh product retail market has created a favorable environment for the birth of Chinese retail giants.

Given the immense potential inherent in China’s community-based fresh product retail market, a variety of innovative models have emerged around the community fresh products in recent years. Although online formats represented by community group purchasing and on-demand e-commerce (frontline fulfillment grid and store-as-a-warehouse) are developing rapidly in China’s community-based fresh product retail market, offline formats still accounted for nearly 80% of the community-based fresh product retail market in 2025, maintaining an absolute mainstream position. Due to the numerous varieties of fresh products, the significant impact of freshness on product quality, and the diversity of consumer demand for fresh products, offline formats allow core consumer groups for fresh products to assess product quality in person and select products best suited to their own tastes; thus, they will possess irreplaceable advantages over online formats in the long term. However, the offline community-based fresh product retail track still contains a large number of non-chain traditional mom-and-pop stores; in 2025, the chain rate of offline community-based fresh product retail was 47.4%, and it is expected that the chain rate will continuously increase to reach 61.7% in 2030.

The following chart sets forth the market size of China’s community-based fresh product retail market by different retail formats calculated by GMV (2021-2030E):



Source: CIC, National Bureau of Statistics

Notes:

- (1) Refers to the retail formats in community-based fresh product retail industry that mainly achieving fresh product transactions through online ordering, including on-demand e-commerce (frontline fulfillment grid and store-as-a-warehouse) and community group purchasing;

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- (2) Refers to the proportion of the retail sales value for fresh products through offline chains compared to the total retail sales value for fresh products through all offline retail formats in community-based fresh product retail industry.

OVERVIEW OF COMMUNITY-BASED FRESH PRODUCT CHAINS INDUSTRY

Community-based fresh product chains refer to a new retail format that takes offline store locations near residential communities as the core, supplemented by online sales, with residents of surrounding communities as the primary customer group. According to the national standard (GB/T 44591-2024 Specification for community freshstore service 社區生鮮店服務規範), Provisions on the Supervision and Administration of Food Sales Chain Enterprises Implementing Primary Responsibility for Food Safety (食品銷售連鎖企業落實食品安全主體責任監督管理規定) issued by the State Administration for Market Regulation, and China Chain Store & Franchise Association, “community-based fresh product store” refers to retail format located in high-density residential areas that primarily serve nearby residents, focusing on the sales of fresh products under unified settlement with brick-and-mortar retail outlets; “community-based fresh product chains” is a common industry-defined market segment referring to the chain format of such stores under unified and standardized management. The fresh product retail sales of such stores account for over 50%, the total number of stores exceeds 10, and the store area is less than 500 sq.m. Community-based fresh product chains can be further subdivided by product category into community-based comprehensive fresh product chains, community-based fruit chains, and other community-based fresh product chains targeting vertical categories of fresh products. The following chart sets forth the comparison of community-based fresh product chains with other retail formats by definition. Community-based fresh product chains are different from (1) traditional wet markets and non-chain mom-and-pop stores, which are non-chain and lack standardization of fresh products, and also different from (2) supermarkets and hypermarkets, whose primary offerings are not fresh products, and their store sizes are much larger.

	Community-based fresh product chains	Traditional wet markets	Supermarkets and hypermarkets	Non-chain mom-and-pop stores
Product range	- Fresh product retail sales accounted for over 50% (most players over 90%) - Provided products with standardized and consistent quality	Mainly limited to non-standardized fresh products without unified quality or packaging standards	- Fresh product retail sales usually accounted for approximately 10-30% - Offered a full spectrum of merchandise such as daily necessities, personal care products, apparel, consumer electronics, maternal and infant products, and pet care products	- Fresh products account for a very small proportion of retail sales - Offered a wide range of ambient, shelf-stable consumer goods such as beverages, packaged snacks, cooking condiments, tobacco, and basic household essentials
Store location	- Located near residential communities - Utilized an omnichannel O2O model to satisfy frequent, daily meal preparation replenishment needs	- Located near residential communities, transportation hubs, old urban districts, or county centers, operating as conventional open-air marketplaces comprised of independent individual vendors with a combination of both mobile and fixed stalls - No online sales channel	- Usually not located near residential communities, while located within prime commercial centers, rural-urban fringe, and traffic arteries - Utilized an omnichannel O2O model to serve planned, one-stop stock-up demand	- Usually located near residential communities, township cores, school, or industrial factories with high foot traffic - Usually no online sales channel
Store size	Less than 500 sq.m	Usually had massive scale larger than 500 sq.m	Usually have massive scale larger than 500 sq.m	Varied in size and lacked standardization due to their non-chained nature
Store number	- Chained with store number exceeded 10 - Operated as standardized, brand-unified chain networks	Non-chain	Chain or non-chain	Non-chain

Source: CIC, China Chain Store & Franchise Association, Ministry of Agriculture and Rural Affairs of the People’s Republic of China, State Administration for Market Regulation, Standardization Administration of the People’s Republic of China

According to CIC, China’s community-based fresh product chains industry has experienced rapid development, with the market size growing from RMB374.0 billion in 2021 to RMB701.7 billion in 2025, achieving a CAGR of 17.0%; it is expected to continue growing from RMB816.5 billion in 2026 to RMB1,415.4 billion in 2030, with a CAGR of 14.7%. Community-based fresh product chains will become the primary model of community-based

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fresh product retail formats in the long term and maintain unique advantages over other formats, based on the following:

- ***China’s unique high density community structure makes community-based fresh product chains the optimal retail format.*** In 2025, the number of communities in China with over 1,000 households exceeded 80 thousand, widely distributed across cities of all tiers in China. Through offline stores centered around large and medium-sized communities within approximately 15 minutes’ walking distance for target customer groups, community-based fresh product chains can absorb the advantages of other formats and achieve full coverage of consumers by satisfying the needs of different customer groups through online Apps, mini-programs, and other channels. At the same time, consumers visiting offline stores for purchasing or self-pickup avoid high individual delivery fees, realizing low-cost fulfillment and high operational efficiency.
- ***Community-based fresh product chains are the format that best conforms to Chinese consumers’ fresh product shopping habits.*** Fresh products possess non-standard attributes; Chinese consumers, especially core consumer groups for fresh products, typically need to visit stores to make purchasing decisions based on the variety, freshness, and price of fresh products. Compared to other new retail formats, community-based fresh product chains can comprehensively satisfy consumers’ shopping habits, stimulating consumption through display and improving consumer satisfaction and stickiness through service.
- ***Regular customer economy drives high repurchase rates.*** Compared to the issue of non-standard service widely existing in other fresh product retail formats, the community-based fresh product chains model has made targeted improvements; standardized offline stores and warm service enable consumers to obtain a high-quality service experience, continuously deepening the emotional bond between stores and surrounding residents, and driving high consumer repurchase rates during this process, thereby reducing store customer acquisition costs.
- ***Providing powerful guarantees for the freshness of fresh products.*** Community-based fresh product chains specialize in fresh products, taking enhanced freshness as their mission; they establish professional and systematic fresh product standards, improve the standardization of fresh products, and utilize digital operation system to carry out strict quality control management and product traceability, facilitating consumers’ purchase of highly fresh products and providing food safety guarantees for consumers.

Key Growth Drivers of China’s Community-Based Fresh Product Chains Industry

The key growth drivers of community-based fresh product chains include:

- ***Increasing urban population density.*** China’s urbanization rate increased from 64.7% in 2021 to 67.9% in 2025, and is expected to further increase to 72.5% by 2030. The continuous urbanization process brings higher urban population density and community density, continuously enhancing the customer traffic and customer group scale covered by community-based fresh product chains.
- ***Miniaturization of family structure.*** According to the National Bureau of Statistics of China, the average population size of households in China decreased from 3.1 persons in 2010 to 2.5 persons in 2024. Under the trend of family miniaturization, the demand for one-stop bulk procurement has decreased, and consumers tend to reduce purchase quantities and increase purchase frequency.
- ***Increasing working hours leading to high time costs.*** According to the National Bureau of Statistics of China, the average weekly working hours per capita in China were 48.4 hours in 2025, significantly higher than those in major countries

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and regions such as Europe, the United States, Japan, and South Korea; longer working hours have led to a continuous increase in expectations for the convenience of daily consumption. The decrease in the number of households with full-time housewives has also resulted in a decrease in the time families spend on cooking, and a substantial increase in demand for small-scale fresh product retailers that are closer to communities as well as pre-processed fresh vegetables.

- ***Rising demand for value-for-money.*** While pursuing freshness and health, consumers are still price-sensitive. This is particularly evident in the fresh product industry, where consumers typically seek to obtain high-quality, fresh products at a reasonable price. In response to this demand, companies need to optimize their supply chains and improve procurement efficiency to ensure that consumers can enjoy high-quality products while experiencing exceptional value-for-money.

Future Development Trends of China’s Community-Based Fresh Product Chains Industry

- ***Operational standardization and digital intelligence.*** Community-based fresh product chains with brand awareness, standardized operational methods, and chain scale advantages will substitute other fragmented and independent formats, and the scale advantages and status of industry leaders will be further manifested in the future. The franchise model is gradually becoming the mainstream in the community-based fresh product chains industry. Industry leaders provide one-stop solutions to franchisees by constructing highly standardized operational systems and digital intelligence empowerment platforms, building core competitiveness for continuous and efficient expansion.
- ***Integration of online and offline scenarios.*** Community-based fresh product chains are primarily based on offline stores; in the future, they will continuously derive auxiliary models such as self-pickup points, online mini-programs, and APPs based on the age groups and consumption habits of the customers, integrating online and offline consumption and delivery scenarios to provide more intimate and convenient services around consumers’ multi-dimensional needs.
- ***Continuous improvement of supply chain capabilities.*** Industry leaders usually have efficient supply chains and strong product development capabilities to meet the increasingly diverse demands. For example, the introduction of 3R products helps address consumers’ demands for convenience. The ability to flexibly adjust product portfolio helps to better respond to changing demands. Moreover, through innovative supply chain management and accurate demand forecasting, companies can respond more quickly to market changes.

COMPETITIVE LANDSCAPE OF CHINA’S COMMUNITY-BASED FRESH PRODUCT CHAINS INDUSTRY

The competitive landscape of China’s community-based fresh product chains industry is relatively fragmented, with the top five players accounting for a combined fresh products GMV market share of 6.5% in 2025, indicating huge room for consolidation in this market in the future.

In terms of fresh products GMV from 2020 to 2025, the Company has been China’s largest community-based fresh product chain brand for six consecutive years; In 2025, the Company’s fresh products GMV in China reached RMB13.0 billion, representing a market share of 1.9% in 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. Meanwhile, in China’s broader fresh product retail market, the Company ranked seventh among fresh product chain operators by fresh products GMV in 2025, representing a

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market share of 0.9%, and was the only community-based fresh product chain brand among the seven largest market players. Moreover, the Company’s operational efficiency leads the industry; in 2025, the Company’s sales per square meter was the highest among the top five community-based fresh product chain brands in China and also higher than the industry average level of the community-based fresh product chains industry during the same period.

Top Five Companies in China’s Community-based Fresh Product Chains Industry, by Fresh Products GMV, 2025

Ranking	Company	GMV of fresh products ⁽¹⁾ , RMB billion	Market share ⁽²⁾ , %	Total GMV ⁽¹⁾ , RMB billion	Store number ⁽³⁾ , unit
1	The Company	13.0	1.9%	13.1 ⁽⁴⁾	2,831 ⁽⁵⁾
2	Company A ⁽⁶⁾	11.5	1.6%	12.1	11,566
3	Company B ⁽⁷⁾	10.2	1.5%	10.3	4,468
4	Company C ⁽⁸⁾	6.5	0.9%	6.9	2,400
5	Company D ⁽⁹⁾	4.3	0.6%	5.4	890
	Subtotal	45.5	6.5%		
	Total	701.7	100.0%		

Source: Annual report, CIC

Notes:

- (1) Only includes GMV in the Chinese Mainland (excluding the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China).
- (2) Market share refers to the each company’s GMV of fresh products, as a percentage of overall GMV of fresh products of the community-based fresh product chains industry.
- (3) Store number refers to the total number of stores in the Chinese Mainland (excluding the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China) as of December 31, 2025.
- (4) The total GMV of the Company including all categories and all regions reached RMB14.3 billion in 2025.
- (5) The total store number of the Company including all regions reached 2,904 as of December 31, 2025.
- (6) Company A is a Hong Kong-listed company founded in 2019 and listed in 2023, headquartered in Shanghai, China, and primarily sells ingredients for home meals. Company A has over 2,000 employees and 11,566 stores as of December 31, 2025.
- (7) Company B is a Hong Kong-listed company founded in 2001 and listed in 2023, headquartered in Shenzhen, Guangdong Province, China, and primarily sells fruits. Company B has approximately 2,174 employees and 4,468 stores as of December 31, 2025.
- (8) Company C is a private company founded in 2006, headquartered in Hangzhou, Zhejiang Province, China, and primarily sells fruits. Company C has approximately 2,400 stores as of December 31, 2025.
- (9) Company D is a private company founded in 1998, headquartered in Shanghai, China, with main businesses including planting, processing, supply chain, and retail sales of fresh products. Company D has approximately 890 stores as of December 31, 2025.

Industry challenges

- **Stricter food safety regulations.** In recent years, the government has strengthened food safety regulations and enforcement, requiring companies to prioritize food safety management and compliance across all stages of their operations. At the same time, consumer awareness of food safety has risen, with growing expectations about product quality. Companies need to reinforce their food safety control systems at critical stages, including raw material sourcing, storage and distribution, while enhancing traceability, consistency, and risk mitigation throughout the entire supply chain.
- **Intense market competition.** The community-based fresh product chains industry is highly fragmented. Similar chain stores with highly identical products lead to excessive price competition. In the future, community-based fresh product chains brands can enhance their competitiveness through digital innovation, brand building, and market expansion to cope with the market competition.

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Entry Barriers and Key Success Factors of China’s Community-Based Fresh Product Chains Industry

- ***Mature store network and robust expansion strategies.*** Extensive and dense store layout can greatly enhance consumption convenience and brand visibility, directly driving consumption growth and consolidating consumer loyalty. Relying on replicable single-store models, through strategic regional densification and entry into new markets, companies can efficiently cover target customer groups and strengthen supply chain synergies, continuously occupying consumer mindshare and laying the foundation for long-term success.
- ***Advanced supply chain management capabilities and comprehensive infrastructure construction.*** The perfection of cold-chain logistics and supply chain management systems is a key factor enabling market participants to reduce fulfillment costs and loss rates, and improve operational efficiency and food quality. The ability to stably and efficiently guarantee product freshness and high price-performance ratio requires long-term construction investment and experience accumulation.
- ***Strong product quality control capabilities and rich product portfolios.*** Due to the specific nature of fresh products, market participants need to possess professional product quality control capabilities. Leading market participants have formed mature business models, certain scale effects, and the bargaining power and management ability to conduct in-depth quality control at origin. In addition, diversified and differentiated product portfolios are also crucial in attracting consumers, such as leading enterprises launching 3R products (RTC, RTE, RTH), private label products, and customized products.
- ***Excellence in digital capabilities and in-depth understanding of user preferences.*** Leading community-based fresh product chains brands have established membership system with digital operational capabilities; based on massive user base and data resources accumulated through long-term operations, they conduct in-depth analysis of user behavioral habits and shopping preferences, which in turn reversely guides product selection, forming rich product selection experience and excellent product selection capabilities. Meanwhile, digitalisation is also applied to business processes such as procurement, warehousing, logistics, and store management, helping enterprises reduce costs and increase efficiency.

KEY CHANGES IN MAJOR COSTS AND PRICES

The producer price index is calculated using the previous year as a baseline of 100, indicating the relative price volatility compared to the preceding period. The producer price indices for vegetables, fruits, and seafood products in China remained relatively stable during the period from 2021 to 2025, with all indices fluctuating within a narrow range close to the 100 baseline. The vegetables price index hovered between 95.9 and 105.6 over the period. The fruits and seafood products indices also saw mild fluctuations around 100, with readings ranging from 95.8 to 106.6 and 98.4 to 108.8 respectively. In the future, the price index of vegetables is expected to settle around 96 to 106; with short growth cycles, vegetables feature strong supply-side flexibility, with prices showing seasonal volatility yet long-term stability. Fruits are anticipated to experience a fluctuating increase with a projected price index of 96 to 107, driven by escalating production costs and a continuous upgrade in overall fruit quality. Similarly, seafood products are expected to fluctuate upward within a price index range of 98 to 109, driven by consumption upgrades where rising demand for premium, healthy options allows high-quality products to command stronger price premiums, alongside potential supply disruptions from extreme weather events.

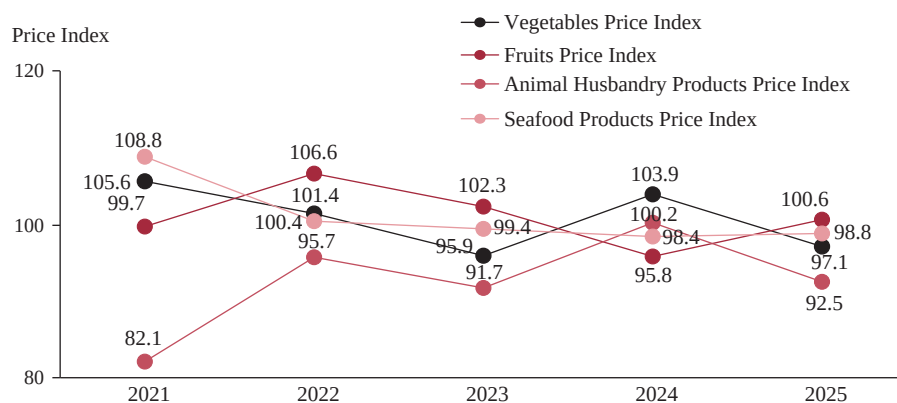
However, due to fluctuations in pork prices, the fluctuation range of the animal husbandry product price index (including meat/pork, poultry, and eggs) was relatively large. In 2019, African Swine Fever caused a decline in pig production and a rise in pork prices.

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Subsequently, with the recovery of pig production from 2021, pork prices in China fell back accordingly, driving a corresponding decline in the overall animal husbandry product price index during the period from 2021 to 2023. The pork price index decreased from 109.0 in 2024 to 88.8 in 2025, which was affected by a short-term excess supply from high breeding sow inventory during 2023 and 2024. In the future, driven by factors like policy support and scaled farming, China’s pork supply-demand gap will remain moderate, and the price index may exhibit narrow-range fluctuations. Due to the compensatory effect of alternative proteins like beef and mutton, the price index of husbandry product is expected to settle at around 95-105 in the long run. Furthermore, the price trends for chilled and prepared foods in the future are primarily tied to movements in their raw material costs such as vegetables and meat.

China’s Producer Price Indices for Vegetables, Fruits, Animal Husbandry Products, and Seafood Products

Index (Previous Year=100), 2021-2025



Source: CIC, National Bureau of Statistics

SOURCE OF THE INDUSTRY INFORMATION

We engaged CIC, an independent market research consultant, to conduct an analysis of, and to prepare a report on the fresh product retail industry in China for use in this document, which was commissioned by us for a fee of RMB1,488 thousand. CIC prepared its report based on data released by government institutions and non-government organizations and its primary and secondary research. CIC conducted both primary and secondary research using a variety of resources. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analyzing data from various publicly available data sources, such as the National Bureau of Statistics of China and disclosures of listed companies.

Forecasts and assumptions included in the CIC Report are inherently uncertain because of events or combinations of events that cannot be reasonably foreseen, including, without limitation, the actions of governments, consumers, competitors and other third parties. Specific factors that could cause actual results to differ materially include, among other things, risks inherent in the catering market, social and economic factors, supply risks, regulatory risks and environmental concerns, labor risks, financing risks, force majeure or unforeseen events. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the CIC Report. Our Directors confirm that, after taking reasonable care, there is no material adverse change in the overall market information since the date of the CIC Report that would materially qualify, contradict or have an impact on such information.

REGULATORY OVERVIEW

The following is a brief summary of the key laws and regulations in the PRC and Hong Kong that currently may materially affect the Group and its operations. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to the Group. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of the Group and/or which may be important to potential investors. Investors should note that the following summary is based on the laws and regulations in force as at the date of this document, which may be subject to change.

A. PRC LAWS AND REGULATIONS

Regulations Relating to Foreign Investment

All enterprises in the PRC are required to comply with the PRC Company Law promulgated by the Standing Committee of the National People’s Congress (the “SCNPC”) in 1993 and newly amended in 2023 and came into effect on July 1, 2024. The PRC Company Law, which regulates the formation, structure and management of companies, also applies to foreign-invested companies. Where there are otherwise different provisions in any law regarding foreign investment, such provisions shall prevail.

On March 15, 2019, the National People’s Congress (the “NPC”) promulgated the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**Foreign Investment Law**”), which became effective on January 1, 2020. On December 26, 2019, the State Council promulgated the Regulations on the Implementation of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》), which took effect on the same day as the Foreign Investment Law. On September 6, 2024, the National Development and Reform Commission (the “NDRC”) and the Ministry of Commerce (the “MOFCOM”) promulgated the Special Administrative Measures for Foreign Investment Access (Negative List) (Edition 2024) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), which became effective on November 1, 2024.

Pursuant to the Foreign Investment Law and the Negative List, the PRC implements a system of pre-entry national treatment plus negative list management for foreign investment. The Negative List specifies the areas in which investment is restricted, and foreign investors must meet the conditions set out in the Negative List to invest in those areas; areas outside the Negative List are managed in accordance with the principle of consistency between domestic and foreign investment.

On 15 December 2025, the MOFCOM and the NDRC promulgated the Catalogue of Encouraged Industries for Foreign Investment (Edition 2025) (《鼓勵外商投資產業目錄(2025年版)》) (the “**Encouraged Catalogue**”), which came into effect on 1 February 2026. The Encouraged Catalogue lists the industries that encourage foreign investment. As advised by our PRC legal Advisor, as of the Latest Practicable Date, our business of community-based fresh product chain does not fall within the scope of the Negative List and the Encouraged Catalogue.

The Measures for the Security Review of Foreign Investment (《外商投資安全審查辦法》) promulgated by the NDRC and the MOFCOM on December 19, 2020, which came into effect on January 18, 2021, specified that any foreign investment that has or possibly has an impact on state security shall be subject to security review in accordance with the provisions hereof.

The Measures for Foreign Investment Information Reporting (《外商投資信息報告辦法》), which was promulgated on December 30, 2019 and came into effect on January 1, 2020, sets out the details of the foreign investment information report system. Since January 1, 2020, with respect to foreign investors carrying out investment activities directly or indirectly in the PRC, foreign investors or foreign-funded enterprises shall submit investment information to the commerce authorities in accordance with these measures.

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On June 19, 2015, the Ministry of Industry and Information Technology (the “MIIT”) promulgated the Notice on Removing the Restrictions on Foreign Equity Ratios in Online Data Processing and Transaction Processing (Operating E-commerce) Business (《關於放開在綫數據處理與交易處理業務(經營類電子商務)外資股比限制的通告》), and decided to lift the restrictions on foreign equity ratios in online data processing and transaction processing (operating e-commerce) business across the country, allowing the foreign equity ratios to be increased to 100%. Guangzhou Zhuixian Food Co., Ltd. (廣州市追鮮食品有限公司) has obtained the Value-added Telecommunications Business License according to the abovementioned regulation, and the scope of permitted service includes online data processing and transaction processing services. As advised by our PRC legal Advisor, the aforementioned license is not subject to foreign investment restrictions.

Regulations Relating to Commercial Franchise

The State Council promulgated Regulation on the Administration of Commercial Franchises (《商業特許經營管理條例》) on February 6, 2007. Pursuant to such Regulation, a franchiser for engagement in franchise activities shall possess a mature business model and the ability to provide long-term business guidance, technical support, business training and other services to the franchisee. A franchiser shall, within 15 days after having concluded a franchise contract for the first time, report it to the commercial administrative department for archival filing according to this Regulation.

The Administrative Measures for Archival Filing of Commercial Franchisees (《商業特許經營備案管理辦法》), which was latest revised by the Ministry of Commerce on December 29, 2023, further stipulates the management details of commercial franchise activities. The Ministry of Commerce and the competent commerce departments under the people’s governments of all provinces, autonomous regions, and municipalities directly under the Central Government shall be the authorities for archival filing of commercial. Franchisors failing to file pursuant to the Regulation and these Measures shall be ordered by competent commerce departments of people’s governments at or above the prefecture-level to complete filing within a time limit and fined RMB10,000 to RMB50,000; failure to file within the time limit shall result in a fine of RMB50,000 to RMB100,000 and a public announcement.

On April 30, 2007, the Ministry of Commerce promulgated the Administrative Measures for Commercial Franchise Information Disclosure (《商業特許經營信息披露管理辦法》), which was amended on February 23, 2012 and became effective on April 1, 2012. The above Measures stipulate in detail the information disclosure obligations of franchisors in carrying out commercial franchising activities.

Regulations Relating to Food

Food Safety

On February 28, 2009, the SCNPC promulgated the Food Safety Law of the PRC (《中華人民共和國食品安全法》) (the “**Food Safety Law**”), which was last revised on September 12, 2025 and came into effect on December 1, 2025. On July 20, 2009, the State Council promulgated the Implementing Regulations of the Food Safety Law of the PRC (《中華人民共和國食品安全法實施條例》), which was last revised by the State Council on October 11, 2019 and came into effect on December 1, 2019. According to the Food Safety Law, food producers and operators shall be responsible for the safety of the food which they produce or deal in. The food safety supervision and administration departments under the State Council shall exercise supervision and administration over food production and operation activities. The health administrative department under the State Council shall organize the implementation of risk monitoring and risk assessment of food safety and shall formulate and issue national food safety standards in concert with the food safety supervision and administration departments under the State Council. Food safety standards are mandatory standards. No mandatory food standards other than food safety standards shall be formulated. Furthermore, according to the relevant laws and regulations above, food producers and operators shall establish a whole-process food safety traceability system so as to ensure the traceability of food products.

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The Agricultural Product Quality and Safety Law of the PRC (《中華人民共和國農產品質量安全法》), which was promulgated by the SCNPC on September 2, 2022 and became effective on January 1, 2023, stipulates that all agricultural products for sale shall meet the relevant quality and safety standards for agricultural products.

Food Operation Licensing

According to the Food Safety Law, the state shall adopt a licensing system for food production and operation. Whoever engages in food production or sale or catering services shall obtain a permit in accordance with the law. However, a permit is not required for the sale of edible agricultural products and prepacked food. The sale of prepacked food shall be reported to the food safety regulatory department of the local people’s government at or above the county level for recordation.

On June 15, 2023, the SAMR promulgated the Measures for the Administration of Food Operation Licensing and Registration (《食品經營許可和備案管理辦法》), which came into effect on December 1, 2023. According to the Measures for the Administration of Food Operation Licensing and Registration, in addition to certain statutory circumstances, anyone plans to engage in food sales and provide catering services within the territory of the PRC shall obtain a food trade permit in accordance with the law. Whoever sells prepackaged food only shall report to the local market regulatory department of the county or equivalent where it is located for recordation. If a food trader that has obtained a food trade permit increases the sale of prepackaged food, it is not required to undergo recordation separately.

Food Recall System

In accordance with the Food Safety Law and the Measures for the Administration of Food Recalls (《食品召回管理辦法》), which was last revised by the SAMR on October 23, 2020, the State has launched a food recall system. Upon discovery of food produced not conforming to food safety standards or if there is any evidence proving that the foods produced may harm human health, food producers must immediately cease production, recall foods in the market, notify the relevant food producers, operators and consumers thereof, and keep records of the recall and notification status.

Regulations Relating to Single-purpose Commercial Prepaid Cards

The Ministry of Commerce promulgated the Administrative Measures on Single-purpose Commercial Prepaid Cards (Trial Implementation) (《單用途商業預付卡管理辦法(試行)》) on August 18, 2016. Such Measures shall apply to enterprises engaged in retail, hospitality, catering and residential services that conduct single-purpose commercial prepaid card businesses within the territory of PRC. Enterprises issuing single-purpose commercial prepaid cards shall complete the filing formalities in accordance with relevant provisions within 30 days from the date of launching their single-purpose prepaid card businesses, otherwise they shall be ordered to rectify within a stipulated period.

Regulations Relating to Product Quality

On February 22, 1993, the SCNPC promulgated the Product Quality Law of the PRC (《中華人民共和國產品質量法》) (the “**Product Quality Law**”), which came into effect on September 1, 1993. It was last amended by the SCNPC on December 29, 2018 and took effect on the same day. According to the Product Quality Law, producers shall be liable for the quality of the products they produce, and sellers shall also take measures to guarantee the quality of the products they sell.

On May 28, 2020, the NPC promulgated the Civil Code of the PRC (《中華人民共和國民法典》) (the “**Civil Code**”), which became effective on January 1, 2021. According to the Civil Code, a producer shall bear tort liability if its product causes damage to others due to a defect. If a defect is found in a product after it has been put into circulation, the producer and the seller shall take remedial measures in a timely manner including, inter alia, withdrawal from

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sale, alerts and recalls. In the event of expanded damage arising from a failure to take remedial measures in a timely manner or inadequate remedial measures, the producer and the seller shall also bear tort liability.

Regulations Relating to Consumer Protection

On October 31, 1993, the SCNPC promulgated the Consumer Protection Law of the PRC (《中華人民共和國消費者權益保護法》) (the “**Consumer Protection Law**”). It was last amended by the SCNPC on October 25, 2013 and the latest amended version came into effect on March 15, 2014. Under the Consumer Protection Law, consumers have the inviolable right to personal and property safety when purchasing or using goods or receiving services, and may demand operators to provide safe goods or services.

Regulations Relating to Environmental Protection

The Ecological and Environmental Code of the People’s Republic of China (《中華人民共和國生態環境法典》) (the “**Ecological and Environmental Code**”) was promulgated on March 12, 2026, and came into force on August 15, 2026. Pursuant to the Law, the state shall implement a pollutant discharge permit administration system. Enterprises, public institutions and other producers and operators subject to such administration shall discharge pollutants in compliance with the requirements of their pollutant discharge permits; no entity may discharge pollutants without obtaining a pollutant discharge permit.

The Ecological and Environmental Code further stipulated that the state shall implement a classified management system for environmental impact assessments of construction projects based on the level of environmental impact caused by such projects. The project undertakers shall, in accordance with the relevant provisions, compile environmental impact statements, environmental impact reports or complete environmental impact registration forms.

On April 1, 2024, Ministry of Ecology and Environment promulgated the Measures for Pollutant Discharge Permitting Administration (《排污許可管理辦法》), which came into effect on July 1, 2024. On December 20, 2019, Ministry of Ecology and Environment promulgated the Classified Management List of Emission Permits for Fixed Pollution Sources (Version 2019) (《固定污染源排污許可分類管理名錄(2019年版)》). In accordance with the provisions of the aforementioned law and regulation, the State implements key management, simplified management and registration management of emission permits based on the amount of pollutants generated, the volume of pollutants discharged, and the degree of environmental hazards posed by the enterprises, public institutions and other business operators (“**Sewage discharging units**”). Sewage discharging units subject to registration management do not need to apply for a sewage discharge permit, and shall fill in the sewage discharge registration form on the national sewage discharge permit management information platform.

Additionally, under the Administrative Measures for the Permit of Discharge of Urban Sewage into the Drainage Network (《城鎮污水排入排水管網許可管理辦法》) last revised by the Ministry of Housing and Urban-Rural Development of the PRC on December 1, 2022 and effective on February 1, 2023, enterprises, institutions and individual industrial and commercial enterprises engaged in manufacturing, construction, catering and medical activities must obtain a sewage discharge permit before discharging sewage into urban drainage facilities.

Regulations Relating to Value-added Telecommunication Services

The State Council promulgated the Telecommunication Regulation of the PRC (《中華人民共和國電信條例》) on September 25, 2000, last amended on February 6, 2016. According to this Regulation, telecommunications business is divided into basic telecommunications services and value-added telecommunications services.

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On March 1, 2009, the MIIT promulgated the Measures for the Administration of Telecommunications Business Licensing (《電信業務經營許可管理辦法》), which was latest amended on July 3, 2017 and came into effect on September 1, 2017. Under such Measures, telecommunications business may not be operated unless a legally business permit has been obtained. Business permits are categorized as Basic Telecommunications Business Permits and Value-Added Telecommunications Business Permits, with the latter valid for five years.

Regulations Relating to Online Retail Businesses

On August 31, 2018, the SCNPC issued the E-commerce Law of the PRC (《中華人民共和國電子商務法》) (the “**E-commerce Law**”), which became effective on January 1, 2019. Under the E-commerce Law, unless otherwise provided by law, e-commerce operators shall complete market entity registration in accordance with the law. On March 18, 2025, the SAMR issued the latest version of the Measures for the Supervision and Administration of Online Trading (《網絡交易監督管理辦法》), which came effective on May 1, 2025. Under the Measures, online trading operators engaging in business activities shall continuously publicize the information of business entities or a link to such information in a prominent position on the homepage of their websites or the main page of their business activities. Pursuant to the Provisions on the Administration of Information Services of Mobile Internet Apps (《移動互聯網應用程序信息服務管理規定》), which was lastly amended by the Cyberspace Administration of China (the “**CAC**”) on August 1, 2022, an App provider shall be liable for the display of information content, refrain from generating or disseminating illegal information, and actively prevent and resist illegal or harmful information.

Regulations Relating to Advertisement

On October 27, 1994, the SCNPC promulgated the Advertising Law of the PRC (《中華人民共和國廣告法》) (the “**Advertising Law**”), which was lastly amended on April 29, 2021. According to the Advertising Law, advertisements shall not have any false or misleading content or defraud or mislead consumers. An advertiser shall be responsible for the veracity of contents of advertisement. Authorities may order false advertisements discontinued, require advertisers to eliminate adverse effects within the relevant scope, and impose fines. Operators or publishers that knew or should have known of the falsity may have their fees confiscated and be fined. Advertisers are civilly liable for consumers’ losses, while relevant operators, publishers and endorsers may be jointly and severally liable by law. Advertisements involving prohibited circumstances under the Advertising Law may also be discontinued and penalized, including fines on advertisers and confiscation of fees and fines on operators and publishers. Serious violations may also result in the revocation of relevant licenses or business licenses.

According to the Measures for the Administration of Internet Advertisements (《互聯網廣告管理辦法》) effective from May 1, 2023, internet advertisements must be identifiable so that consumers can recognize them as advertisements. Commercial advertising that directly or indirectly promotes goods through Internet media, including video, is governed by the Advertising Law and the aforementioned measures. A seller whose online live streaming promotion constitutes a commercial advertisement assumes the responsibilities of an advertiser. Commissioned live streaming operators or marketing personnel providing advertising design, production, agency or publication services assume the responsibilities of advertising operators or publishers, as applicable. live streaming marketing personnel endorsing goods or services in their own name or image assume the responsibilities of advertising endorsers. Furthermore, under the Guiding Opinions of the State Administration for Market Supervision on Strengthening the Supervision of Online Live Streaming Marketing Activities (《關於加強網絡直播營銷活動監管的指導意見》) effective from November 5, 2020, business operators engaging in online live streaming marketing shall comply with relevant laws and regulations, and shall not sell prohibited goods/services, publish prohibited commercial advertisements, or trade items forbidden online via live streaming.

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As advised by our PRC legal Advisor, the aforementioned laws and regulations on live streaming and online advertising are applicable to our business. Our daily operations include placing online advertisements and conducting live streaming activities. We exercise regular supervision over both the advertising content and livestreaming conduct to ensure compliance with the requirements of laws and regulations. Such supervision measures include, but are not limited to, reviewing advertising content prior to release, requiring employees engaged in livestreaming to refrain from activities prohibited by laws and regulations during the broadcasts, and replacing KOLs who fail to comply with applicable legal and regulatory requirements.

Regulations Relating to Labor

Labor Law and Labor Contract Law

The Labor Law of the PRC (《中華人民共和國勞動法》) was promulgated by the SCNPC, which was last amended on December 29, 2018 and became effective on the same date. According to the Law, the state adopts a standard work week where an employee shall not work for more than eight hours a day and no more than 44 hours a week on average. The state implements a system of guaranteed minimum wages, and the wages paid by employers to workers shall not be lower than the local minimum wage standard. The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) was first promulgated on June 29, 2007 by the SCNPC and was last amended on December 28, 2012 and enforced on July 1, 2013. It requires that employers shall establish and improve labor rules and regulations in accordance with the law to ensure that employees enjoy labor rights and perform labor obligations. When an employer establishes a labor relationship with an employee, a written labor contract shall be entered into.

Social Insurance and Housing Provident Fund

According to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), which was promulgated on October 28, 2010 and amended on December 29, 2018, and the Interim Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》) recently amended by the State Council and effective on March 24, 2019, an employer is required to make contributions to social insurance schemes for its employees. If the employer fails to make social insurance contributions in full and on time, the social insurance authorities may demand the employer make payments or supplementary payments for the unpaid social insurance premium within a prescribed time limit together with a 0.05% surcharge of the unpaid social insurance premium from the due date. If the payment is not made within such time limit, the relevant administrative authorities will impose a fine ranging from one to three times the total outstanding amount.

On July 31, 2025, the PRC Supreme People’s Court promulgated the Supreme People’s Court’s Interpretation (II) on Several Issues Concerning the Application of Law in Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》), which took effect on September 1, 2025. Such Interpretation stipulates that if an employer and an employee agree or the employee undertakes that social insurance premiums need not be paid, the court shall deem such agreement or undertaking invalid. Furthermore, where an employer fails to pay social insurance premiums in accordance with the law, and the employee seeks to terminate the labor contract and claims economic Compensation from the employer pursuant to the Labor Contract Law, the court shall support such claims in accordance with the law.

Pursuant to the Regulations on Management of Housing Provident Fund (2019 Revision) (《住房公積金管理條例(2019修訂)》), employers shall complete housing provident fund contribution registration with the housing provident fund management center and open housing provident fund accounts for employees. Within 30 days of hiring an employee, the employer shall complete contribution registration formalities and go through account opening or transfer procedures for the employee with the center. Employers failing to make contributions on time shall be ordered to pay arrears within a time limit; continued non-compliance will allow the center to apply to the people’s court for enforcement.

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Regulations Relating to Leasing

According to the Civil Code, the state implements a unified registration system for immovables. The Administrative Measures for Commodity House Leasing (《商品房屋租賃管理辦法》) was promulgated by Ministry of Housing and Urban-Rural Development on December 1, 2010, and came into effect on February 1, 2011. According to this Regulation, the parties to a house lease shall enter into a lease contract legally, a lessee may sublease the house only with the lessor’s written consent, the parties shall complete lease registration and filing procedures with the local municipal, city or county construction (real estate) authority within 30 days of contract conclusion, and failure to comply will result in an order to rectify within a time limit, with fines of up to RMB1,000 for individuals and RMB1,000 to RMB10,000 for entities.

Regulations Relating to Fire Control

The Fire Control Law of the PRC (《中華人民共和國消防法》) (the “**Fire Control Law**”) was promulgated by the SCNPC on April 29, 1998, and newly amended on April 29, 2021. Pursuant to the Fire Control Law, construction or user entities must apply to the county-level or above local people’s governments’ fire rescue agencies for a fire safety inspection before public gathering places are put into use or operation. Unauthorized use or operation of such places without passing the inspection shall result in an order to suspend construction, use, production or operation and a fine of RMB30,000 to RMB300,000.

Regulations Relating to Anti-Unfair Competition

On September 2, 1993, the SCNPC promulgated the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) (the “**Anti-Unfair Law**”), which was lastly amended on June 27, 2025 and became effective on October 15, 2025. According to the Anti-Unfair Law, businesses shall, in their production and distribution activities, adhere to the free will, equality, fairness, and good faith principles, and abide by laws and business ethics, and participate in market competition fairly.

According to the Price Law of the PRC (《中華人民共和國價格法》) (the “**Price Law**”), promulgated by the SCNPC on December 29, 1997 and effective on May 1, 1998, business operators are prohibited from engaging in unfair pricing activities, including market price manipulation, below-cost dumping, manipulation of prices, price-based deception or misleading of consumers or other operators, and price discrimination. Any operator in violation of the Price Law shall be subject to administrative penalties.

Regulations Relating to Intellectual Property Protection

Trademarks

On August 23, 1982, the SCNPC promulgated the Trademark Law of the PRC (《中華人民共和國商標法》) (the “**Trademark Law**”), which was last amended by the SCNPC on April 23, 2019 and the latest version became effective from November 1, 2019. On August 3, 2002, the State Council promulgated the Implementation Regulations of the Trademark Law (《中華人民共和國商標法實施條例》) (the “**Implementation Regulations of the Trademark Law**”), which was last amended by the State Council on April 29, 2014 and the latest version became effective from May 1, 2014.

According to the Trademark Law and the Implementation Regulations of the Trademark Law, the Trademark Office of National Intellectual Property Administration is responsible for the registration and administration of trademarks throughout the country. Registered trademarks are valid for ten years commencing from the date of registration, unless otherwise revoked by the Trademark Office.

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Patents

The SCNPC promulgated the Patent Law of the PRC (《中華人民共和國專利法》) (the “**Patent Law**”), which was last amended by the SCNPC on October 17, 2020 and became effective from June 1, 2021. On December 12, 1992, the State Council promulgated the Implementation Rules of the Patent Law (《中華人民共和國專利法實施細則》) (the “**Implementation Rules of the Patent Law**”), which was last amended by the State Council on December 11, 2023 and took effect on January 20, 2024.

According to the Patent Law and the Implementation Rules of the Patent Law, the patent administrative department under the State Council is responsible for the administration of patent-related work nationwide. Invention patents are valid for twenty years, utility model patents for ten years and design patents for fifteen years, from the date of application, except where no annual fee for the patent has been paid as required, or the patent owner has given up its patent by a written declaration.

Copyrights

The SCNPC promulgated the Copyright Law of the PRC (《中華人民共和國著作權法》) (the “**Copyright Law**”), which was last amended on November 11, 2020 and the latest version became effective on June 1, 2021. On May 30, 1991, the State Council promulgated the Implementation Regulations of the Copyright Law (《中華人民共和國著作權法實施條例》) (the “**Implementation Regulations of the Copyright Law**”), which was last amended by the State Council on January 30, 2013 and took effect from March 1, 2013. The national copyright authority is responsible for copyright administration throughout the country.

The Computer Software Copyright Registration Measures (《計算機軟件著作權登記辦法》) (the “**Software Copyright Measures**”), promulgated by the National Copyright Administration and brought into effect on February 20, 2002, regulates the registration of software copyright, exclusive licensing contracts for software copyright and transfer contracts.

Domain Names

Domain names are protected by the Administrative Measures for Internet Domain Names (《互聯網域名管理辦法》), which was promulgated by the MIIT on August 24, 2017 and became effective on November 1, 2017. According to the Administrative Measures for Internet Domain Names, the domain name services follow the principle of “first apply, first register”, and the applicants become domain name holders upon successful registration.

Regulations Relating to Data Security, Cybersecurity and Personal Information Protection

Cybersecurity and Data Security

The PRC regulatory authorities have enacted laws and regulations concerning internet information security and the protection of personal information against misuse or unauthorized disclosure, which include, for example, the Decisions on Protection of Internet Security (《全國人民代表大會常務委員會關於維護互聯網安全的決定》) enacted and amended by the NPCSC on December 28, 2000 and August 27, 2009, respectively, the Provisions on the Technical Measures for Internet Security Protection (《互聯網安全保護技術措施規定》) issued by the Ministry of Public Security (the “**MPS**”) on December 13, 2005 and became effective on March 1, 2006, the Decision of the Standing Committee of the National People’s Congress on Strengthening Network Information Protection (《全國人民代表大會常務委員會關於加強網絡信息保護的決定》) promulgated by the SCNPC on December 28, 2012, and the Several Provisions on Regulating the Market Order of Internet Information Services (《規範互聯網信息服務市場秩序若干規定》) promulgated by the MIIT on December 29, 2011.

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On June 22, 2007, the MPS, National Administration of State Secrets Protection and other governmental authorities issued the Administrative Measures for the Graded Protection of Information Security (《信息安全等級保護管理辦法》), which regulates that the security protection of an information system may be graded into five. For an information system of Grade II or above newly built, its operator or user shall complete the record filing procedures in accordance with the relevant requirements.

The CAC promulgated the Administrative Provisions on the Account Names of Internet User (《互聯網用戶賬號名稱管理規定》) on February 4, 2015 (which became effective on March 1, 2015) and the Administrative Provisions on the Account Information of Internet Users (《互聯網用戶賬號信息管理規定》) on June 27, 2022 (which became effective on August 1, 2022), which, amongst others, require internet information service providers implement security management responsibilities to prevent users from having illegal and bad information in the account registration information.

On July 1, 2015, the SCNPC issued the National Security Law of the People’s Republic of China (《中華人民共和國國家安全法》), which came into effect on the same day, pursuant to which the State shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet and information technology products and services, and other important activities that are likely to impact the national security of the PRC.

On October 28, 2025, the SCNPC newly revised the Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) (the “**Cybersecurity Law**”), which came into effect on January 1, 2026. According to the Cybersecurity Law, network operators shall fulfill their obligations to safeguard cybersecurity when conducting business and providing services. For the construction and operation of the network or the provision of services through the network, technical and other necessary measures shall be taken as required by law and the compulsory requirements of national standards to ensure the safe and stable operation of the network, respond to cybersecurity incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data. The revised Cybersecurity Law increases penalties under certain circumstances and expands extraterritorial application to activities outside the PRC that endanger the cybersecurity of the PRC.

The Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”) was released by the SCNPC on June 10, 2021 and became effective on September 1, 2021. The Data Security Law stipulates the measures to support and promote data security and development, to establish and optimize the national data security management system, and to clarify organizations’ and individuals’ responsibilities in data security. The Data Security Law introduces a data classification and hierarchical protection system. In addition, it clarifies that any organization or individual collecting data shall adopt lawful and proper methods and shall not acquire data by theft or in other illegal manners, and risk monitoring shall be strengthened when data processing activities are carried out, and where risks such as data security flaws and vulnerabilities are discovered, remedial measures shall be immediately taken.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China, and the General Office of the State Council jointly issued the Opinions on Strictly Combatting Illegal Securities Activities in Accordance with the Law (《關於依法從嚴打擊證券違法活動的意見》), emphasizing strengthening the regulation of illegal securities activities and supervision over overseas listings of domestic enterprises, and improving legislation on data security, cross-border data transmission and confidential information management.

On December 28, 2021, the CAC and certain other PRC regulatory authorities jointly revised and promulgated the Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**Revised Measures for Cybersecurity Review**”), which became effective on February 15, 2022. The Revised Measures for Cybersecurity Review provides that, among others, (i) a critical information infrastructure operator (“**CIIO**”) purchasing network products and services or a

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network platform operator that engages in data processing activities that affect or may affect national security shall be subject to the cybersecurity review by the Cybersecurity Review Office under the CAC; (ii) a network platform operator with personal information of more than one million users which seeks listing in a foreign country is obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer’s network products or services, or data processing activities affect or may affect national security.

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

The MIIT promulgated the Administrative Measures on Data Security in the Field of Industry and Information Technology (Trial Implementation) (《工業和信息化領域數據安全管理辦法（試行）》) (the “**MIIT Data Security Measures**”), which came into effect on January 1, 2023. The MIIT Data Security Measures applies to the data processing activities in the field of industry and information technology carried out within the territory of China, and sets out a series of data security protection obligations for data processors in such field, such as taking protective measures based on the corresponding grading of data, establishing a full life-cycle data security management system, appointing data security management personnel as needed, assisting the industrial administrative authorities with relevant work, and conducting filings for the important data and core data processed.

On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-border Data Flow (《促進和規範數據跨境流動規定》), effective on the date of promulgation. The provisions provide exemptions from data security assessment, personal information protection certification, and standard contracts for outbound transfer of personal information. These exemptions include, among others, scenarios where a data processor, other than a CIIO, has cumulatively transferred personal information (excluding sensitive personal information) of fewer than 100,000 individuals to overseas recipients since January 1 of the current year. In addition, a data processor, other than a CIIO, shall enter into a standard contract with overseas recipients or obtain certification for personal information protection if, since January 1 of the current year, the data processor has cumulatively transferred to overseas recipients personal information (excluding sensitive personal information) of more than 100,000 but fewer than 1,000,000 individuals, or sensitive personal information of fewer than 10,000 individuals. The provisions also explicitly state that data processors are not required to apply for security assessment on cross-border transfer of important data, provided that the relevant data has not been notified or published as important data by relevant departments or regions.

On September 24, 2024, the State Council released the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the “**Regulations on Cyber Data Security**”), which came into effect on January 1, 2025. According to the Regulations on Cyber Data Security, where network data processing activities carried out by a network data processor affect or may affect national security, national security review shall be conducted in accordance with the relevant provisions issued by the state. Furthermore, the Regulations on Cyber Data Security also provided other specific requirements on personal information protection, important data safety, cyber data cross-border safety management and obligations of network platform service provider.

Personal Information Protection

On July 16, 2013, the MIIT promulgated the Regulations on Protection of Personal Information of Telecommunications and Internet Users (《電信和互聯網用戶個人信息保護規

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定)), which came into effect on September 1, 2013, to enhance and enforce legal protection over user information security and privacy on the internet. The Regulations on Protection of Personal Information of Telecommunications and Internet Users require internet service providers to take various measures to ensure the security of users' information.

On August 29, 2015, the SCNPC issued the Ninth Amendment to the Criminal Law of the People's Republic of China (《中華人民共和國刑法修正案(九)》), which became effective on November 1, 2015, and stipulates that any person or organization that violates relevant state regulations by selling or providing citizens' personal information to others or obtaining citizens' personal information will be subject to criminal penalty in serious cases. The Notice of the Supreme People's Court, the Supreme People's Procuratorate and the Ministry of Public Security on Legally Punishing Criminal Activities Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院、公安部關於依法懲處侵害公民個人信息犯罪活動的通知》), issued on April 23, 2013, and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues regarding Legal Application in Criminal Cases Infringing upon the Personal Information of Citizens (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) issued on May 8, 2017 further clarifies the definitions of certain concepts and specifies certain standards for the conviction and sentencing in respect of the crimes in relation to personal information infringement.

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

Pursuant to the Civil Code, which was promulgated by the NPC on May 28, 2020 and became effective on January 1, 2021, the personal information of a natural person shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or make public personal information of others.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the “PIPL”) was promulgated by the SCNPC on August 20, 2021 and became effective on November 1, 2021.

Pursuant to the PIPL, the processing of personal information shall be conducted based on consent of relevant individuals or otherwise permitted by laws and regulations, and before processing personal information, personal information processors should truthfully, accurately and completely inform individuals of requisite matters in a conspicuous manner and in clear and easy-to-understand language. Personal information processors should also

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take the following measures to ensure that personal information processing activities comply with laws and administrative regulations and to prevent unauthorized access and personal information leakage, tampering and loss: (i) formulating internal management systems and operating procedures; (ii) implementing classified management of personal information; (iii) adopting corresponding security technical measures such as encryption and de-identification; (iv) reasonably determining the operating authority for personal information processing, and regularly conduct safety education and training for practitioners; (v) formulating and organizing the implementation of emergency plans for personal information security incidents; and (vi) other measures stipulated by laws and administrative regulations.

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

On February 22, 2023, the CAC promulgated the Measures for the Administration of Standard Contractual Clauses for the Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》), which became effective on June 1, 2023 and provides requirements and guidelines for personal information processors in respect of their entry into a contract for outbound transfer of personal information abroad and the relevant filing procedures.

On February 12, 2025, the Administrative Measures for the Compliance Audit of Personal Information Protection (《個人信息保護合規審計管理辦法》), was promulgated by the CAC, which became effective on May 1, 2025. According to the Administrative Measures for the Compliance Audit of Personal Information Protection, personal information processors that process the personal information of more than 10 million individuals shall carry out the compliance audit of personal information protection at least every two years. Personal information processors in any of the following circumstances may be required by the CAC and other authorities performing personal information protection duties to entrust a professional agency to conduct a compliance audit of their personal information processing activities: (1) where significant risks are identified in the personal information processing activities that severely impact individual rights or lack adequate security measures; (2) where the personal information processing activities may infringe upon the rights and interests of a large number of individuals; (3) in the event of a personal information security incident resulting in the leakage, tampering, loss, or destruction of personal information of more than 1 million individuals or sensitive personal information of more than 100,000 individuals.

Regulations Relating to Foreign Exchange

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) (the “**Foreign Exchange Regulation**”), which was lastly amended on August 5, 2008. According to the Foreign Exchange Regulation, the foreign exchange administration department under the State Council supervises and administers the national foreign exchange market in accordance with the law, and stipulates the currency and form of foreign exchange market transactions. Except as otherwise provided by laws and regulations, the circulation of foreign currency is prohibited within the territory of the PRC, and settlement in foreign currency is prohibited. Foreign exchange items can be classified into current account items and capital account items.

The SAFE promulgated the Notice on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) on March 30, 2015, which came into effect on June 1, 2015,

REGULATORY OVERVIEW

partially repealed in 2019 and updated on March 23, 2023. According to the Notice on Reforming the Management Mode of Foreign Exchange Capital Settlement of Foreign Investment Enterprises, foreign exchange capital funds of foreign-invested enterprises shall be settled based on discretion, and the proportion shall be tentatively set at 100%. While implementing the discretionary settlement of foreign exchange capital, foreign-invested enterprises can still choose to use their foreign exchange capital in accordance with the foreign exchange payment and settlement system.

On June 9, 2016, the SAFE issued the Notice on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《關於改革和規範資本項目結匯管理政策的通知》). The notice stipulates that the RMB funds obtained from the discretionary settlement of foreign exchange income of domestic institutions are included in the accounts for pending foreign exchange settlements, and the foreign exchange income from capital account items of domestic institutions and the RMB funds obtained from foreign exchange settlement shall be used within the business scope under the authenticity and self-use principles.

On October 23, 2019, the SAFE promulgated the Notice on Further Facilitating Cross-Board Trade and Investment (《關於進一步促進跨境貿易投資便利化的通知》). The notice canceled restrictions on domestic equity investments made with capital funds by non-investing foreign-invested enterprises, and allowed non-investment foreign-invested enterprises to make domestic equity investments with capital funds in accordance with the law provided that they do not violate the current special administrative measures for foreign investment access (negative list) and that the domestic investment projects are true and compliant.

According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《關於優化外匯管理支持涉外業務發展的通知》) issued by the SAFE on April 10, 2020 and became effective on June 1, 2020, the reform of facilitating receipts and payments under capital accounts shall be popularized nationwide. Eligible enterprises are allowed to make domestic payments by using their capital, foreign credits and the income under capital accounts of overseas listing, with no need to provide the evidentiary materials concerning authenticity of such capital for banks in advance, provided that their capital use shall be authentic and in line with provisions, and conform to the prevailing administrative regulations on the use of income under capital accounts.

Regulations Relating to Taxes

Enterprise Income Tax

The Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**Enterprise Income Tax Law**”) was first promulgated by the NPC on March 16, 2007 and last amended by the SCNPC on December 29, 2018 and became effective on the same date. The Implementing Regulation of the Enterprise Income Tax Law (《中華人民共和國企業所得稅法實施條例》) (the “**Implementing Regulation of Enterprise Income Tax Law**”) was first promulgated by the State Council on December 6, 2007, last revised on December 6, 2024 and took effect on January 20, 2025. Pursuant to the above Law and the Implementing Regulation, enterprises are divided into resident enterprises and non-resident enterprises. Enterprise income tax shall be payable by a resident enterprise for income derived from or accruing in or outside the PRC. Enterprise income tax shall be payable by a non-resident enterprise, for income derived from or accruing in the PRC by its office or premises established in the PRC, and for income derived from or accruing outside the PRC with which the established office or premises has a de facto relationship. The enterprise income tax rate is 25%, but if a non-resident enterprise has no establishment or place in China, or has an establishment or place but its income has no actual connection with the establishment or place, the applicable tax rate is 20%.

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The Notice on Issues Concerning the Recognition of Overseas Registered Chinese-funded Holding Enterprises as Resident Enterprises Based on the Standards of Actual Management Agency (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), which was partially revised on December 29, 2017, where an overseas Chinese-funded enterprise concurrently meets the relevant conditions prescribed by law, it shall be determined to be a resident enterprise in China with actual management agency to which corresponding tax arrangement shall apply, and enterprise income tax shall be levied on its income derived from within and outside China.

VAT

The VAT Law of the PRC (《中華人民共和國增值稅法》) was promulgated by the SCNPC on December 25, 2024, which became effective on January 1, 2026. According to the VAT Law of the PRC, entities and individuals (including individual industrial and commercial households) that sell goods, services, intangible assets, or immovables, or import goods within the territory of the PRC are taxpayers of VAT, and shall pay VAT in accordance with this Law.

Dividends and Taxes

The main laws, rules and regulations governing the dividend distribution by foreign-invested enterprises in China are the Foreign Investment Law and its implementing regulations, and the PRC Company Law. Under these provisions, foreign-invested enterprises may only distribute dividends from accumulated profits (if any) calculated in accordance with PRC accounting standards and regulations. An enterprise in China shall allocate at least 10% of its after-tax accumulated profits (if any) as statutory surplus reserve annually until the cumulative amount of such reserve reaches 50% of the enterprise's registered capital. No profit distribution shall be made until prior fiscal year losses are offset. Both retained profits from prior fiscal years and distributable profits of the current fiscal year are distributable.

Pursuant to the Enterprise Income Tax Law and the Implementing Regulation of Enterprise Income Tax Law, a 10% enterprise income tax rate generally applies to dividends paid to non-resident enterprise shareholders who have no establishment or place in the PRC, or have an establishment or place but the relevant income is not actually connected thereto (where such dividends are derived from PRC). This shall not apply if the jurisdiction of incorporation of the non-resident enterprise shareholder has entered into a tax treaty with China providing for preferential withholding tax arrangements.

Regulations Relating to Overseas Listing

On February 17, 2023, the China Securities Regulatory Commission (the “CSRC”) promulgated the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》), which became effective on March 31, 2023. Pursuant to the Measures, the CSRC shall, in accordance with the law, supervise and regulate the overseas offering and listing activities by domestic enterprises. In the case of the direct overseas offering and listing by a domestic enterprise, the issuer shall file with the CSRC. In the case of the indirect overseas offering and listing by a domestic enterprise, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC. The recognition of the indirect overseas offering and listing by a domestic enterprise follows the principle of substance over form.

If a domestic enterprise fails to fulfill the filing procedures, or if there are conditions that prohibit the overseas offering and listing by such domestic enterprise, and the enterprise proceeds with overseas offering and listing, the CSRC shall order it to make corrections, issue a warning to it, and impose a fine.

The Provisions on Strengthening Confidentiality and Archives Administration for Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) issued by the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives

REGULATORY OVERVIEW

Administration on February 24, 2023, which came into effect on March 31, 2023, state that, in the course of overseas offering and listing activities by a domestic enterprise, the domestic enterprise, as well as the securities firms and securities service providers that provide corresponding services, shall establish a sound confidentiality and archive work system, take necessary measures to implement the responsibility of confidentiality and archive management, and shall not disclose state secrets and working secrets of state organs.

B. HONG KONG LAWS AND REGULATIONS

Laws Relating to Our Business

Public Health and Municipal Services Ordinance

Section 50 of the Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) (the “**Public Health Ordinance**”) prohibits the manufacturing, advertising and sale of food that is injurious to human health. Violators are liable to a maximum penalty of HK\$10,000 and imprisonment for three months.

Section 52 of the Public Health Ordinance provides that, subject to the defenses in section 53, any seller who sells food which is not of the nature, substance or quality demanded by the purchaser is guilty of an offense, and is liable to a maximum penalty of HK\$10,000 and imprisonment for three months.

Section 54 of the Public Health Ordinance provides that any person who sells or offers for sale any food unfit for human consumption shall be guilty of an offense, and liable to a fine of HK\$50,000 and imprisonment for six months.

Section 61 of the Public Health Ordinance provides that any person who provides any food with a label, or publishes or is a party to the publication of an advertisement, which falsely describes any food or is likely to mislead as to its nature, substance or quality shall be guilty of an offense, and liable to a maximum fine of HK\$50,000 and imprisonment for six months.

Food Business Regulation

Section 31(1) of the Food Business Regulation (Chapter 132X of the Laws of Hong Kong) (the “**Food Business Regulation**”) provides that no person shall operate any food factory business except with a license. The FEHD may grant a provisional food factory license to an applicant who has fulfilled the basic requirements, pending fulfillment of all outstanding requirements for a full license.

Section 30(1) of the Food Business Regulation provides that any person who intends to sell any restricted foods specified in schedule 2 must obtain the permission in writing from the Director of Food and Environmental Hygiene.

Section 35 of the Food Business Regulation provides that any person violating section 31(1) is guilty of an offense, and liable to a fine of HK\$50,000 (plus a daily fine of HK\$900 for a continuing offenses) and imprisonment for up to six months.

Food and Drugs (Composition and Labeling) Regulations

Regulation 3 of the Food and Drugs (Composition and Labeling) Regulations (Chapter 132W of the Laws of Hong Kong) (the “**Food and Drugs Regulations**”) provides that food manufacturing shall adhere to the standards specified under schedule 1 thereto, failing which the offender is liable to a maximum fine of HK\$50,000 and to imprisonment for six months.

Regulation 4A of the Food and Drugs Regulations requires all prepackaged food (except those listed in schedule 4 thereto) to be marked and labeled as prescribed in schedule 3 to thereto, including but not limited to the product’s name or designation, ingredients,

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expiry date, special storage conditions or instruction for use, manufacturer’s or packer’s name and address, and count, weight or volume. Violation may result in a conviction carrying a maximum penalty of HK\$50,000 and imprisonment for six months.

In accordance with Regulation 4B of the Food and Drugs (Composition and Labeling) Regulations, pre-packaged food sold by our Group should be marked with its energy value and nutrient content as prescribed in part 1 of schedule 5 thereto, and nutrition claims, if any, made on the label or in any advertisement for the product should comply with part 2 of schedule 5 thereto. Contravention may result in a maximum penalty of HK\$50,000 and imprisonment for six months.

Food Safety Ordinance

Sections 4 and 5 of the Food Safety Ordinance (Chapter 612 of the Laws of Hong Kong) provide that, except for holders of food factory licenses, food importers and food distributors must register with the FEHD. Contravention may result in a conviction carrying a maximum penalty of HK\$50,000 and imprisonment for six months.

Further, food importers, food distributors and all other persons who acquire food in the course of business shall keep records to enhance traceability, including the date of acquisition; (b) the name and contact details of the supplier; (c) the total quantity of the food; and (d) a description of the food.

All records must be kept for three months for food with a shelf-life of three months or less and 24 months for food with a shelf-life exceeding three months. Contravention may result in a conviction carrying a maximum penalty of HK\$10,000 and imprisonment up to three months.

Import and Export Ordinance

Under the Import and Export Ordinance (Chapter 60 of the Laws of Hong Kong), the importation of frozen meat, chilled meat, frozen poultry or chilled poultry requires an import license issued by the FEHD. Section 6C thereof provides that contravention may result in a conviction carrying a maximum penalty of HK\$500,000 and imprisonment for two years. An import license is normally valid for one shipment only and for up to six weeks from issuance.

Imported Game, Meat, Poultry and Eggs Regulations

Regulation 4(1)(a) of the Imported Game, Meat, Poultry and Eggs Regulations (Chapter 132AK of the Laws of Hong Kong) (the “**Imported Food Regulations**”) provides that the importation of meat, poultry or eggs requires a health certificate issued by an issuing entity recognized by the Director of FEHD.

Regulation 4(3) of the Imported Food Regulations provides that the FEHD may require importer to submit the food for inspection on arrival; and impose conditions or issue directions as he may consider desirable for ensuring fitness for human consumption.

Preservatives in Food Regulation

Section 3 of the Preservatives in Food Regulation (Chapter 132BD of the Laws of Hong Kong) prohibits the importation, manufacturing or sale of any food that contains a food additive other than those permitted under schedule 1 thereto, provided the additives level does not exceed the maximum permitted level.

Sections 5 and 6 thereof prohibits the sale of any food preservative or antioxidant or food containing permitted preservative or permitted antioxidant unless the container bears a label in accordance with schedule 2 thereto.

Section 9 thereof provides that contravention of section 3, 5 or 6 thereof may result in a conviction carrying a maximum penalty of HK\$50,000 and imprisonment for six months.

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Trade Descriptions Ordinance

Section 2 of the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong) (the “**Trade Descriptions Ordinance**”) provides that “trade description” in relation to goods means an indication, direct or indirect, and by whatever means given, of certain matters (including quantity, composition, fitness for purpose, price, place or date of manufacture, etc.); and in relation to services means an indication, direct or indirect, and by whatever means given, of certain matters (including nature, scope, quantity, fitness for purpose, availability, price, etc.).

Sections 7 and 7A of the Trade Descriptions Ordinance provide that no person shall in the course of trade or business apply a false trade description to any goods or services with false trade descriptions applied thereto.

Sections 13E, 13F, 13G, 13H and 13I thereof further provide that a trader who engages toward a consumer in a commercial practice that (i) is a misleading omission; or (ii) is aggressive; (iii) constitutes bait advertising; (iv) constitutes a bait and switch; or (v) constitutes wrongly accepting payment for a product, commits an offense.

Section 18 of the Trade Descriptions Ordinance provides that a person who commits an offense under sections 7, 7A, 13E, 13F, 13G, 13H or 13I, is liable to a maximum penalty of HK\$500,000 and imprisonment for five years.

Sale of Goods Ordinance

The Sale of Goods Ordinance (Chapter 26 of the Laws of Hong Kong) (the “**Sale of Goods Ordinance**”) regulates the scope of certain implied terms conditions and warranties relating to the safety and suitability of goods supplied under a the sale of goods contract. The warranties include that goods sold must be of merchantable quality, i.e. free from defects, safe and durable. If the seller breaches a warranty, the buyer may claim a price reduction or sue the seller for damages for the breach of warranty, but cannot reject the goods on that ground alone.

Trade Marks Ordinance

Sections 10 and 14 of the Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) (the “**Trade Marks Ordinance**”) confer on the owner of a registered trademark exclusive property rights therein, effective from the date of registration.

Subject to the exceptions under sections 19 to 21 of the Trade Marks Ordinance, any use of registered trademarks by third parties without the owner’s consent is an infringement. Section 18 thereof specifies the conducts which amount to infringement of the registered trademarks. The owner of the registered trademark is entitled to remedies under the Trade Marks Ordinance, such as infringement proceedings under in sections 23 and 25 of the Trade Marks Ordinance.

Trademarks not registered under the Trade Marks Ordinance and the Trade Marks Rules (Chapter 559A of the Laws of Hong Kong) may be protected by the common law action of passing off, which requires proof of the owner’s reputation in the unregistered trademark and that third party-use will cause damage to the owner.

Personal Data (Privacy) Ordinance

Under section 2 of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) (the “**PDPO**”), personal data refers to any data (i) relating directly or indirectly to a living individual; (ii) from which it is practicable for the individual to be directly or indirectly ascertained; and (iii) in a form in which access to or processing of the data is practicable.

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The PDPO sets out six principles for all data users:

Principle 1 – Purpose and manner of collection: Personal data should be collected lawfully and fairly, for a lawful purpose directly related to a function or activity of the data user. The data collected should be necessary, adequate but not excessive. The data subject should be informed of the purpose and the classes of persons to whom the data may be transferred.

Principle 2 – Accuracy and duration of retention: Practicable steps shall be taken to ensure that the accuracy of personal data and that data is not kept longer than is necessary.

Principle 3 – Use of personal data: Unless the data subject consents, personal data must only be used for the purpose collected or for a directly related purpose.

Principle 4 – Security of personal data: Practicable steps shall be taken to ensure protection against unauthorized or accidental access, processing, erasure, loss or use.

Principle 5 – Information to be generally available: Practicable steps shall be taken to ensure that information policies and practices are generally available to the public regarding the types of personal data it holds and the main purposes for which the personal data is used.

Principle 6 – Access to personal data: Data subjects must be given access to their personal data and allowed to request corrections. Under section 38 of the PDPO, the Privacy Commissioner for Personal Data may carry out an investigation against a data user upon a complaint or if he has reasonable grounds to believe that the PDPO has been contravened. The Commissioner may then issue an enforcement notice after an investigation to direct remedial action. Non-compliance with such notice commits an offense and is liable, on first conviction, to a level 5 fine of HK\$50,000 and imprisonment for 2 years.

Laws Relating to Labor, Health and Safety

Employment Ordinance

Pursuant to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), an employee is generally entitled to, amongst other things, notice of termination of his employment contract; payment in lieu of notice; maternity protection for pregnant employees; at least one rest day in every seven days; severance or long service payments; sickness allowance; statutory holidays or alternative holidays; and paid annual leave of up to 14 days depending on the length of employment.

Employees’ Compensation Ordinance

Pursuant to the Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong), if an employee is injured or dies as a result of an accident arising out of and in the course of employment, the employer is generally liable to pay for the compensation even if the employee was at fault. Under section 32 thereof, an employee who suffers incapacity or dies from an occupational disease is entitled to receive the same compensation as for occupational accidents. Further, section 40 thereof provides that an employer must have an insurance policy for each employee for an amount not less than that specified in the Employees’ Compensation Ordinance. Pursuant to the Fourth Schedule thereto, the insured amount shall be not less than HK\$100,000,000 per event if a company has 200 or fewer employees.

Inland Revenue Ordinance

Pursuant to the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), provides that profits tax shall be charged on assessable profits arising in or derived from Hong Kong at the standard rate. Every such person must keep sufficient records of his income and expenditure and shall retain such records for a period of at least seven years.

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Minimum Wage Ordinance

Pursuant to the Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) (the “**Minimum Wage Ordinance**”), the minimum hourly wage rate is HK\$43.1 for employee employed under the Employment Ordinance. Any contractual provision which purports to extinguish or reduce the right, benefit or protection conferred on the employee by the Minimum Wage Ordinance is void.

Mandatory Provident Fund Schemes Ordinance

Pursuant to the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong), employers are required to enroll their regular employees (except for certain exempt persons) aged between at least 18 to 65 and employed for 60 days or more in a Mandatory Provident Fund (“**MPF**”) scheme within the first 60 days of employment. Under the MPF scheme, an employer and its employees each contribute 5% of the employee’s monthly relevant income as mandatory contribution, subject to the minimum and maximum relevant income levels. For a monthly-paid employee, the current minimum and maximum relevant income levels are HK\$7,100 and HK\$30,000, respectively.

Occupational Safety and Health Ordinance

Section 6 of the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) (the “**Occupational Safety and Health Ordinance**”) provides that employers must as far as reasonably practicable ensure workplace safety and health by: a) providing and maintaining safe plant and systems of work without risks to health; b) making arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant or substances; c) providing such information, instruction, training and supervision as necessary for ensuring safety and health at work; d) providing and maintaining safe means of access to and egress from the workplace without any such risks; and e) providing and maintaining a safe working environment for the employees without risks to health. Contravention may result in a conviction carrying a maximum penalty of HK\$10,000,000 and imprisonment for two years.

Section 9 of the Occupational Safety and Health Ordinance provides that the Commissioner for Labor may also issue improvement notices against non-compliance with this ordinance or the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong), and suspension notices against activities posing imminent risk of death or serious bodily injury to the employees. Failure to comply carries a fine of HK\$400,000 and imprisonment for up to 12 months.

Section 6A of the Factories and Industrial Undertakings Ordinance states that a proprietor of a relevant undertaking must ensure the safety and health at work of all his employees. Contravention is an offense punishable by a fine of up to HK\$10,000,000 and imprisonment for two years.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We are the largest community-based fresh product chain company in China. Our history can be traced back to 2014, when our founders, Ms. Feng and Mr. Feng (the younger brother of Ms. Feng), founded Guangzhou Qdama, the principal operating entity of our Group. Over the years, our Group has operated under the “Qdama” brand (錢大媽), dedicating to offering quality fresh products, especially pork products to consumers with D&C Model (end of the day discount and clearance model). According to CIC, our Group ranked first among community-based fresh product chains in China by GMV of fresh products from 2020 to 2025. The community-based fresh product chains accounted for 10.2% of the overall China’s fresh product retail market in 2025. Meanwhile, in the broader China’s fresh product retail market, we ranked seventh among fresh product chains, with a market share of 0.9% in terms of fresh products GMV in 2025, and were the only community-based fresh product chain brand among the seven largest market players.

On May 12, 2021, our Company was incorporated as an exempted company with limited liability in the Cayman Islands, and as part of the Reorganization became the holding company of our Group.

OUR GROUP’S BUSINESS MILESTONES

The following table sets forth major events and milestones in the development of the business of our Group:

Year	Event
2014	Guangzhou Qdama, the principal operating entity of our Group, was established.
2015	We completed Series A Financing. We expanded our store network to over 100 stores.
2017	We completed Series B Financing.
2018	We completed Series B+ Financing. We expanded our store network into Hong Kong. We expanded our store network to over 1,000 stores. We completed Series C Financing.
2019	We expanded our store network to Eastern China and Central China. We completed Series D Financing.
2020	We expanded our store network to over 2,000 stores.
2022	We completed Series E Financing.
2023	We were awarded as Model Case of Developing Business with Integrity in Guangdong Province in 2023 (2023年廣東省誠信興商典型案例) by Guangdong Provincial Department of Commerce (廣東省商務廳).
2024	We were awarded as top ten among the 2024 China Supermarket Top 100 list (2024年中國超市TOP100) by China Chain Store & Franchise Association (中國連鎖經營協會).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Year	Event
2025	We were awarded as Key Leading Agricultural Enterprise of Guangdong Province (廣東省重點農業龍頭企業) by Guangdong Provincial Department of Agriculture and Rural Affairs (廣東省農業農村廳). We were awarded as Top 100 Private Enterprises in Guangdong Province (廣東省民營企業100強) by Guangdong Federation of Industry and Commerce (廣東省工商業聯合會).
2026	We were awarded as top eight among the 2026 China Supermarket Top 100 list (2026年中國超市TOP100) by China Chain Store & Franchise Association (中國連鎖經營協會). We expanded our store network to over 3,000 stores as of June 30, 2026.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following subsidiaries made a material contribution to our results of operation during the Track Record Period:

Name of subsidiary	Place of incorporation	Date of incorporation	Shareholding	Principal business activities
Guangzhou Qdama	PRC	May 16, 2014	100%	Brand management
Guangzhou Qdama Supply Chain	PRC	February 12, 2020	100%	Supply chain management
Dongguan Qdama Agricultural Products	PRC	October 12, 2016	100%	Store operation management and supply chain management
Shenzhen Qdama Agricultural Products	PRC	December 2, 2013	100%	Store operations management and supply chain management
Shanghai Qdama Agricultural Products	PRC	March 22, 2019	100%	Store operations management and supply chain management
Hong Kong Qdama Fresh	Hong Kong	February 27, 2019	100%	Store operations management in Hong Kong and Macau region

For information on our other subsidiaries and operating entities, see Note 12 to the Accountant’s Report set out in Appendix I to this document.

MAJOR SHAREHOLDING CHANGES OF OUR GROUP

(a) Establishment and shareholding changes of Guangzhou Qdama

Guangzhou Qdama, our principal operating subsidiary in the PRC, was established in the PRC on May 16, 2014 with a registered capital of RMB1,000,000 and was wholly owned by Mr. Feng.

Series A Financing and Equity Transfer

On April 17, 2015, Guangzhou Qdama and the following investors (the “**Series A Investors**”) entered into a share capital increase agreement. For further details, see “—Pre-[REDACTED] Investments” below. As a result, the registered capital of Guangzhou Qdama was increased to RMB1,111,111.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Suzhou Heju Huiyi Investment Partnership (Limited Partnership) (蘇州和聚匯益投資合夥企業(有限合夥), “Suzhou Huiyi”)	55,555	6,500,000
Suzhou Heju Rongyi Investment Partnership (Limited Partnership) (蘇州和聚融益投資合夥企業(有限合夥), “Suzhou Rongyi”)	55,555	6,500,000

On the even date, Mr. Feng transferred the registered capital of Guangzhou Qdama of RMB55,555 to his sister, Ms. Feng, at the consideration of RMB55,555.5, which was determined with reference to the registered share capital acquired taking into account their familial relationship and shareholding arrangement as co-founders.

Establishment of an Employee Shareholding Platform and Capital Increase

Guangzhou Money Shopkeeper was established on September 26, 2016 as an employee shareholding platform and was owned as to 20% and 80% by Ms. Feng and Mr. Feng, respectively.

In January 2017, Guangzhou Money Shopkeeper subscribed for the registered capital of Guangzhou Qdama of RMB123,457 at the consideration of RMB1,215,510, which was determined with reference to a then paid-up registered capital of Guangzhou Qdama. As a result, the registered capital of Guangzhou Qdama was increased to RMB1,234,568.

Series B Financing and Equity Transfer

On April 13, 2017, Guangzhou Qdama and the following investors (the “**Series B Investors**”) entered into a share capital increase agreement. See “— Pre-[REDACTED] Investments” below. As a result, the registered capital of Guangzhou Qdama was increased to RMB1,371,742 pursuant to such share capital increase agreement and relevant shareholders’ agreement.

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Generation Alpha Investment Ltd.	102,880	45,000,000
Ningbo Meishan Bonded Port Area Hehong Zhiyi Investment Partnership (Limited Partnership) (寧波梅山保稅港區和宏致益投資合夥企業(有限合夥), “Hehong Zhiyi”)	23,319	10,200,000
Zhuhai Zhiying	8,230	3,600,000
Yancheng Changqing	2,743	1,200,000

On the even date, Mr. Feng, Ms. Feng, Suzhou Huiyi and Suzhou Rongyi transferred the registered capital of RMB11,659.64, RMB685.86, RMB685.86 and RMB685.86 of Guangzhou Qdama to Guangzhou Money Shopkeeper at the consideration of RMB11,659.64, RMB685.86, RMB685.86 and RMB685.86, respectively, for employee incentive purpose. Such consideration was determined with reference to the then paid-up registered capital of Guangzhou Qdama.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series B+ Financing

On November 8, 2017, Guangzhou Qdama and the following investor (the “**Series B+ Investor**”) entered into a share capital increase agreement. See “— Pre-[REDACTED] Investments” below. As a result, the registered capital of Guangzhou Qdama was increased to RMB1,415,452.

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Generation Alpha	39,321	25,000,000

On the even date, to maintain the shareholding percentage of Guangzhou Money Shopkeeper in Guangzhou Qdama immediately before and after the completion of series B+ financing, Guangzhou Money Shopkeeper subscribed for the registered capital of Guangzhou Qdama of RMB4,370.78 at the consideration of RMB4,370.78, which was determined with reference to the registered capital of subscribed for.

Series C Financing

On May 3, 2018, Guangzhou Qdama and the following investors (the “**Series C Investors**”) entered into a share capital increase agreement. See “— Pre-[REDACTED] Investments” below. As a result, the registered capital of Guangzhou Qdama was increased to RMB1,498,713.

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Xizang Rongan Growth Investment Center (Limited Partnership) (西藏榕安成長投資中心(有限合夥), “ Xizang Rongan ”)	38,217	89,250,000
Generation Alpha	36,718	85,750,000

Equity Transfer in 2018

On May 3, 2018, the following equity transfers were initiated by our then Shareholders (the “**2018 Transfer**”). See “— Pre-[REDACTED] Investments” below.

Transferor	Transferee	Registered capital transferred	Consideration
		(RMB)	(RMB)
Suzhou Huiyi	Xizang Rongan	22,481	52,501,228
Suzhou Rongyi	Generation Alpha	22,481	52,501,228
Hehong Zhiyi	Xizang Rongan	3,747	8,750,594
Hehong Zhiyi	Generation Alpha	749	1,749,185
Hehong Zhiyi	Shanghai Shangshi	7,493	17,498,852
Zhuhai Zhiying	Shanghai Shangshi	8,231	19,222,348

On the even date, to maintain the shareholding percentage of Guangzhou Money Shopkeeper in Guangzhou Qdama immediately before and after the completion of series C financing, Guangzhou Money Shopkeeper subscribed for the registered capital of Guangzhou Qdama of RMB8,326 at the consideration of RMB8,326, which was determined with reference to the registered capital subscribed for.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series D Financing

On November 26, 2019, Guangzhou Qdama and the following investors (the “**Series D Investors**”) entered into a share capital increase agreement. See “— Pre-[REDACTED] Investments” below. As a result, the registered capital of Guangzhou Qdama was increased to RMB1,624,657.

Subscriber	Registered capital subscribed for	Consideration
	(RMB)	(RMB)
Lingyu CoStone	37,783	200,000,000
Taikang Life Insurance	33,060	175,000,000
Linghui CoStone	18,891	100,000,000
Jiaxing Hanyuan Equity Investment Partnership (Limited Partnership) (嘉興瀚源股權投資合夥企業(有限合夥), “ Jiaxing Hanyuan ”)	14,169	75,000,000
Generation Alpha	9,446	50,000,000

Equity Transfer in 2019

On November 26, 2019, the following equity transfers were initiated by our then Shareholders (the “**2019 Transfer**”). See “— Pre-[REDACTED] Investments” below.

Transferor	Transferee	Registered capital transferred	Consideration	Cost per Share ⁽¹⁾
		(RMB)	(RMB)	(RMB)
Suzhou Huiyi	Shenzhen Jiangu	16,624	74,798,192	2.48
Suzhou Rongyi	Shenzhen Jiangu	16,624	74,798,192	2.48
Hehong Zhiyi	Shenzhen Jiangu	5,713	25,705,129	2.48
Yancheng Changqing . . .	Shenzhen Jiangu	2,744	12,346,381	2.48
Shanghai Shangshi	Shenzhen Jiangu	9,521	42,838,883	2.48
Mr. Feng	Shenzhen Jiangu	6,692	31,880,000	2.63 ⁽²⁾
Guangzhou Money Shopkeeper	Shenzhen Jiangu	3,803	18,120,000	2.63 ⁽²⁾

Notes:

- (1) Taking into account our issuance of Shares to all existing shareholders of Guangzhou Qdama for Reorganization in January 2022, as well as the conversion of capital reserve into share capital in September 2025.
- (2) The cost per Share assumed by Shenzhen Jiangu from Mr. Feng and Guangzhou Money Shopkeeper is slightly higher than those from the five Pre-[REDACTED] Investors, which were determined after commercial negotiations taking into account Shenzhen Jiangu’s genuine confidence in our Company’s business, strategy and growth prospect, and the strong intention to acquire additional Shares. Given the existing Shareholders were not willing to dispose of additional Shares, Shenzhen Jiangu approached our management for Share purchases and agreed to a slight premium.

On the even date, to reduce the dilution effect on the shareholding percentage of Guangzhou Money Shopkeeper in Guangzhou Qdama immediately before and after the completion of series D financing, Guangzhou Money Shopkeeper subscribed for the registered capital of Guangzhou Qdama of RMB12,595 at the consideration of RMB12,595 which was determined with reference to the registered capital subscribed for.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Upon completion of above capital increases and equity transfers, the shareholding structure of Guangzhou Qdama was as follows:

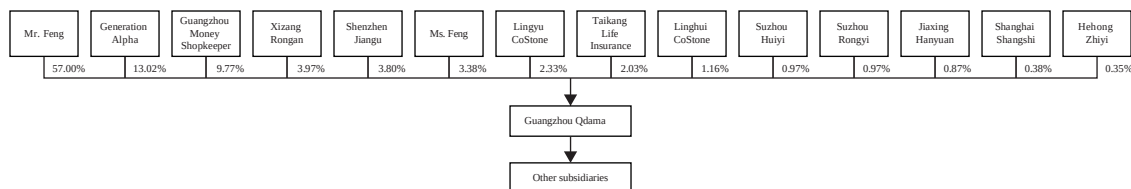
Name of Shareholder	Registered capital subscribed for (RMB)	Percentage of Shareholding
Mr. Feng	926,108	57.00%
Generation Alpha	211,596	13.02%
Guangzhou Money Shopkeeper	158,663	9.77%
Xizang Rongan	64,445	3.97%
Shenzhen Jiangui	61,721	3.80%
Ms. Feng	54,870	3.38%
Lingyu CoStone	37,783	2.33%
Taikang Life Insurance	33,060	2.03%
Linghui CoStone	18,891	1.16%
Suzhou Huiyi	15,765	0.97%
Suzhou Rongyi	15,765	0.97%
Jiaxing Hanyuan	14,169	0.87%
Shanghai Shangshi	6,203	0.38%
Hehong Zhiyi	5,618	0.35%
Total	1,624,657	100%

(b) Our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on May 12, 2021 with an authorized share capital of US\$50,000 divided into 500,000 Shares with a par value of US\$0.1 each. For subsequent major shareholding changes of our Company as part of the Reorganization and Pre-[REDACTED] Investments, see “— Reorganization and Series E Financing” and “— Pre-[REDACTED] Investments” below.

REORGANIZATION AND SERIES E PRE-[REDACTED] INVESTMENT

Prior to the Reorganization, our Group’s business was mainly conducted through Guangzhou Qdama, the principal operating entity of our Group. The following chart sets forth the simplified corporate and shareholding structure of Guangzhou Qdama immediately prior to the commencement of the Reorganization.



In preparation for the [REDACTED], our Group underwent the following Reorganization steps:

Step 1: Incorporation of our Company and its offshore subsidiaries

On April 12, 2021, FJS Holding Ltd. was incorporated as a special purpose vehicle wholly owned by Mr. Feng. On April 28, 2021, Feng WH was incorporated as a special purpose vehicle wholly owned by FJS Holding Ltd. On May 12, 2021, our Company was incorporated in the Cayman Islands as an exempted company with limited liability, with an authorized share capital of US\$50,000 divided into 500,000 Shares with a par value of US\$0.1 each. Upon incorporation, our Company issued and allotted one Ordinary Share to the initial subscriber, Mapcal Limited, an Independent Third Party, which was subsequently transferred

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

to Feng WH, which was then indirectly wholly owned by Mr. Feng, at par value. On May 25, 2021, our Company further issued one Ordinary Share to WH Feng Ltd., a company incorporated in April 2021 and wholly owned by Ms. Feng, at par value. On May 20, 2021, Qdama BVI was incorporated in the BVI with limited liability. Upon its incorporation, one share of Qdama BVI was issued and allotted to our Company and Qdama BVI became a wholly-owned subsidiary of our Company.

On June 9, 2021, Qdama HK was incorporated in Hong Kong with limited liability. Upon its incorporation, 10,000 shares of Qdama HK were issued and allotted to Qdama BVI and Qdama HK became an indirectly wholly-owned subsidiary of our Company.

Step 2: Acquisition of Guangzhou Qdama by Qdama HK

On January 27, 2022, Qdama HK acquired approximately 97.97% equity interest in Guangzhou Qdama from Hehong Zhiyi, Jiaxing Hanyuan, Suzhou Rongyi, Shenzhen Jiangu, Linghui CoStone, Lingyu CoStone, Xizang Rongan, Guangzhou Money Shopkeeper, Suzhou Huiyi, Shanghai Shangshi, Generation Alpha, Ms. Feng and Mr. Feng (collectively, the “**Onshore Shareholders**”) at a total consideration of RMB1,592,475 (“**Repurchase Considerations**”). Such consideration was determined with reference to the registered capital of Guangzhou Qdama and was fully settled on May 24, 2022. Following such acquisition, Guangzhou Qdama was owned by Qdama HK and Taikang Life Insurance as to approximately 97.97% and 2.03%, respectively.

Step 3: Issuance of Shares and Series E Financing

In order to reflect the shareholding structure of Guangzhou Qdama immediately before the Reorganization, to issue and allot Shares according to the Pre-[REDACTED] Share Incentive Scheme and to conduct Series E Financing, on January 26, 2022, our Company entered into restructuring framework agreement as well as a Series E Preferred Share and warrant purchase agreement, and passed a Shareholders’ resolution, pursuant to which our Company (i) subdivided the Shares into 5,000,000,000 Shares with a par value of US\$0.00001 each; (ii) issued directly or upon full exercise of the warrants issued by our Company to the Onshore Shareholders and/or their respective designated offshore investment holding entities to purchase certain number of Ordinary Shares, Series Pre-A Preferred Shares, Series A Preferred Shares, Series B Preferred Shares, Series C Preferred Shares and Series D Preferred Shares in accordance with the respective equity interest held by the Onshore Shareholders in Guangzhou Qdama, a total of 980,978,000 Ordinary Shares, 10,495,000 Series Pre-A Preferred Shares, 64,778,000 Series A Preferred Shares, 125,186,670 Series B Preferred Shares, 39,321,330 Series B+ Preferred Shares, 131,886,000 Series C Preferred Shares, and 113,349,000 Series D Preferred Shares to Onshore Shareholders or their respective designated offshore investment holding entities at a consideration equivalent to the Repurchase Considerations; (iii) issued 191,819,000 Ordinary Shares to Qdama Talent, the shareholding incentive platform of our Company under the Pre-[REDACTED] Share Incentive Scheme. For details of the principal terms and conditions of the Pre-[REDACTED] Share Incentive Schemes, see “Statutory and General Information — Further Information about the Directors — The Pre-[REDACTED] Share Incentive Scheme” in Appendix IV to this document; and (iv) issued directly, or upon exercise of warrant issued by our Company, a total of 161,074,893 Series E Preferred Shares to Generation Alpha Omega Investment Ltd. (“**Generation Alpha Omega**”), STARSEA INTERNATIONAL LIMITED (“**STARSEA**”), MEGA VANTAGE DEVELOP LIMITED (“**MEGA VANTAGE**”), Immensus Capital China PE Fund II LP — SPV I (“**Immensus Capital**”), Shenzhen Hanyuan, Guangzhou Hezhi Fresh Enterprise Management Center (Limited Partnership) (廣州和智鮮生企業管理中心(有限合夥)), “**Guangzhou Hezhi Fresh**”) and Hezhi Fresh Food (Shenzhen) Enterprise Chain Management Partnership Enterprise (Limited Partnership) (和智鮮食(深圳)企業連鎖管理合夥企業(有限合夥)) (“**Hezhi Fresh Food (Shenzhen)**”) (collectively, the “**Series E Investors**”) as detailed below. See “— Pre-[REDACTED] Investments” below.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Subscriber	Number of Series E Preferred Shares/ Warrant of Series E Preferred Shares ¹	Consideration	Exercise price
Generation Alpha Omega	35,844,084 Shares	US\$30,000,000	N/A
	13,142,831 Warrant Shares	N/A	US\$11,000,000
STARSEA ²	39,428,492 Shares	US\$33,000,000	N/A
	14,337,634 Warrant Shares	N/A	US\$12,000,000
MEGA VANTAGE ³	8,961,021 Shares	US\$7,500,000	N/A
Immensus Capital	31,804,572 Shares	US\$26,619,097	N/A
	11,948,028 Warrant Shares	N/A	US\$10,000,000
Shenzhen Hanyuan	1,662,167 Warrant Shares	N/A	US\$ equivalent of RMB8,798,560
Guangzhou Hezhi Fresh	9,445,679 Warrant Shares	N/A	US\$ equivalent of RMB50,000,000
Hezhi Fresh Food (Shenzhen) . .	33,928,878 Warrant Shares	N/A	US\$ equivalent of RMB179,600,000

Step 4: Capital Reduction of Guangzhou Qdama by Taikang Life Insurance

On June 27, 2023, Taikang Life Insurance completed the reduction and withdrawal of its contribution in the registered capital of RMB33,060 representing approximately 2.03% equity interest in Guangzhou Qdama and the registered capital of Guangzhou Qdama was reduced from RMB1,624,657 to RMB1,591,597 (the “**Capital Reduction**”).

Upon completion of the Capital Reduction, Guangzhou Qdama was wholly-owned by Qdama HK and became an indirectly wholly-owned subsidiary of our Company.

SHARE REPURCHASE

In April 2023, our Company surrendered 5,276,935 Ordinary Shares held by Qdama Talent according to the Share Incentive Plan. In June 2024, our Company repurchased 39,899,441 Ordinary Shares held by Feng WH at a consideration of RMB110,000,000 in light of Mr. Feng’s personal liquidity needs. Such Ordinary Shares were canceled subsequently.

INTERNAL FAMILY ARRANGEMENT

Mr. Feng was one of the co-founders of our Group and provided strategic input during the early stage of our development. During the Group’s early formation stage, Mr. Feng’s investment in the Group involved financial assistance provided by Ms. Feng and other family members, between 2012 and 2014. Following the establishment of the Group, subsequent business expansion and the introduction of external professional investors, the Group progressively transitioned to a more institutionalized management and governance framework led by Ms. Feng and a professional management team. Against this background, Mr. Feng progressively reduced his involvement in the Group’s daily operations and management and ceased to provide advice in 2021. By July 2022, Mr. Feng had fully ceased any participation in the management or operations of the Group.

¹ As of August 22, 2024, except for the warrants granted to Generation Alpha Omega, STARSEA and Immensus Capital which have been lapsed, all the other warrants of Series E Preferred Shares have been exercised.

² In July 2026, as part of internal arrangements, STARSEA transferred all of its 39,428,492 Series E Preferred Shares and 44,372,252 Ordinary Shares to Huixing Limited, and both STARSEA and Huixing Limited were under common control at the time of such transfer.

³ In June 2024, MEGA VANTAGE transferred all of its Series E Preferred Shares to Yunrui Capital at a consideration of US\$9,995,530. Such consideration was determined with reference to the transferor’s investment cost together with a premium as negotiated and agreed by the parties and has been fully settled on June 28, 2024. In July 2026, our Company repurchased all the 28,406,941 Shares held by Yunrui Capital at a total consideration in US dollars equivalent to RMB49,865,301, which was determined after commercial negotiations among the parties, upon completion of which Yunrui Capital ceased to be our Shareholder.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Against the same background, Mr. Feng and Ms. Feng discussed the transfer of Mr. Feng’s equity interests in the Company to Ms. Feng. The equity reorganization completed in 2024 gave effect to such arrangements following internal family discussions and did not result in any change to the Group’s management structure, business operations or governance.

In December 2024, Mr. Feng transferred all of his equity interests in Feng WH to FWH Holding Ltd., a company wholly owned by Ms. Feng, at nil consideration, as part of an internal family arrangement and to reflect his cessation of involvement in the Company’s management and decision making. Upon completion of the transfer, Mr. Feng ceased to hold any voting rights in the Company, and Ms. Feng became the controlling shareholder of the Company.

Our Directors are of the view that Mr. Feng’s cessation of involvement in the Group’s management and operations and the disposal of his shareholding in the Company did not have any material impact on the Group’s business, operations, management continuity or governance. Our Directors are also of the view that Mr. Feng is not a person of substantial influence of the Group. In arriving at the above views, our Directors have taken into account, among others, the following factors:

- (i) Mr. Feng’s involvement in the Group was primarily related to the early stage of the Group’s development. With the business development of the Company, he had progressively reduced his involvement in the Group’s daily operations and management, and had fully ceased any participation in the Group’s management or operations prior to the Track Record Period;
- (ii) the Group has since been managed and controlled by Ms. Feng and a professional management team under an institutionalized governance framework. The equity transfer in 2024 was a continuation of this governance evolution and did not result in any change to the Group’s management structure, business operations or governance;
- (iii) following completion of the transfer in December 2024, Mr. Feng does not hold any directorship, senior management position, voting rights or equity interests in the Company. He is not involved in the Group’s decision-making, business operations, management or governance; and
- (iv) following Mr. Feng’s cessation of involvement in the Group’s daily operations and management, and following his disposal of voting rights in the Company, the Group did not experience any material adverse impact on its business operations, financial performance or financial position.

Based on the independent due diligence conducted by the Joint Sponsors, nothing material has come to the Joint Sponsors’ attention that would reasonably cause them to cast doubt on the Directors’ views above.

CAPITAL RESERVE CONVERTED INTO SHARE CAPITAL

On September 8, 2025, considering the market conditions in conjunction with the pre-[REDACTED] capital restructuring of our Company to lower the investment costs for our Pre-[REDACTED] investors, the existing Pre-[REDACTED] Investors entered into a supplemental shareholders’ agreement with, among others, Feng WH, WH Feng Ltd., Qdama Talent and our Company, pursuant to which our Company issued and allotted to these investors a total number of 618,917,203 Ordinary Shares, at a par value of US\$0.00001 per Share, for a total consideration of US\$6,189.17203, which was settled through the conversion of the Company’s capital reserve into share capital. For updated cost per Share subsequent to such conversion, see “— Pre-[REDACTED] Investments” below. Such conversion does not constitute a further Pre-[REDACTED] investment, notwithstanding its effect on valuation, as it involved no new capital injection, no new investors or fundraising activities, and represented solely an internal reallocation within shareholders’ equity from capital reserve to share capital. Upon completion of such issuance and allotment, the total issued capital of the Company was increased to US\$23,926.2872.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

RE-CLASSIFICATION AND RE-DESIGNATION

On January 11, 2026, our Shareholders resolved, among other things, that subject to the [REDACTED] becoming unconditional, all the Preferred Shares be re-classified and re-designated as Ordinary Shares of a par value of US\$0.00001 per share each on a one-to-one basis.

PRE-[REDACTED] INVESTMENTS

From June 2015 to July 2022, our Group completed a series of Pre-[REDACTED] Investments at the onshore level in Guangzhou Qdama and at the offshore level in our Company. The details of the Pre-[REDACTED] Investments are summarized as below.

Pre-[REDACTED] Investment	Date of the agreement	Date of settlement ⁽¹⁾	Amount of consideration (RMB)	Total number of Shares of our Company ⁽²⁾	Cost per Share (RMB)	[REDACTED] to the [REDACTED] ⁽³⁾
Series A	April 17, 2015	June 15, 2015	3,688,929	42,532,048	0.09	[REDACTED]%
Series B	April 13, 2017	August 28, 2017	47,457,147	158,066,740	0.30	[REDACTED]%
Series B+	November 8, 2017	February 27, 2018	25,000,000	57,285,444	0.44	[REDACTED]%
Series C	May 3, 2018	June 21, 2018	175,000,000	117,255,929	1.49	[REDACTED]%
2018 Transfer . .	May 3, 2018	July 25, 2018	152,223,435	101,994,859	1.49	[REDACTED]%
Series D	November 26, 2019	December 24, 2019	600,000,000	239,262,872	2.51 ⁽⁴⁾	[REDACTED]%
2019 Transfer . .	November 26, 2019	December 23, 2019	321,160,990	128,069,835	2.51	[REDACTED]%
Series E	January 26, 2022	July 4, 2022	880,706,102	351,200,452	2.51 ⁽⁴⁾	[REDACTED]%

Notes:

- (1) This refers to the timing of last payment made by the relevant Pre-[REDACTED] Investors in the relevant round of Pre-[REDACTED] Investment.
- (2) Taking into account our issuance of Shares to all existing shareholders of Guangzhou Qdama for Reorganization in January 2022, as well as the conversion of capital reserve into share capital in September 2025.
- (3) The [REDACTED] to the [REDACTED] is calculated (i) based on the [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]); and (ii) assuming the Preferred Shares are reclassified as Ordinary Shares on a one-to-one basis.
- (4) The cost per Share of our Series D Financing and Series E Financing remained the same as a result of the overall private equity market sentiments towards the consumer sector back in 2022 given the then macroeconomics.

Principal Terms of the Pre-[REDACTED] Investments

The table below summarizes the principal terms of the Pre-[REDACTED] Investments:

Use of [REDACTED] from the Pre-[REDACTED] Investments:	Our Group will utilize the [REDACTED] from the Pre-[REDACTED] Investments for the principal business of our Group, including but not limited to growth and expansion of our Group’s business and the general working capital purposes. As of the Latest Practicable Date, the funds raised from the Pre-[REDACTED] Investments have been fully utilized.
Lock-up	The Pre-[REDACTED] Investors are not subject to lock-up according to the terms of the Shareholders’ agreement.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Strategic benefits from the
Pre-[REDACTED] Investments

Our Company’s Directors are of the view that our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors’ investments in our Company, insights for industry, advice on business expansion, and planning on brand strategic direction that the Pre-[REDACTED] Investors may bring to our Company. Our Company’s Directors are also of the view that the Pre-[REDACTED] Investors’ investments in our Company demonstrated their confidence in Our Group’s operations and served as an endorsement of our Company’s performance, strengths and prospects.

Basis of determining the
consideration paid

The consideration for each of the Pre-[REDACTED] Investments was determined based on arm’s length negotiations between Our Group and each of the Pre-[REDACTED] Investors, after taking into consideration the timing of investment, and the then status of the business and operating entities.

Special Rights of the Pre-[REDACTED] Investors

Pre-[REDACTED] investors were granted customary special rights, including, among others, information rights, rights of first refusal, co-sale rights, pre-emptive rights, director nomination rights, anti-dilution rights, and redemption rights. Pursuant to the special rights termination agreement dated January 11, 2026 (the “**Special Rights Termination Agreement**”), (1) the redemption rights were terminated prior to the Company’s submission of the [REDACTED] application to the Stock Exchange, provided that such rights would automatically resume and be deemed to have never been terminated in the event that: (i) the Company failed to submit the [REDACTED] application within six months after the date of the Special Rights Termination Agreement; or (ii) the [REDACTED] application was terminated, rejected, or lapsed and the Company did not re-submit a [REDACTED] application within six months thereafter; and (2) all other special rights ceased to be effective upon the [REDACTED].

Joint Sponsors’ Confirmation

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was irrevocably settled no less than 120 clear days before the [REDACTED], and (ii) all other special rights of the Pre-[REDACTED] Investors granted will be automatically terminated upon [REDACTED] (save for the redemption rights as described above), the Joint Sponsors confirm that the investments by the Pre-[REDACTED] Investors are in compliance with the Chapter 4.2 under the Guide for New Listing Applicants published by the Stock Exchange.

Information about the Pre-[REDACTED] Investors

The background information of our Company’s Pre-[REDACTED] Investors is set out below. To the best of our knowledge, save for being a shareholder of our Company and as disclosed in this section, each of the Pre-[REDACTED] Investors and their ultimate beneficial owners is an Independent Third Party of our Company.

To the best of our knowledge, save for the relationships as disclosed above in this section, there was no other relationship among the Pre-[REDACTED] Investors as of the Latest Practicable Date.

JG Queens

JG Queens is a limited partnership incorporated in the BVI on May 6, 2021 and is principally engaged in equity investment. As of the Latest Practicable Date, JG Queens was wholly owned by Shenzhen Jiangu Equity Investment Fund Enterprise (Limited Partnership) (深圳兼固股權投資基金企業(有限合夥)) (“**Shenzhen Jiangu**”). Shenzhen Jiangu was owned as

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

to i) 1.53% by Shenzhen Jiangu Enterprise Management Partnership (Limited Partnership) (深圳兼固企業管理合夥企業(有限合夥)) (“**Shenzhen Jiangu Enterprise Management**”) as its executive partner, which in turn was ultimately controlled by Mr. Gui Zhaoyu (桂昭宇); ii) 35.86% by Sifang Chengyu (Qingdao) Investment Management Co., Ltd. (四方承宇(青島)投資管理有限公司), which in turn was ultimately owned by Haier Group Co., Ltd. (海爾集團公司). To the best of our knowledge, none of the remaining limited partners of Shenzhen Jiangu holds 30% or more interests therein. As of the Latest Practicable Date, Shenzhen Jiangu Enterprise Management was held as to approximately (i) 1.00% by its general partner, Gongqingcheng Yonggu Investment Partnership (Limited Partnership) (共青城永固投資合夥企業(有限合夥)), which was ultimately controlled by Mr. Gui Zhaoyu, (ii) 49.17% by its limited partner, Gongqingcheng Puyun Investment Partnership (Limited Partnership) (共青城普蘊投資合夥企業(有限合夥)), which was further owned as to (a) 5.00% by its general partner, Beijing Puyun Investment Consulting Company Limited (北京普蘊管理諮詢有限公司), a company held as to 51.00% by Mr. Gui Zhaoyu and 49.00% by Zhang Manli, and (b) 95.00% by its limited partner, Mr. Gui Zhaoyu; (iii) 40.00% by its limited partner, Qingdao Haichuang Gongying Enterprise Management Partnership (Limited Partnership) (青島海創共贏企業管理合夥企業(有限合夥)), which was further held as to (a) 80.00% by its general partner, Qingdao Haier Venture Capital Company Limited (青島海爾創業投資有限責任公司), which is ultimately controlled by Haier Group Co., Ltd., and (b) 20.00% by its limited partner, Nanjing Yezu Enterprise Management Partnership (Limited Partnership) (南京哲琚企業管理合夥企業(有限合夥)), which is ultimately controlled by Xu Jie, and (iv) 9.83% by another individual limited partner, being an Independent Third Party.

HJRY Holding, HJHY Holding and HHZY Holding

HJRY Holding, HJHY Holding and HHZY Holding are each a limited partnerships incorporated in the BVI. As of the Latest Practicable Date, they were wholly owned by Suzhou Rongyi, Suzhou Huiyi and Hehong Zhiyi, respectively, all of which are ultimately controlled by Mr. Yi Yangchun. To the best of our knowledge, save for Mr. Liao Shaojun holding 98% partnership in Hehong Zhiyi, none of the remaining limited partners holds 30% or more interests in Suzhou Rongyi, Suzhou Huiyi or Hehong Zhiyi.

Generation Alpha

Generation Alpha is an investment holding company incorporated under the laws of the BVI. As of the Latest Practicable Date, Generation Alpha was (i) managed by GenBridge Capital Fund I GP, Ltd. (“**Fund I GP**”); (ii) owned as to 94.70% by GenBridge Capital Fund I, L.P., which is also controlled and managed by Fund I GP. Fund I GP is owned as to (i) 50% by GenBridge Capital Partners, Ltd., which is wholly owned by Ms. Li Mao Chun; and (ii) 50% by JD.com, Inc, a company listed on the Hong Kong Stock Exchange (stock code: 9618 (HKD counter) and 89618 (RMB counter)) and the NASDAQ (ticker symbol: JD). To the best of our knowledge, none of the remaining shareholders of Generation Alpha owns 30% or more interests therein.

Generation Alpha Omega

Generation Alpha Omega is an investment holding company incorporated under the laws of the BVI. As of the Latest Practicable Date, Generation Alpha Omega was (i) managed by GenBridge Capital Fund II GP, Ltd. (“**Fund II GP**”); (ii) owned as to 97.3% by GenBridge Capital Fund II, L.P., which is also controlled and managed by Fund II GP. Mr. Chang Bin is the largest ultimate beneficial owner holding approximately 56.25% interest in Fund II GP, and none of the other beneficial owners individually holds 30% or more interest in Fund II GP. To the best of our knowledge, none of the remaining shareholders of Generation Alpha Omega owns 30% or more interests therein.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Gaorong QDM Holding

Gaorong QDM Holding is a limited company incorporated under the laws of BVI. As of the Latest Practicable Date, Gaorong QDM Holding was wholly owned by Shenzhen Rongxiang Consulting Partnership (Limited Partnership) (深圳榕祥諮詢合夥企業(有限合夥)), “**Shenzhen Rongxiang**”). As of the Latest Practicable Date, Shenzhen Rongxiang was owned as to (i) 1% by Xizang Rongkang Investment Management Co., Ltd. (西藏榕康投資管理有限公司, “**Xizang Rongkang**”), as its general partner, which is under the common control of Mr. Zhang Zhen, Mr. Gao Xiang and Mr. Yue Bin holding approximately 33.34%, 33.33% and 33.33% interest therein, respectively; and (ii) 99% by Xizang Rongan, as its limited partner, which is controlled by Xizang Rongkang. To the best of our knowledge, none of the limited partners of Xizang Rongan owns 30% or more interests therein.

Super Fresh

As of the Latest Practicable Date, Super Fresh was wholly owned by Shanghai Shangshi. As of the Latest Practicable Date, Shanghai Shangshi was owned as to: i) 0.20% by Shanghai Hongzhang Investment Center (Limited Partnership) (上海弘章投資中心(有限合夥)) as its general partner, which was owned as to (a) 34% by Shanghai Hongzhang Investment Management Co., Ltd. (上海弘章投資管理有限公司) as its general partner, which in turn is held as to 99.00% by Mr. Weng Yinuo and 1.00% by an individual Independent Third Party; (b) 39% by Fujian Septwolves Industry Co., Ltd. (福建七匹狼實業股份有限公司) as its limited partner, a company listed on the Shenzhen Stock Exchange (stock code: 002029.SZ); and (c) 27% by the other four limited partners; and ii) 58.88% by Fujian Septwolves Industry Co., Ltd. as its limited partner. To the best of our knowledge, none of the remaining limited partners of Shanghai Shangshi owns 30% or more interests therein.

Lingyu CoStone and Linghui CoStone

Lingyu CoStone is a limited liability partnership established under the laws of the PRC. As of the Latest Practicable Date, Lingyu CoStone was owned as to (i) 1.08% by Shenzhen Lingxin CoStone Equity Investment Fund Management Partnership (Limited Partnership) (深圳市領信基石投資股權投資基金管理合夥企業(有限合夥)) (“**Lingxin CoStone**”) as its general partner and (ii) 98.92% by 19 limited partners, none of which hold 30% or more interest therein. Lingxin CoStone was owned as to (i) 1% by Urumqi Kunlun CoStone Venture Capital Co., Ltd. (烏魯木齊昆侖基石創業投資有限公司) (“**Urumqi Kunlun CoStone**”) as its general partner and (ii) 99% by Urumqi Phoenix CoStone Equity Investment Management Limited Partnership (烏魯木齊鳳凰基石股權投資管理有限合夥企業) (“**Urumqi Phoenix CoStone**”) as its limited partner. Urumqi Kunlun CoStone is a wholly-owned subsidiary of CoStone Asset Management Co., Ltd. (基石資產管理股份有限公司) (“**CoStone Capital**”). The largest shareholder of CoStone Capital is Ma’anshan Shenzhou CoStone Equity Investment Partnership (Limited Partnership) (馬鞍山神州基石股權投資合夥企業(有限合夥)) (“**Ma’anshan CoStone**”) holding approximately 48.75% interest therein, and no other shareholder individually holds more than 30% interest in CoStone Capital. Mr. Zhang Wei is the largest ultimate beneficial owner holding approximately 40.31% interest in Ma’anshan CoStone, and no other beneficial owner holds 30% or more interest in Ma’anshan CoStone. The general partner of Urumqi Phoenix CoStone is Shanghai Keshen Management Consulting Co., Ltd. (上海客申管理諮詢有限公司), a wholly-owned subsidiary of CoStone Capital. The largest limited partner of Urumqi Phoenix CoStone is Xizang Tianji CoStone Venture Capital Company Limited (西藏天璣基石創業投資有限公司) (a wholly-owned subsidiary of CoStone Capital) holding approximately 51.00% partnership interest therein, and none of the other limited partners holds 30% or more partnership interest therein.

Linghui CoStone is a limited liability partnership established under the laws of the PRC. As of the Latest Practicable Date, Linghui CoStone was owned as to (i) 1% by Lingxin CoStone as its general partner and (ii) 99% by 21 limited partners, none of which hold 30% or more interest therein.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Taikang Life Insurance

Taikang Life Insurance is a limited company established in the PRC. As of the Latest Practicable Date, it was wholly owned by Taikang Insurance Group Inc. (泰康保險集團股份有限公司) (“**Taikang Insurance Group**”). As of the Latest Practicable Date, Taikang Insurance Group was ultimately controlled by Mr. Chen Dongsheng. To the best of our knowledge, there is no shareholder holding 30% or more in Taikang Insurance Group. Taikang Insurance Group, established in 1996, is an insurance and financial services group focused on insurance, asset management, healthcare, and retirement. Taikang Insurance Group is a leading insurance provider in China, offering life insurance, health insurance, accident insurance, and other insurance products.

Lighthouse

Lighthouse is a limited liability company incorporated under the laws of BVI. As of the Latest Practicable Date, Lighthouse was wholly owned by Jiaxing Hanyuan. As of the Latest Practicable Date, Jiaxing Hanyuan was owned as to (i) 0.01% by Ningbo Meishan Bonded Port Area Guangzhiyuan Investment Management Co., Ltd. (寧波梅山保稅港區光摺源投資管理有限公司) as its general partner, which was owned as to 85.00% indirectly by Mr. Zheng Xuanle and 15.00% indirectly by a partnership being an Independent Third Party whose general partner is Mr. Zheng Xuanle; (ii) 80.00% by Guangzhou Suyuan No. 2 Equity Investment Partnership (Limited Partnership) (廣州溯源二號股權投資合夥企業(有限合夥)) as its limited partner, which is owned by (a) its general partner, Shenzhen Suyuan Investment Center (Limited Partnership) (深圳溯源投資中心(有限合夥)) (“**Shenzhen Suyuan**”) as to approximately 1.48%, which is ultimately controlled by Mr. Yao Zhengye, (b) its largest limited partner namely Zhuhai Weidi Investment Co., Ltd. (珠海威迪投資有限公司) (“**Zhuhai Weidi**”) as to approximately 88.23%, and (c) an Independent Third Party as to approximately 10.29%, respectively; and (iii) 19.99% by an Independent Third Party. As of the Latest Practicable Date, Zhuhai Weidi was ultimately controlled by Mr. Ho Hau Hay Hamilton and Mr. Ho Hau Chong Norman.

Immensus Capital and Shenzhen Hanyuan

Immensus Capital is a limited liability partnership incorporated under the laws of Cayman Islands. As of the Latest Practicable Date, Immensus Capital was owned as to (i) 0.00% by Immensus Capital China PE Fund II GP (Cayman) LP (“**Fund GP**”) as its general partner, which is ultimately controlled by Mr. Yao Zhengye, (ii) 76.18% by Pacific Legend Group Limited (“**PCCW**”), which is ultimately controlled by PCCW Limited, a company listed on the Stock Exchange (stock code: 0008), and (iii) 23.82% by Immensus Capital China PE Fund II (Cayman) LP, with Fund GP as its general partner.

Shenzhen Hanyuan is a limited liability partnership established under the laws of the PRC. As of the Latest Practicable Date, Shenzhen Hanyuan was owned as to (i) 0.86% by Shenzhen Suyuan Investment Center (Limited Partnership) (深圳溯源投資中心(有限合夥)) (“**Shenzhen Suyuan**”) as its general partner, which was ultimately controlled by Mr. Yao Zhengye, (ii) 60.35% by Zhuhai Weidi, and (iii) 38.79% by Anyi Global Investment Co., Ltd. (安義高寶投資有限公司) (“**Anyi Global**”) as its limited partner, which was ultimately controlled by Mr. Yeung Chung Ngan.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Hezhi Fresh Food (Shenzhen)

Hezhi Fresh Food (Shenzhen) is a limited liability partnership established under the laws of the PRC. Hezhi Fresh Food (Shenzhen) is owned as to (i) 0.22% by Guangdong Hezhi Investment Management Co., Ltd. (廣東和智投資管理有限公司) (“**Hezhi Investment**”) as its general partner, which is held as to 50.00% directly by Mr. Chen Zhipeng and 50.00% directly by Guangzhou Yanyuan Investment Company Limited (廣州燕源投資有限公司), where the largest shareholder is Mr. Chen Zhipeng holding 55.00% interest, and no other shareholder individually holds 30% or more interest therein, and (ii) 99.78% by Guangzhou Hezhi Equity Investment Center (Limited Partnership) (廣州和智股權投資中心(有限合夥)) (“**Hezhi Equity**”) as its limited partner. Hezhi Equity is owned as to (i) 4.5% by Hezhi Investment, which acts as its general partner and controls Hezhi Equity, (ii) 0.5% by Beijing Housheng Investment Management Center (Limited Partnership) (北京厚生投資管理中心(有限合夥)) as its general partner, which is owned as to approximately (a) 2.00% by Zhuhai Housheng Xinhe Enterprise Management Partnership (Limited Partnership) (珠海厚生信合企業管理合夥企業(有限合夥)) as its general partner, whose general partner is owned as to 60% by Mr. Wang Hang and 40% by Ms. Kong Fanwen, (b) 58.40% by Shanghai Housheng Xinxin Hehe Enterprise Management Consulting Centre (Limited Partnership) (上海厚生信新和合企業管理諮詢中心(有限合夥)) as its limited partner, where no beneficial owner holds 30% or more interest, and (c) 39.60% by Lhasa Economic and Technological Development Zone Xindi Industrial Co., Ltd. (拉薩經濟技術開發區新地實業有限公司), which is indirectly wholly owned by Mr. Liu Yonghao; (iii) 30% by Guangdong Province Agriculture Supply-side Structural Reform Fund Partnership (Limited Partnership) (廣東省農業供給側結構性改革基金合夥企業(有限合夥)) as its limited partner which is ultimately controlled by Guangdong SASAC (廣東省國資委), (iv) 20.00% by Guangzhou Emerging Industry Development Fund Management Co., Ltd. (廣州市新興產業發展基金管理有限公司), which is ultimately controlled by the Guangzhou SASAC, and (v) 45.0% by the other four limited partners and none of which holds 30% or more interest therein.

Guangzhou Hezhi Fresh

Guangzhou Hezhi Fresh is a limited liability partnership established under the laws of the PRC. As of the Latest Practicable Date, Guangzhou Hezhi Fresh was owned as to (i) 0.02% by Ms. Song Liying as its general partner, and (ii) 99.98% by Ms. Li Hanying as its limited partner.

Huixing Limited

Huixing Limited is a limited liability company incorporated in the BVI. As of the Latest Practicable Date, Huixing Limited was wholly owned by Huang Jianhui.

MAJOR ACQUISITIONS, DISPOSALS, MERGERS AND MINORITY INVESTMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers that we consider to be material to us.

[REDACTED]

The table below summarizes the [REDACTED] of our Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholders	Ordinary Shares	Series Pre-A Preferred Shares	Series A Preferred Shares	Series B Preferred Shares	Series B+ Preferred Shares	Series C Preferred Shares	Series D Preferred Shares	Series E Preferred Shares	As of the Latest Practicable Date		Immediately upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised)	
									Number of Shares	Ownership	Number of Shares	Ownership per Percentage
Feng WH	886,208,559	–	–	–	–	–	–	–	886,208,559	37.48%	[REDACTED]	[REDACTED]%
WH Feng Ltd. . . .	74,016,285	–	–	–	–	–	–	–	74,016,285	3.13%	[REDACTED]	[REDACTED]%
Qdama Talent	251,633,875	–	–	–	–	–	–	–	251,633,875	10.64%	[REDACTED]	[REDACTED]%
JG Queens	66,348,835	10,495,000	33,248,000	16,688,000	–	1,290,000	–	–	128,069,835	5.42%	[REDACTED]	[REDACTED]%
HJRY Holding	5,501,024	–	15,765,000	–	–	–	–	–	21,266,024	0.90%	[REDACTED]	[REDACTED]%
HJHY Holding	5,501,024	–	15,765,000	–	–	–	–	–	21,266,024	0.90%	[REDACTED]	[REDACTED]%
HHZY Holding	2,566,607	–	–	5,618,000	–	–	–	–	8,184,607	0.35%	[REDACTED]	[REDACTED]%
Generation Alpha	109,314,939	–	–	102,880,670	39,321,330	59,948,000	9,446,000	–	320,910,939	13.57%	[REDACTED]	[REDACTED]%
Gaorong QDM Holding	36,396,557	–	–	–	–	64,445,000	–	–	100,841,557	4.27%	[REDACTED]	[REDACTED]%
Super Fresh	3,503,264	–	–	–	–	6,203,000	–	–	9,706,264	0.41%	[REDACTED]	[REDACTED]%
Lingyu CoStone	41,971,291	–	–	–	–	–	37,783,000	–	79,754,291	3.37%	[REDACTED]	[REDACTED]%
Linghui CoStone	20,986,145	–	–	–	–	–	18,891,000	–	39,877,145	1.69%	[REDACTED]	[REDACTED]%
Taikang Life Insurance	36,725,004	–	–	–	–	–	33,060,000	–	69,785,004	2.95%	[REDACTED]	[REDACTED]%
Lighthouse	15,738,859	–	–	–	–	–	14,169,000	–	29,907,859	1.27%	[REDACTED]	[REDACTED]%
Generation Alpha Omega	40,416,171	–	–	–	–	–	–	35,844,084	76,260,255	3.23%	[REDACTED]	[REDACTED]%
Huixing Limited	44,372,252	–	–	–	–	–	–	39,428,492	83,800,744	3.54%	[REDACTED]	[REDACTED]%
Immensus Capital	35,861,399	–	–	–	–	–	–	31,804,572	67,665,971	2.86%	[REDACTED]	[REDACTED]%
Shenzhen Hanyuan	1,846,448	–	–	–	–	–	–	1,662,167	3,508,615	0.15%	[REDACTED]	[REDACTED]%
Guangzhou Hezhi Fresh	10,492,894	–	–	–	–	–	–	9,445,679	19,938,573	0.84%	[REDACTED]	[REDACTED]%
Hezhi Fresh Food (Shenzhen)	37,690,475	–	–	–	–	–	–	33,928,878	71,619,353	3.03%	[REDACTED]	[REDACTED]%
Public Shareholders under the [REDACTED]	–	–	–	–	–	–	–	–	–	–	[REDACTED]	[REDACTED]%
Total	1,746,537,827	10,495,000	64,778,000	125,186,670	39,321,330	131,886,000	113,349,000	152,113,872	2,364,221,779	100%	[REDACTED]	100%

PUBLIC FLOAT AND FREE FLOAT

Public Float

[REDACTED]

Upon completion of the [REDACTED], the Shares held by certain of our Shareholders namely, Feng WH, WH Feng Ltd., Qdama Talent and Generation Alpha, in which our core connected persons are interested in approximately [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]%, respectively, representing an aggregate of approximately [REDACTED]% of our issued Shares (assuming the [REDACTED] is not exercised) will not count towards the public float.

To the best knowledge of our Directors, the remaining Shareholders, including the other Pre-[REDACTED] Investors, are not core connected persons of the Company and the Shares held by them will count towards the public float.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pursuant to Rule 8.08(1) of the Listing Rules, at least [REDACTED]%, [REDACTED]% and [REDACTED]% of the total number of issued Shares must, at the time of the [REDACTED], be held by the public based on (i) the indicative [REDACTED] range of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED] (being the bottom end, mid-point or top end of the [REDACTED] range, respectively). Taking into account the Shares to be issued to other Shareholders pursuant to the [REDACTED], upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), a total of [REDACTED] Shares, representing [REDACTED]% of our total issued Shares will be counted towards the public float, which is higher than the prescribed percentage of Shares required to be held in public hands under Rule 8.08.

Free Float

[REDACTED]

Upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), it is expected that at least [REDACTED] Shares, representing a market [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED], being the bottom end, mid-point or top end of the [REDACTED] range, respectively), will be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) or will not be held by ESOP Platform (assuming that (i) no [REDACTED] will be allocated under the [REDACTED] to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules, (ii) no [REDACTED] will be issued to the [REDACTED] which are subject to lock-up period). Therefore, in each case of an [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per [REDACTED], being the bottom end, mid-point or top end of the [REDACTED] range, respectively, our Company is expected to satisfy the free float requirement of not less than HK\$600,000,000 under Rule 8.08A(2) of the Listing Rules.

PRC LEGAL COMPLIANCE

Our PRC Legal Advisor confirmed that (i) the establishment of our subsidiaries in China and their subsequent shareholding changes have complied with the relevant PRC laws and regulations in all material respects; and (ii) the Reorganization has complied with relevant applicable PRC laws and regulations in material respects.

M&A Rules

The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (“**M&A Rules**”) jointly issued by MOFCOM, the SASAC, the STA, the CSRC, the SAIC (currently known as the SAMR) and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009 with immediate effect, require that a special purpose vehicle, formed for overseas listing purposes and controlled directly or indirectly by PRC companies or individuals through acquisitions of shares of or equity interests in PRC domestic companies, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Our PRC Legal Advisor is of the opinion that prior CSRC approval for this [REDACTED] is not required under the M&A Rules because (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether [REDACTED] like ours under this document are subject to the M&A Rules; and (ii) Guangzhou Qdama was a Sino-foreign joint venture at the time of the acquisition of its equity interests by Qdama HK. However, the M&A Rules may be subject to further interpretation and implementation, our PRC Legal Advisor further advises that its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules.

SAFE REGISTRATION

Pursuant to the Circular on Relevant Issues Relating to Domestic Resident’s Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (“**SAFE Circular 37**”), promulgated by the SAFE and which became effective on July 14, 2014 and replaced the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Corporate Financing and Roundtrip Investment Through Offshore Special Purpose Vehicles (關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知) (“**SAFE Circular 75**”), (i) a PRC resident must register with the local SAFE branch in connection with their contribution of offshore assets or domestic enterprises’ equity interests in an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting overseas investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties. In addition, the PRC subsidiaries of that Overseas SPV may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the Overseas SPV and its offshore subsidiary may be restricted in their ability to contribute additional capital to their PRC subsidiaries.

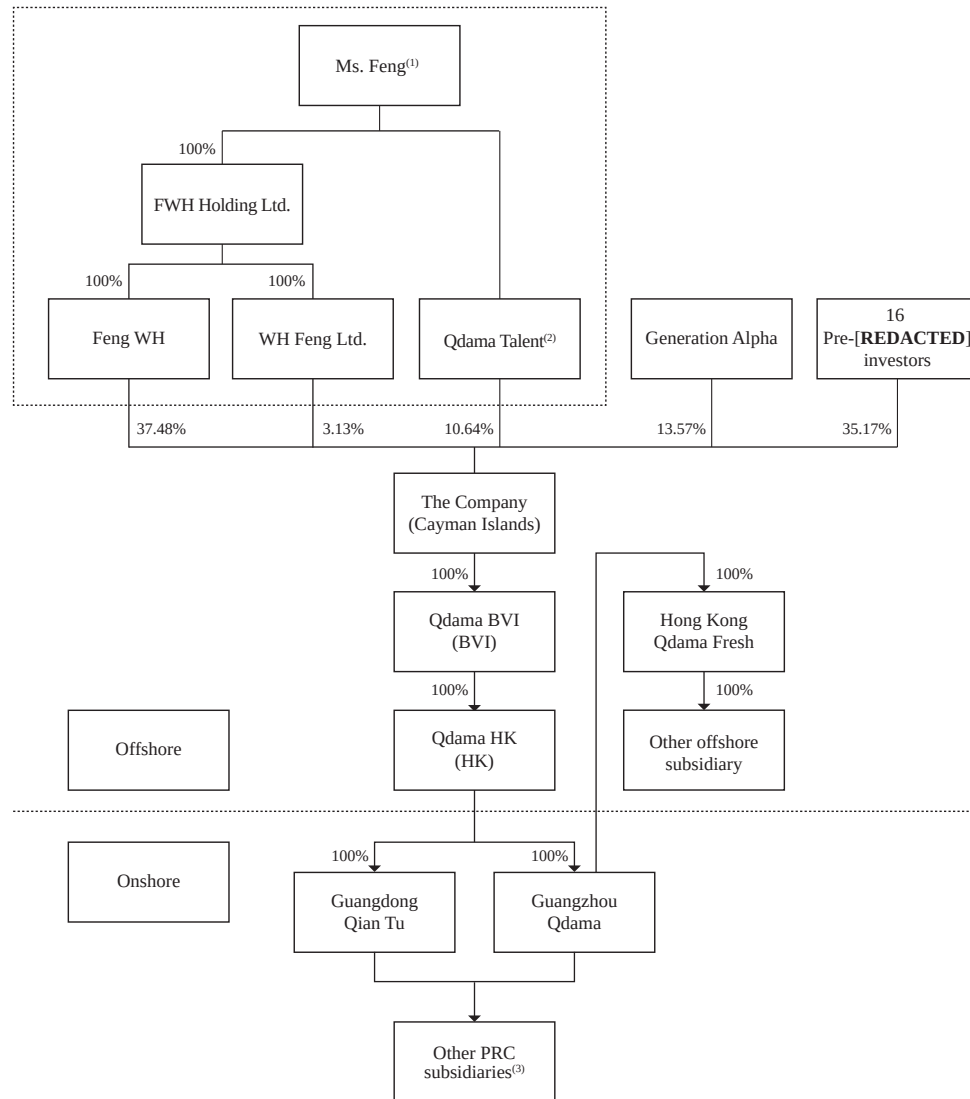
Pursuant to the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment (關於進一步簡化和改進直接投資外匯管理政策的通知) (“**SAFE Circular 13**”) promulgated by the SAFE and came into effect on June 1, 2015, the local banks would review and carry out foreign exchange registration under overseas direct investment directly, and SAFE and its local branches shall implement individual supervision over foreign exchange registration of overseas direct investment via the banks.

As advised by PRC Legal Advisor to our Company, each of Mr. Feng and Ms. Feng, being PRC residents who indirectly held Shares in our Company at the time of our Reorganization, have all completed their respective initial foreign exchange registration under the SAFE Circular 37 in 2021.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE AND SHAREHOLDING STRUCTURE

The following chart sets forth our simplified shareholding structure as of the Latest Practicable Date and immediately before completion of the [REDACTED]:



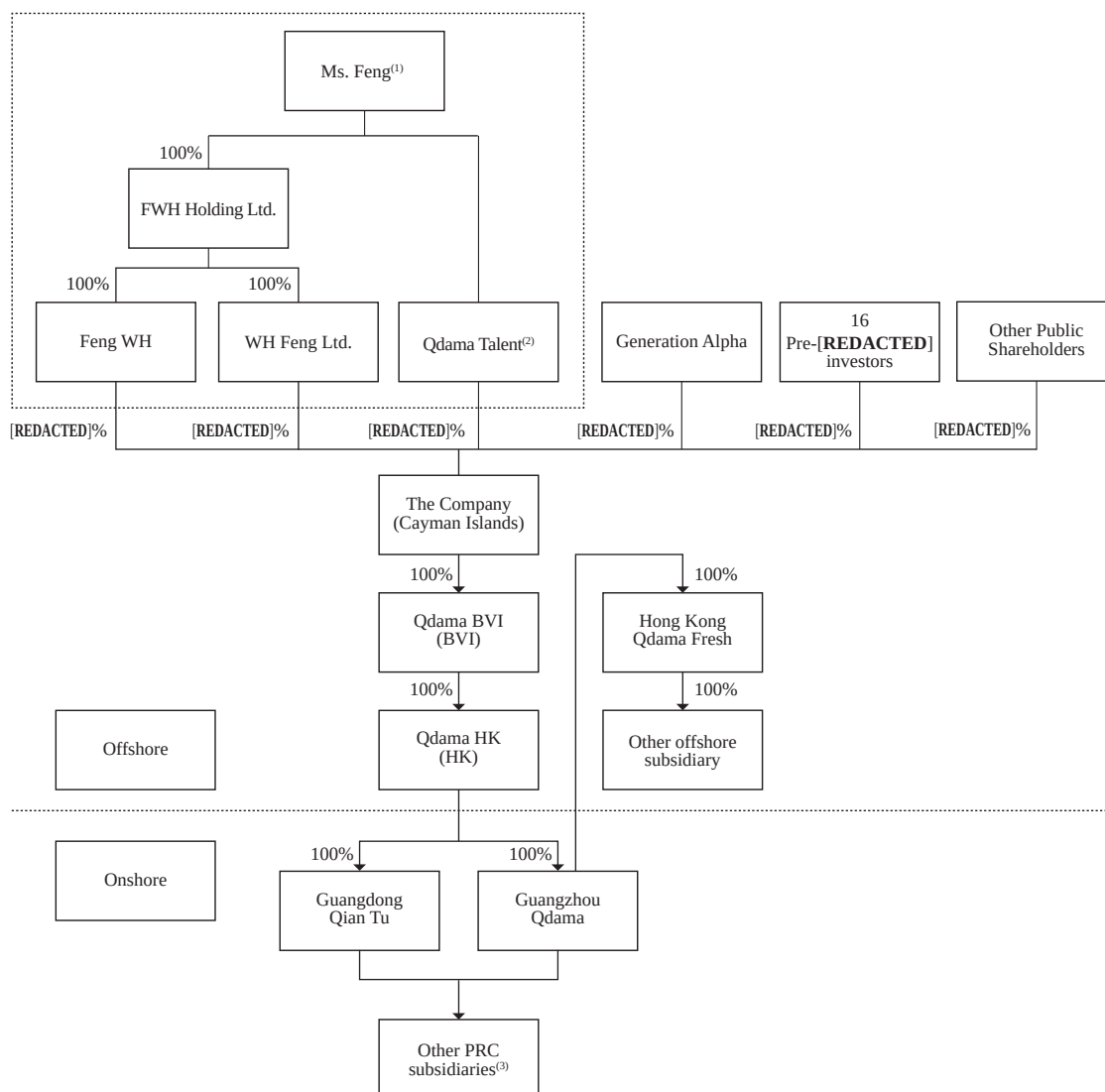
Notes:

- (1) Each of FWH Holding Ltd., Feng WH, WH Feng Ltd. and Qdama Talent is controlled by Ms. Feng. Therefore, Ms. Feng, Feng WH, WH Feng Ltd., FWH Holding Ltd. and Qdama Talent constitute a group of our controlling shareholders. See “Relationship with Our Controlling shareholders” for further details.
- (2) Qdama Talent is a platform holding underlying Shares under the Pre-[REDACTED] Share Incentive Scheme, which is legally wholly owned by TMF Trust (HK) Limited (as trustee of the QDM Employee Trust, which was established by the Company as the settlor for the purposes of the Pre-[REDACTED] Share Incentive Scheme), which in turn exercises the voting rights attached to the Shares as instructed by an advisory committee established by the Company, with Ms. Feng as the only advisory committee member.
- (3) We have a complex group structure due to our historical developments, strategic business developments and geographical coverage of our business operations. The corporate structure presented has been simplified, please refer to note 12 in “Appendix I — Accountant’s Report” to this document for further details on our subsidiaries.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate structure immediately following completion of the [REDACTED]

The following chart sets forth our simplified shareholding structure immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Notes:

(1)-(3) Please refer to the notes under Corporate Structure Immediately Before Completion of the [REDACTED].

BUSINESS

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.

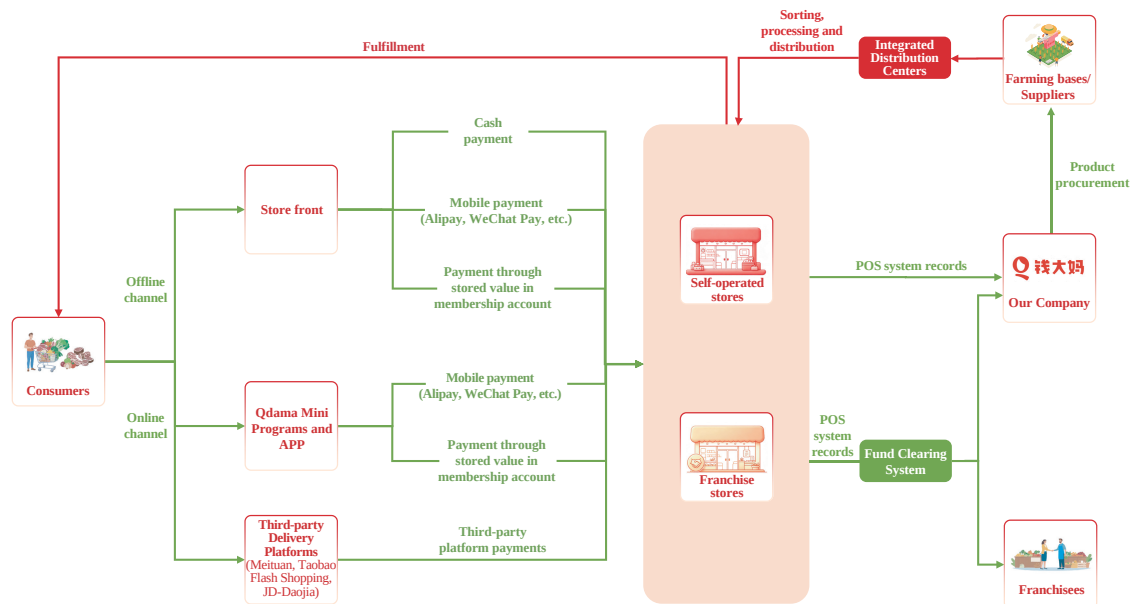
Over time, we have built a strong supply chain infrastructure and capabilities in managing the challenges of distributing fresh products in light of the perishable and non-standard nature. We developed processes and policies to manage all stages of our supply chain, from sourcing to sorting and processing 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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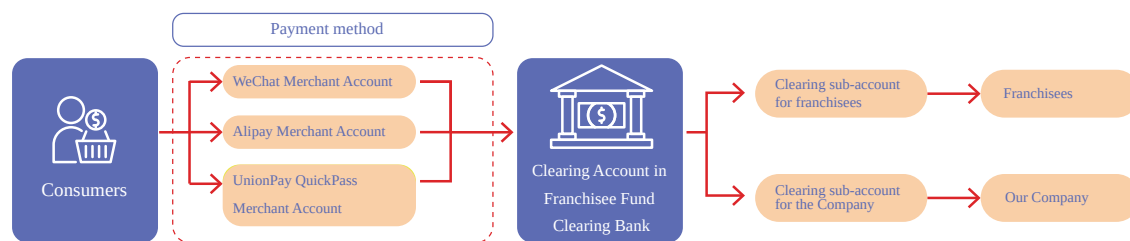
Settlement with Franchisees in Chinese Mainland

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

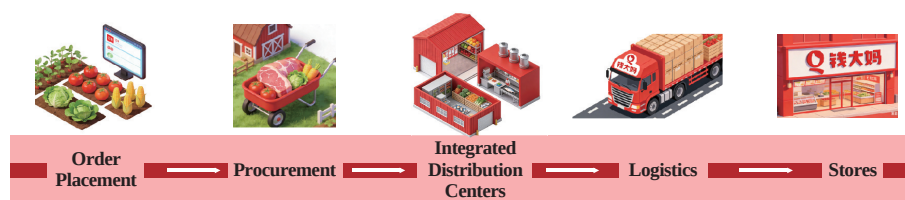
We place great importance on preventing cannibalization between our offline store network and online channels, and have adopted various measures to ensure that the two channels operate in a complementary manner. We differentiate our product offerings by differentiating items sold via online channels, 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.

BUSINESS

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.

BUSINESS

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

CONNECTED TRANSACTIONS

OVERVIEW

Upon [REDACTED], transactions between members of our Group and our connected persons will constitute transactions of our Company under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

The table below sets forth parties who will become our connected persons upon [REDACTED] and the nature of their relationship with our Group.

Name	Connected Relationship
Hongkong DaFS Limited	A company wholly owned by Ms. Feng’s brother, Mr. Feng Weirong (馮衛榮), and therefore an associate of our Controlling Shareholder
Yangjiang Chuan Popo Food Co., Ltd. (陽江市船婆婆食品有限公司) (“Chuan Popo Food”)	A company owned by Ms. Feng’s two brothers, Mr. Feng Weirong and Mr. Feng Weiguo (馮衛國), as to 50% and 50%, respectively, and therefore an associate of our Controlling Shareholder
Zhongshan Zhaozhao Fresh Food Co., Ltd. (中山市朝朝新鮮食品有限公司) (“Zhaozhao Fresh”)	A company owned by Ms. Feng’s brother, Mr. Feng Weirong, as to 99%, and therefore an associate of our Controlling Shareholder

OUR CONNECTED TRANSACTIONS

Nature of transactions	Applicable Listing Rules	Waiver sought
Non-exempt continuing connected transactions		
Franchise Framework Agreement	14A.35, 14A.76(2), 14A.105	Reporting and announcement
Procurement of Chilled and Prepared Products	14A.35, 14A.36 and 14A.105	Reporting, announcement and independent Shareholders’ approval requirements
Procurement of Pork Products	14A.35, 14A.36 and 14A.105	Reporting, announcement and independent Shareholders’ approval requirements

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Franchise Agreement with Hongkong DaFS Limited

Our Company (as the franchisor) has entered into a franchise agreement (“**Franchise Agreement**”) with Hongkong DaFS Limited (as the franchisee) to grant it the right to use certain of our intellectual properties such as our brand and trademarks and as a franchisee procure products from us. Hongkong DaFS Limited is a company incorporated in Hong Kong in August 2025 and is primarily a personal investment holding vehicle of Mr. Feng Weirong. In April 2026, Hongkong DaFS Limited became our franchisee through the acquisition of an existing franchise store in Hong Kong, and has since operated such store as our franchisee under the Franchise Agreement. Under the Franchise Agreement, the total transaction amount payable to our Group mainly consists of (i) sales of goods to franchisee, primarily including products, equipment, and consumables; and (ii) store royalty fees for franchising services rendered to franchise stores with respect to operation, training, marketing and other support, which are primarily linked to the store sales amount by our franchisee. The Franchise Agreement will expire on December 31, 2028 unless renewed otherwise. The Franchise Agreement is entered into in the ordinary and usual course of business of our Group. The

CONNECTED TRANSACTIONS

transactions are conducted on normal commercial terms and are in the interests of our Company and our Shareholders as a whole.

Pricing basis and pricing policy

The prices of transactions contemplated under the Franchise Agreement shall be determined based on the Group’s unified pricing to all franchisees, which should be no less than the selling price offered by our Group to Independent Third Parties of comparable scale in the same region.

Historical figures

Hongkong DaFS Limited became our franchisee in April 2026 through acquisition of our existing franchise store in Hong Kong, therefore there is no historical transaction amount between Hongkong DaFS Limited and us for the years ended December 31, 2023, 2024 and 2025. The transaction amount between Hongkong DaFS Limited and us was approximately RMB1.3 million for the six months ended June 30, 2026. For reference, the transaction amounts attributable to the franchise store acquired by Hongkong DaFS Limited were approximately RMB7.0 million, RMB7.6 million, RMB6.4 million and RMB2.6 million for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, respectively.

Annual Caps

The maximum total transaction amount payable by Hongkong DaFS Limited to our Group for the period from the [REDACTED] to December 31, 2026 and the years ending December 31, 2027 and 2028 is expected to be RMB0.6 million, RMB8.2 million and RMB8.8 million, respectively.

Basis of Annual Caps

In determining the above proposed annual caps, our Directors have considered, among other things, the following factors:

- i. Historical average transaction amounts (i.e. RMB7.0 million/year) for the three financial years ended December 31, 2025 paid by the existing franchise store that Hongkong DaFS Limited acquired; and
- ii. The expected increase in procurement volume of the franchise store operated by Hongkong DaFS Limited due to the potential growth of the sales of the franchise store, which is expected to increase by 8% per year in 2026, 2027 and 2028, taking into account the average historical growth rate of approximately 8% achieved by Hong Kong franchise stores for the three financial years ended December 31, 2025.

Listing Rules Implication

As the highest applicable percentage ratio calculated for the purpose of Chapter 14A of the Listing Rules is expected to be more than 0.1% but less than 5%, the transaction with Hongkong DaFS Limited will, upon [REDACTED], constitute a continuing connected transaction of our Company and be subject to the reporting, annual review and announcement requirements but exempt from the circular (including independent financial advice) and the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

2. Procurement of Chilled and Prepared Products

Parties: Chuan Popo Food and our Company

Principal terms

On [●], we have entered into a procurement framework agreement with Chuan Popo Food pursuant to which our Group agreed to procure chilled and prepared products, such as meatballs (the “**Chilled and Prepared Products Procurement Framework Agreement**”), from Chuan Popo Food and/or its subsidiaries for a term commencing on the [REDACTED] and ending on December 31, 2028, subject to renewal by mutual consent. Subject to the terms of the Chilled and Prepared Products Procurement Framework Agreement, the Group will enter into specific agreements or place purchase orders with Chuan Popo Food to set out specific terms and conditions. The consideration payable by the Group under the Chilled and Prepared Products Procurement Framework Agreement will be paid at the time and according to the method to be agreed in specific agreements or purchase orders. The terms are to be no less favorable to our Group than those for transactions between our Group and Independent Third Parties under the same conditions.

Reasons and benefits for the transactions

Chuan Popo Food is a stable and reliable supplier of our Group. We established a business relationship with Chuan Popo Food since 2020. Through the historical cooperation, Chuan Popo Food is also familiar with our quality standard, and chilled and prepared products provided by Chuan Popo Food are proven to be a reliable, timely and efficient supply in support of the Group’s daily business operations.

Pricing basis

The prices of transactions contemplated under the Chilled and Prepared Products Procurement Framework Agreement shall be determined on an arm’s length basis with reference to the prevailing market price, but in any event shall not be higher than the prices of products that can be procured from Independent Third Parties by the Group. To ensure that the terms offered by Chuan Popo Food are in line with normal commercial terms, for any transaction proposed with Chuan Popo Food, our Group will obtain quotations from at least two independent suppliers of similar products. The following factors will be taken into account to determine whether the proposed transaction is on normal commercial terms: (i) the terms of the quotations received, including but not limited to price/fee, transportation arrangement, acceptance arrangement, payment terms and response to the requirements of products set by our Group and (ii) background and historical business relationship between our Group and participating suppliers. The responsible management team will review and consider the quotations provided by all suppliers and only enter into the relevant agreement with Chuan Popo Food after confirming that the terms are on normal commercial terms. The Directors consider that the above procedures can ensure that the transactions under the Chilled and Prepared Products Purchasing Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

CONNECTED TRANSACTIONS

Historical figures, annual caps and basis of caps

The historical connected transaction amounts that we purchased chilled and prepared products from Chuan Popo Food were RMB36.9 million, RMB41.2 million, RMB59.4 million and RMB28.9 million for the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026. Such increase was mainly driven by growing demand for chilled and prepared products, supported by the expansion of our store network and growth in store-level product sales, including the strong performance of certain high-growth SKUs of chilled and prepared products developed by our Group. Our proposed annual caps of the transactions contemplated under the Chilled and Prepared Products Procurement Framework Agreement for the period from the [REDACTED] to December 31, 2026 and the years ending December 31, 2027 and 2028 are RMB5.8 million, RMB95.5 million and RMB121.1 million, respectively.

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

- i. historical transaction amounts for the three financial years ended December 31, 2025 for the procurement of chilled and prepared products from Chuan Popo Food by the Group, after taking into account the CAGR of 26.8% recorded over the same period;
- ii. the potential growth in the number of our stores, taking into account the relatively stable pace of store expansion for the three financial years ended December 31, 2025, which is expected to continue in the three years following [REDACTED];
- iii. the potential growth in product sales of our stores, supported by the strong growth of certain high-growth SKUs of chilled and prepared products for the three financial years ended December 31, 2025 and the Group’s continued efforts to promote existing high-growth SKUs and develop new high-potential SKUs after [REDACTED]; and
- iv. other factors including but not limited to the expected market price of the chilled and prepared products and its future fluctuations, taking into account the costs and expenses relating to raw materials, labor and market trends.

Listing Rules implications

In respect of the transactions under the Chilled and Prepared Products Procurement Framework Agreement, as the highest applicable percentage ratio for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5%, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

CONNECTED TRANSACTIONS

3. Procurement of Pork Products

Parties: Zhaozhao Fresh and our Company

Principal terms

On [●], we have entered into a procurement framework agreement with Zhaozhao Fresh pursuant to which our Group agreed to procure pork products (the “**Pork Products Procurement Framework Agreement**”), from Zhaozhao Fresh and/or its subsidiaries for a term commencing on the [REDACTED] and ending on December 31, 2028, subject to renewal by mutual consent. Subject to the terms of the Pork Products Procurement Framework Agreement, the Group will enter into specific agreements or place purchase orders with Zhaozhao Fresh to set out specific terms and conditions. The consideration payable by the Group under the Pork Products Procurement Framework Agreement will be paid at the time and according to the method to be agreed in specific agreements or purchase orders. The terms are to be no less favorable to our Group than those for transactions between our Group and Independent Third Parties under the same conditions.

Reasons and benefits for the transactions

Zhaozhao Fresh is a stable and reliable supplier of our Group. We established business relationship with Zhaozhao Fresh since 2022. Through the historical cooperation, Zhaozhao Fresh is also familiar with our quality standard, and pork products provided by Zhaozhao Fresh are proven to be a reliable, timely and efficient supply in support of the Group’s daily business operations.

Pricing basis

The prices of transactions contemplated under the Pork Products Procurement Framework Agreement shall be determined on an arm’s length basis with reference to the prevailing market price, but in any event shall not be higher than the prices of products that can be procured from Independent Third Parties by the Group. To ensure that the terms offered by Zhaozhao Fresh are in line with normal commercial terms, for any transaction proposed with Zhaozhao Fresh, our Group will obtain quotations from at least two independent suppliers of similar products. The following factors will be taken into account to determine whether the proposed transaction is on normal commercial terms: (i) the terms of the quotations received, including but not limited to price/fee, transportation arrangement, acceptance arrangement, payment terms and response to the requirements of products set by our Group and (ii) background and historical business relationship between our Group and participating suppliers. The responsible management team will review and consider the quotations provided by all suppliers and only enter into the relevant agreement with Zhaozhao Fresh after confirming that the terms are on normal commercial terms. The Directors consider that the above procedures can ensure that the transactions under the Pork Products Purchasing Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders.

Historical figures, annual caps and basis of caps

The historical connected transaction amounts that we purchased pork products from Zhaozhao Fresh were RMB110.2 million, RMB112.7 million, RMB181.8 million and RMB81.6 million for the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026. Such increase was mainly driven by growing demand for pork products, supported by our store network expansion, growth in store-level product sales and the strong performance of certain high-growth pork product SKUs developed by our Group. Our proposed annual caps of the transactions contemplated under the Pork Products Procurement Framework Agreement for the period from the [REDACTED] to December 31, 2026 and the years ending December 31, 2027 and 2028 are RMB17.9 million, RMB299.9 million and RMB385.2 million, respectively.

CONNECTED TRANSACTIONS

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

- i. historical transaction amounts for the three financial years ended December 31, 2025 for the procurement of pork products from Zhaozhao Fresh by the Group, after taking into account the CAGR of 28.5% recorded over the same period;
- ii. the potential growth in the number of our stores, taking into account the relatively stable pace of store expansion for the three financial years ended December 31, 2025, which is expected to continue in the three years following [REDACTED];
- iii. the potential growth in product sales of our stores, supported by the strong growth of certain high-growth SKUs of pork products for the three financial years ended December 31, 2025 and the Group’s continued efforts to promote existing high-growth SKUs and develop new high-potential SKUs after [REDACTED]; and
- iv. other factors including but not limited to the expected market price of the pork products and its future fluctuations, taking into account the costs and expenses relating to raw materials, labor and market trends.

Listing Rules implications

In respect of the transactions under the Pork Products Procurement Framework Agreement, as the highest applicable percentage ratio for the purpose of Chapter 14A of the Listing Rules is expected to exceed 5%, such transactions will, upon [REDACTED], constitute continuing connected transactions of the Company subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules, the announcement requirement under Rule 14A.35 of the Listing Rules and the independent Shareholders’ approval requirement under Rule 14A.36 of the Listing Rules.

WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the non-exempt continuing connected transactions set out above are expected to continue on a recurring and continuing basis, the Directors consider that compliance with the above announcement and independent shareholders’ approval requirements will be impractical, will incur unnecessary administrative costs for us, and will be unduly burdensome to the Group. Accordingly, the Group has applied to the Stock Exchange for, and the Stock Exchange [has granted] a waiver to us under Rule 14A.105 of the Listing Rules from compliance with the announcement requirement in respect of the Franchise Framework Agreement, the announcement and independent shareholders’ approval requirements in respect of Chilled and Prepared Products Procurement Framework Agreement, the Pork Products Procurement Framework Agreement and the transactions contemplated thereunder.

CONFIRMATION FROM OUR DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that (i) the continuing connected transactions as set out above have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (ii) the annual caps for those transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

CONNECTED TRANSACTIONS

CONFIRMATION BY THE JOINT SPONSORS

Based on the review of the documentation and data provided by the Company, the obtaining of necessary representations and confirmations from the Company and the participation in the due diligence and discussion with the Company, the Joint Sponsors are of the view that (i) the non-exempt continuing connected transactions as set out above have been entered into in the ordinary and usual course of business of the Company, on normal commercial terms or better which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole, and (ii) the annual caps for the non-exempt continuing connected transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS' INTERESTS

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

- Our Group has approved internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Listing Rules;
- Our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap; and
- When considering any renewal or revisions to the agreements after [REDACTED], the interested Directors and Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' general meetings (as the case may be). If the independent Directors' or independent Shareholders' approvals cannot be obtained, we will not continue the transactions under the framework agreements to the extent that they constitute non-exempt continuing connected transactions under rule 14A.35 of the Listing Rules.

DIRECTORS AND SENIOR MANAGEMENT

OVERVIEW

Upon [REDACTED], our Board will consist of five Directors, comprising two executive Directors and three independent non-executive Directors.

The Board is responsible for, and has the general authority of, the management and operation of the Company. The powers and duties of the Board include convening general meetings and reporting the Board’s work at the general meetings of the Company, determining the Group’s business and investment plans, preparing the annual financial budgets and final reports of the Company, formulating proposals for profit distributions and exercising other powers, functions and duties as conferred by the Articles of Association.

DIRECTORS

The following table sets forth the information about the Directors:

Name	Age	Position	Time of joining the Group	Date of appointment as a Director	Roles and responsibilities
Ms. Feng Weihua (馮衛華女士)	[55]	Chairperson of the Board, executive Director and chief executive officer	June 2014	June 2014	Responsible for strategy, overall operational management and development of our Group
Mr. Zhou Lin (周林先生)	[44]	Executive Director, senior vice president, head of science and technology center and new retail business department	June 2015	January 2026	Responsible for information technology management and development of online business of our Group
Mr. Lee Wai Kong Albert (李維剛先生)	[53]	Independent non-executive Director	January 2026 (effective from the date of this Document)	January 2026	Supervising and providing independent opinion and judgment to the Board
Mr. Shi Kangping (施康平先生)	[50]	Independent non-executive Director	January 2026 (effective from the date of this Document)	January 2026	Supervising and providing independent opinion and judgment to the Board
Mr. Chung Chong Sun (鍾創新先生)	[51]	Independent non-executive Director	January 2026 (effective from the date of this Document)	January 2026	Supervising and providing independent opinion and judgment to the Board

Executive Directors

Ms. Feng Weihua (馮衛華女士) (former name: Feng Reai (馮熱愛)), aged [55], the founder, is chairperson of the Board, executive Director and chief executive officer of our Group. She is primarily responsible for strategy, overall operational management and the development of our Group.

Ms. Feng has over 15 years of comprehensive management experience in the fresh products retail sector. From December 1997 to March 2005, Ms. Feng served in Shunde District Water Power Construction Engineering Co., Ltd. (佛山市順德水電建設工程有限公司). From April 2005 to December 2007, she served in Foshan Shunji Water Conservancy and Hydropower Engineering Survey Co., Ltd. (佛山市順基水利水電工程勘測有限公司). From December 2009 to June 2011, Ms. Feng served as a director in Foshan Bajie Pork Food Co., Ltd. (佛山市八戒豬肉食品有限公司). Since June 2014, Ms. Feng, as the general manager of Guangzhou Qdama, has been taking full responsibility for the Group’s operations, leading the team to achieve key milestones such as regional expansion, digital transformation, and supply chain optimization.

Ms. Feng received a junior college diploma in industrial and civil construction engineering from South China University of Technology (華南理工大學) in the PRC in July 1992, and a Master of Business Administration degree from China Europe International Business School (中歐國際工商學院) in the PRC in October 2021.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Feng was awarded as a Leader in Promoting High-quality Industry Development During the Ten Years of Guangdong Franchising (2011-2020) (廣東特許經營十年 (2011-2020) 推動產業高品質發展領軍人物) by Guangdong Chain Operation Association (廣東省連鎖經營協會) in December 2020. Ms. Feng was awarded as Top Bay Award: Ten Leading Business Figures in Shenzhen (灣頂獎深圳十大商業人物) by Shenzhen Retail Commerce Industry Association (深圳市零售商業行業協會) in July 2023. Ms. Feng was awarded as the Advanced Food Safety Manager (食品安全先進管理者) by the 21st China Food Safety Conference in September 2023. Ms. Feng was also named as Breakthrough Innovation Tasting Officer (突破創新品鑒官) by Mulan Yuexianghui (木蘭悅享薈) in December 2023. Ms. Feng was awarded as one of the “Top Ten Golden Reputation Figures” at the Second Shenzhen Golden Reputation Awards (深圳第二屆十大「金口碑人物」) in 2024, an honor presented by Shenzhen Evening News (深圳晚報社) and the Shenzhen Integrity Business Promotion Association (深圳市誠信營商促進會).

Mr. Zhou Lin (周林先生), aged [44], is an executive Director, senior vice president and head of science and technology center and new retail business department of our Group. Mr. Zhou is primarily responsible for information technology management and development of online business of our Group.

Mr. Zhou joined our Group in June 2015 and since then served as the deputy general manager until June 2019. Since June 2019, Mr. Zhou has been responsible for our science and technology center.

Mr. Zhou graduated from Wuhan University (武漢大學), majoring in administrative management in the PRC in June 2010. In April 2015, he obtained an Advanced Diploma in information strategy and business transformation from the University of Hong Kong. From May 2018 to March 2019, he attended the Advanced Management Program at China Europe International Business School (中歐國際工商學院). He is currently pursuing a Doctorate in Business Administration at Grenoble École de Management in France.

Independent Non-Executive Directors

Mr. Lee Wai Kong Albert (李維剛先生), aged [53], has been appointed as an independent non-executive Director on January 11, 2026 with effect from the date of this Document. He is responsible for supervising and providing independent opinion and judgment to the Board.

Mr. Lee has extensive experience in capital markets, assurance, and risk management. From 1995 to 2003, Mr. Lee worked at a reputable accounting firm in Hong Kong. From May 2004 to December 2021, Mr. Lee worked in Protiviti Hong Kong Co. Limited with his last position as a managing director. From January 2022 to September 2024, Mr. Lee served as a partner in assurance service line of Ernst & Young Hong Kong Practice. Since July 2025, Mr. Lee has been serving as an independent director of TenNor Pharmaceutical (Suzhou) Co., Ltd. (丹諾醫藥(蘇州)股份有限公司). Since January 2026, Mr. Lee has been serving as a partner of RSM Hong Kong Business Advisory Limited.

Mr. Lee obtained his bachelor's degree in business administration from the Chinese University of Hong Kong in December 1995, and his master's degree in business administration from the Hong Kong University of Science and Technology and Northwestern University in December 2012.

Mr. Lee has been a member of the Hong Kong Institute of Certified Public Accountants (HKICPA) since October 1998, has held a practicing certificate since January 2008, and was admitted as a fellow of the HKICPA in February 2026. He has been a member of the American Institute of Certified Public Accountants (AICPA) since February 1997 and a certified public accountant of the State of Illinois since August 1996. He is also a member of the Institute of Internal Auditors since August 2004, a fellow member of CPA Australia since January 2014 and a fellow member of Chartered Accountants Australia and New Zealand (CA ANZ) since August 2026.

Mr. Shi Kangping (施康平先生), aged [50], has been appointed as an independent non-executive Director on January 11, 2026 with effect from the date of this Document. He is responsible for supervising and providing independent opinion and judgment to the Board.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Shi has extensive experience in financial management, capital markets, and corporate governance across leading multinational and listed companies. From January 2002 to July 2005, he worked in PricewaterhouseCoopers, with his last position as manager of the consulting department. From July 2007 to September 2011, Mr. Shi served as a global finance manager in Microsoft Corporation, a company listed on NASDAQ (stock code: MSFT). From September 2011 to December 2016, he worked in Baidu, Inc. (百度公司), a company listed on Stock Exchange (stock code: 9888.HK) and NASDAQ (stock code: BIDU), with his last position as the director of its financial planning and analysis department. From December 2016 to December 2017, Mr. Shi served as chief financial officer of health internet in Ping An Healthcare and Technology Company Limited (平安健康醫療科技有限公司), also known as “Ping An Good Doctor”, a company listed on the Stock Exchange (stock code: 1833). From February 2018 to November 2020, Mr. Shi served as chief financial officer of Maoyan Entertainment Limited (貓眼娛樂有限公司), a company listed on the Stock Exchange (stock code: 1896). From November 2020 to June 2022, he served as chief financial officer of Waterdrop Inc. (水滴公司), a company listed on the New York Stock Exchange (stock code: WDH). From June 2022 to August 2024, Mr. Shi served as chief financial officer of Terminus Technologies Group (特斯聯科技集團). From September 2024 to August 2025, he served as chief financial officer of MDL Wholesale Limited (麥德龍供應鏈有限公司). Since August 2025, Mr. Shi has been serving as chief financial officer of AgiBot Innovation (Shanghai) Technology Co., Ltd. (智元創新(上海)科技股份有限公司). From December 2018 to July 2023, Mr. Shi served as independent non-executive director of Life Concepts Holdings Limited (生活概念控股有限公司), a company listed on the Stock Exchange (stock code: 8056). Since March 2023, he has been serving as independent non-executive director of Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)股份有限公司), a company listed on the Stock Exchange (stock code: 2517).

Mr. Shi obtained his bachelor’s degree in accounting from the School of Economics and Management, Tsinghua University (清華大學) in the PRC in June 1998, with a minor in law, and his master’s degree in business administration from the Stephen M. Ross School of Business, University of Michigan in the United States in April 2007.

Mr. Shi has been a member of the Chartered Professional Accountants of Canada (加拿大註冊會計師協會) since August 2000. Mr. Shi has been recognized for outstanding achievements across several years. In 2022, he was named among the *Top 100 Elite CFOs of Chinese Companies Listed in Hong Kong and the United States* (港美上市中國公司CFO精英100) by *Barron’s* (《巴倫周刊》). In 2023, he was honored as part of the *2023 Top 100 Elite CFOs of Chinese Companies Listed in Hong Kong and the United States* (2023年港美上市中國公司CFO精英100) by *Barron’s*. In 2024, he was featured in the *2024 Overseas Listed Companies TOP100 CFO* (2024年度海外上市公司TOP100 CFO) ranking at the Overseas Listed Companies Chief Financial Officer Summit and CFO Top 100 Awards (2024海外上市公司首席財務官峰會暨CFO百強榜).

Mr. Chung Chong Sun (鍾創新先生), aged [51], has been appointed as an independent non-executive Director on January 11, 2026 with effect from the date of this Document. He is primarily responsible for providing independent judgment and oversight to the Board.

Mr. Chung has extensive experience in investment banking, corporate finance, capital markets, and financial advisory. From July 1997 to May 2000, Mr. Chung served as associate in the investment banking division of Standard Chartered Bank (Hong Kong) Limited, a company listed on the Stock Exchange (stock code: 2888). From May 2000 to July 2001, Mr. Chung served as a senior associate in Deloitte & Touche Corporate Finance Limited, responsible for corporate IPO financing and financial advisory work. From August 2001 to August 2003, he served as associate director in the mergers and acquisitions department of Rabobank Hong Kong Branch, where he was mainly responsible for mergers and acquisitions and capital operations. From August 2003 to December 2005, Mr. Chung worked in InvestHK, the Government of the Hong Kong Special Administrative Region, with his last position as manager of Mainland promotion. From December 2005 to September 2018, Mr. Chung served as senior vice president in the issuer services and market development division of Hong Kong Exchanges and Clearing Limited, a company listed on the Stock Exchange

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(stock code: 0388). From September 2018 to July 2019, Mr. Chung served as chief financial officer of Xiaoi Robot Technology (Hong Kong) Ltd. Since September 2018, Mr. Chung has been the founder and director of Resourceful Minds Limited (滙路有限公司). From October 2020 to June 2026, Mr. Chung served as an independent non-executive director of Radiance Holdings (Group) Company Limited (金輝控股(集團)有限公司), a company listed on the Stock Exchange (stock code: 9993). Since December 2020, he has been serving as an independent non-executive director of Strawbear Entertainment Group (稻草熊娛樂集團), a company listed on the Stock Exchange (stock code: 2125). Since December 2021, he has been serving as an independent non-executive director of ZhongAn Smart Life Services Limited (眾安智慧生活服務有限公司), a company listed on the Stock Exchange (stock code: 2271). Since February 2025, Mr. Chung has also been the founder and director of Creative Synergy Limited. Since April 2025, he has been serving as independent non-executive director of Auntea Jenny (Shanghai) Industrial Co., Ltd. (滬上阿姨(上海)實業股份有限公司), a company listed on the Stock Exchange (stock code: 2589).

Mr. Chung obtained his bachelor’s degree in business administration from the Chinese University of Hong Kong in May 1997.

Mr. Chung has been a Certified Public Accountant (CPA) licensed by the Board of Accountancy of Washington State (華盛頓州會計師公會) in the United States since July 2003. He has also been a Chartered Financial Analyst (CFA) charterholder awarded by the CFA Institute (特許金融分析師組織) since September 2004.

None of the Directors and senior management of the Company is related to the other Directors or senior management of the Company. Save as disclosed above, (i) none of the Directors held any directorships in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this document; (ii) save as set out above, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there were no other matters with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

SENIOR MANAGEMENT

The Group’s senior management team is responsible for the day-to-day management and operation of its business. The executive Directors are also members of the Group’s senior management. For their biographies, see “— Directors — Executive Directors” above.

Name	Age	Position	Time of joining the Group	Date of appointment as a member of senior management	Roles and responsibilities
Ms. Feng Weihua (馮衛華女士)	[55]	Chairperson of the Board, executive Director and chief executive officer	June 2014	June 2014	Responsible for strategy, overall operational management and development of our Group
Mr. Zhou Lin (周林先生)	[44]	Executive Director, senior vice president, head of science and technology center and new retail business department	June 2015	June 2017	Responsible for information technology management and development of online business of our Group
Mr. Wang Yinxiao (王峯瀾先生)	[39]	Chief financial officer and head of financial center and strategical development	June 2021	June 2021	Responsible for financial management, strategic planning, business analytics and capital management of our Group

DIRECTORS AND SENIOR MANAGEMENT

Name	Age	Position	Time of joining the Group	Date of appointment as a member of senior management	Roles and responsibilities
Ms. Zheng Hongmei (鄭紅梅女士)	[50]	Chief merchandising officer and head of product center	January 2024	January 2024	Responsible for procurement management and product development of our Group
Mr. Sun Xichao (孫熙超先生)	[53]	Senior vice president and head of the operation center	January 2024	January 2024	Responsible for store operations, store development and franchisee management of our Group
Mr. Cheng Tanggen (程堂根先生)	[52]	Senior vice president and head of internal control center	November 2020	January 2021	Responsible for internal control, legal and product quality control of our Group
Mr. Yang Xiaoguang (楊曉光先生)	[49]	Vice president and head of logistics center	January 2023	March 2023	Responsible for warehousing and logistics management of our Group

For details of the biographies of Ms. Feng and Mr. Zhou Lin, see “— Board of Directors.”

Mr. Wang Yinxiao (王峯瀟先生), aged [39], is the chief financial officer and head of financial center and strategical development of our Group. Mr. Wang was appointed as the chief financial officer when he joined our Group in June 2021. He is primarily responsible for the strategic planning, financial management, capital management and business analytics of our Group.

Mr. Wang possesses extensive experience in capital markets and corporate management. Prior to joining our Company, Mr. Wang served as an analyst in the investment banking division of China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995.SH), from July 2008 to June 2010. From June 2010 to January 2020, Mr. Wang worked at Morgan Stanley Asia Limited with his last position as a vice president in the private credit & equity division in Hong Kong. From February 2020 to June 2021, Mr. Wang served as a principal in the private equity business group in the Blackstone Group (HK) Limited.

Mr. Wang received a bachelor’s degree in civil engineering and construction management from Tsinghua University (清華大學) in the PRC in July 2008 and a dual bachelor’s degree in economics from Peking University (北京大學) in the PRC in July 2009. He also obtained a master’s degree of business administration from Harvard University in the United States in May 2019.

Ms. Zheng Hongmei (鄭紅梅女士), aged [50], is the chief merchandising officer and head of product center of our Group. She is mainly responsible for procurement management and product development of our Group.

Ms. Zheng has extensive experience in retail operations, procurement, and merchandising management. From August 1999 to April 2014, she worked in Walmart Dalian Co., Ltd. (大連沃爾瑪百貨有限公司), where her last position was senior director and regional merchandise general manager, responsible for procurement and merchandising management. From May 2014 to September 2017, Ms. Zheng served as senior director of multiple categories of the fast-moving consumer goods division (快速消費品事業部多品類高級總監) in Amazon.com, Inc., a company listed on NASDAQ (stock code: AMZN). From October 2017 to January 2024, she held several senior roles in Alibaba Group Holding Limited (阿里巴巴集團控股有限公司), a company listed on the Stock Exchange (stock code: 9988) and the New York Stock Exchange (stock code: BABA), including general manager of the fresh products industry for Taobao Grocery, general manager of digital agriculture of Alibaba, and general manager of fresh products for Tmall Supermarket, responsible for business development and operations in the fresh products and Alibaba digital agriculture sectors. Since January 2024, Ms. Zheng has been serving as chief merchandising officer of our Group.

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Ms. Zheng obtained her associate degree in computer applications and finance, respectively, from Dalian Radio and TV University (大連廣播電視大學), currently known as Dalian Open (大連開放大學), in the PRC in July 1997, and her master’s degree in business administration from Dongbei University of Finance and Economics (東北財經大學) in the PRC in January 2015.

Mr. Sun Xichao (孫熙超先生), aged [53], is the senior vice president and head of the operation center of our Group. He is mainly responsible for store operations, store development and franchisee management of our Group.

Mr. Sun has extensive experience in retail management, business operations, and corporate leadership. From October 1995 to November 2018, Mr. Sun served as executive president in Harbin Zhongyanghong Group Co., Ltd. (哈爾濱中央紅集團股份有限公司). From March 2019 to May 2022, Mr. Sun worked in JD.com, Inc. (京東集團股份有限公司), a company listed on the NASDAQ (stock code: JD) and the Stock Exchange (stock code: 9618). Since January 2024, Mr. Sun has been serving as senior vice president of our Group.

Mr. Sun obtained his bachelor’s degree in accounting from China Central Radio and Television University (中央廣播電視大學) and completed coursework at Beijing Technology and Business University (北京工商大學) in the PRC in April 2005. He also received his master’s degree in business administration from Harbin University of Commerce (哈爾濱商業大學) in the PRC in March 2012.

Mr. Sun was awarded the title of Intermediate Accountant (中級會計師) in 1998 and was recognized as a National Model Worker in the Commercial Circulation Service Industry (全國商貿流通服務業勞動模範) in September 2015.

Mr. Cheng Tanggen (程堂根先生), aged [52], is a senior vice president and head of internal control center of our Group. He is mainly responsible for internal control, legal and product quality control of our Group.

Mr. Cheng has extensive experience in compliance and internal control. From May 2004 to July 2014, Mr. Cheng served in Walmart (China) Investment Co., Ltd. (沃爾瑪(中國)投資有限公司), a subsidiary of Walmart Inc., a company listed on the New York Stock Exchange (stock code: WMT), where his last position was senior director of asset protection. From August 2014 to July 2015, Mr. Cheng served as an administrative director at Alibaba Group Holding Limited (a company listed on the Stock Exchange (stock code: 9988)). From August 2016 to February 2019, Mr. Cheng served as a director of the department of internal control and compliance at Shenzhen S.F. Express Commercial Co., Ltd. (深圳順豐商業有限公司). From March 2019 to December 2019, Mr. Cheng served as a vice president at Suzhou Neighbor Group E-commerce Co., Ltd. (蘇州鄰鄰團電子商務有限公司). From January 2020 to October 2020, Mr. Cheng served as a vice president at Shenzhen Fenlai Electronic Commerce Co., Ltd. (深圳紛來電子商務有限公司).

Mr. Cheng joined our Group in November 2020 and served as the head of the audit and supervision department to December 2020, responsible for the overall management and coordination of the department. From January 2021 to October 2023, he served as head of the internal control center. Since November 2023, he has been serving as a senior vice president under the general manager’s office, while concurrently acting as the head of the internal control center, and is responsible for the overall management and coordination of the internal control center.

Mr. Cheng received a junior college diploma in business administration from Southwest University of Science and Technology (西南科技大學) in the PRC in July 2009.

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Mr. Cheng was awarded as 2009 CCFA Industry Loss Prevention Star (2009年度中國連鎖經營協會行業防損之星) by China Chain Operation Association in March 2009. Mr. Cheng was awarded Retail Industry Loss Prevention Development Individual Contribution Award (零售業防損發展個人貢獻獎) by Shenzhen Retail Commerce Industry Association (深圳市零售商業行業協會) and Shenzhen Chain Store & Franchise Association (深圳市連鎖經營協會) in March 2013. Mr. Cheng was named as the Honorary President of Guangdong Food Distribution Association (廣東省食品流通協會名譽會長) in January 2024. In July 2024, Mr. Cheng was appointed as an advisor to the Retail Risk Management Working Committee of the China Chain Store & Franchise Association (中國連鎖經營協會零售風險管理工作委員會顧問). In June 2025, Mr. Cheng was appointed as an advisor to the Risk Control Professional Committee of the Guangdong Chain Operation Association (廣東省連鎖經營協會風控專業委員會顧問). Mr. Cheng was appointed as a Corporate Integrity and Compliance Practice Expert (企業廉潔合規實務專家) of the Sunshine Integrity Alliance (陽光誠信聯盟) in December 2025. In July 2026, Mr. Cheng was appointed as a member of the National Technical Committee on Chain Operation Standardization (SAC/TC439) (全國連鎖經營標準化技術委員會 (SAC/TC439) 委員).

Mr. Yang Xiaoguang (楊曉光先生), aged [49], is the vice president and head of logistics center of our Group. He is primarily responsible for warehousing and logistics management of our Group.

Mr. Yang has extensive experience in food and logistics industry. From April 2004 to January 2009, Mr. Yang served in Beijing KFC Co., Ltd. (北京肯德基有限公司). From September 2008 to June 2012, Mr. Yang served as the head of logistics management and quality control center in China Dongxiang (Group) Co., Ltd. (中國動向(集團)有限公司), a company listed on the Stock Exchange (stock code: 3818). From July 2012 to April 2017, Mr. Yang served in Shanghai Metersbonwe Fashion & Accessories Co., Ltd. (上海美特斯邦威服飾股份有限公司). From April 2017 to January 2018, he served as a vice president in Shanghai Yiguo E-Commerce Co., Ltd. (上海易果電子商務有限公司). From January 2018 to January 2019, Mr. Yang served in Shanghai Anxianda Logistics Technology Co., Ltd. (上海安鮮達物流科技有限公司). From December 2019 to January 2021, he worked in Hanhai Information Technology (Shanghai) Co., Ltd. (漢海信息技術(上海)有限公司). Since January 2023, he has been serving as head of the logistics center of our Group.

Mr. Yang obtained his college diploma in international trade from Xi'an International Studies University (西安外事學院) in the PRC in July 1999. He also obtained his bachelor's degree in accounting (by correspondence) from Shaanxi Institute of Finance and Economics (陝西財經學院), currently known as Xi'an University of Finance and Economics (西安財經大學) in the PRC in July 1999.

Mr. Yang obtained senior logistics specialist professional qualification certificate (高級物流師職業資格證書) granted by the Department of Human Resources and Social Security of Hubei Province (湖北省人力資源和社會保障廳) in the PRC in November 2009. In July 2018, Mr. Yang was awarded at the Global Cold-Chain Industry Supply Chain and Logistics Technology Symposium (全球冷鏈行業供應鏈與物流技術研討會) and received the Annual Outstanding Contribution Award (周年傑出貢獻獎). In May 2026, Mr. Yang was appointed by the China Chain Store & Franchise Association (中國連鎖經營協會) as a Member of the Supply Chain Professional Committee (供應鏈專業委員會委員), in recognition of his professional expertise and experience in supply chain management.

JOINT COMPANY SECRETARIES

Ms. Li Zhihong (李志宏女士) has been appointed as a joint company secretary of the Company. Ms. Li also serves as the head of investment and financing of our Group. Ms. Li joined the Group in August 2022. She is mainly responsible for the Company's equity financing, investor relations, and Board and shareholder affairs.

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Ms. Li has extensive experience in investor relations, investment and financing, and information disclosure. From May 2020 to August 2022, Ms. Li served as director of investor relations in Viomi Technology Co., Ltd. (雲米科技), a company listed on NASDAQ (stock code: VIOT). From May 2018 to April 2020, she was a senior account manager in the Piacente Group, providing investor relations consulting services to clients listed on U.S. stock exchanges and Stock Exchange. From April 2016 to April 2018, she worked as a reporter in Sing Tao Daily New York (紐約星島日報). Since August 2022, Ms. Li has been serving as head of investment and financing in Guangzhou Qdama, responsible for the Company’s equity financing, strategic investment, capital operations, investor relations, and board and shareholder affairs.

Ms. Li obtained a bachelor’s degree in finance from East China University of Science and Technology (華東理工大學) in the PRC in July 2012, a master’s degree in journalism from Emerson College in the United States in May 2015, and another master’s degree in business administration from Peking University (北京大學) in the PRC in June 2025.

Mr. Wong Keith Shing Cheung (王承鐔先生) has been appointed as a joint company secretary of the Company. He has been a senior manager of Company Secretarial Services of Tricor Services Limited, a member of Vistra Group, since December 2025, mainly responsible for managing the company secretarial and compliance work for companies listed on the Stock Exchange. Mr. Wong has over 15 years of experience in compliance, audit, corporate governance and company secretarial field, providing company secretarial and compliance services to listed companies as well as private and offshore companies.

Mr. Wong obtained a bachelor’s degree in finance, accounting and management from University of Nottingham in July 2009. He is a Chartered Secretary, a Chartered Governance Professional, associate of both the Hong Kong Chartered Governance Institute and the Chartered Governance Institute in the United Kingdom as well as a fellow of the Hong Kong Institute of Certified Public Accountants.

CONFIRMATIONS FROM OUR DIRECTORS

Each of the Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in January 2026, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he had no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there were no other factors that may affect his independence at the time of his appointments.

MANAGEMENT AND CORPORATE GOVERNANCE

Board Committees

Audit Committee

The Board has established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal controls system of the Group and provide advice and comments to the Board. The Audit Committee comprises Mr. Lee Wai Kong Albert, Mr. Shi Kangping and Mr. Chung Chong Sun, with Mr. Lee Wai Kong Albert (being the independent non-executive Director with appropriate professional qualifications) as the chairperson.

DIRECTORS AND SENIOR MANAGEMENT

Remuneration Committee

The Board has established the Remuneration Committee with written terms of reference in compliance with Rules 3.25 of the Listing Rules and the Corporate Governance Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to the Directors and other senior management. The Remuneration Committee comprises Mr. Shi Kangping, Ms. Feng and Mr. Chung Chong Sun, with Mr. Shi Kangping as the chairperson.

Nomination Committee

The Board has established the Nomination Committee with written terms of reference in compliance with Rules 3.27A of the Listing Rules and the Corporate Governance Code. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment of Directors and management of Board succession and to review the structure, size and composition of the Board and the implementation of the board diversity policy. The Nomination Committee comprises Ms. Feng, Mr. Lee Wai Kong Albert and Mr. Chung Chong Sun, with Ms. Feng as the chairperson.

Corporate Governance Code

The Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders. To accomplish this, the Company expects to comply with the Corporate Governance Code upon the [REDACTED], save that Ms. Feng will serve as both the chairperson of the Board and the chief executive officer of the Company as discussed below.

Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive should be segregated and should not be performed by the same individual. The Company does not have a separate chairperson and chief executive and Ms. Feng currently performs these two roles. The Board believes that vesting the roles of both chairperson and chief executive in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairperson of the Board and the chief executive of the Company if and when it is appropriate taking into account the circumstances of the Group as a whole.

Board Diversity

The Company has adopted a board diversity policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level, including gender diversity, as an essential element in maintaining its competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent. In reviewing and assessing suitable candidates to serve as a Director, the Nomination Committee will consider a number of aspects, including, but not limited to, gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry and regional experience.

The Board currently consists of one female and four male Directors ranging from [44] to [55] years old with a balanced mix of knowledge and skills, including, but not limited to, overall management and strategic development, accounting and corporate governance in addition to relevant industry experience. They obtained degrees in various majors including accounting, business administration, economics and engineering. Taking into account the

DIRECTORS AND SENIOR MANAGEMENT

Group’s existing business model and specific needs, as well as the diverse background of the Directors, the composition of the Board satisfies the board diversity policy.

The Nomination Committee is responsible for reviewing the structure and diversity of the Board and selecting individuals to be nominated as Directors. The Nomination Committee will monitor and evaluate the implementation of the board diversity policy from time to time to ensure its ongoing effectiveness, and will propose any necessary amendments as required, recommending such amendments to the Board for consideration and approval. The Nomination Committee will also include a summary of the board diversity policy in the annual reports of the Company.

REMUNERATION

The Directors and senior management of the Company receive their remuneration in the form of basic annual payments and performance-related annual payments, including fees, salaries, share-based compensation and other benefits in kind.

For the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026, the total remuneration paid to the Directors amounted to RMB2.9 million, RMB30.3 million, RMB1.5 million and 19.3 million, respectively. None of the Directors waived or agreed to waive any emolument during the Track Record Period.

Under the arrangements in force as of the date of this document, the Company estimates the total remuneration payable to, and benefits in kind receivable by, the Directors by the Group for the year ending December 31, 2026 to be approximately RMB39.0 million.

The five highest paid individuals of the Group for the years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026 included nil, one, nil and one Director, respectively. During the same period, the aggregate amount of remuneration of the five highest paid individuals, excluding Directors, was RMB12.3 million, RMB18.6 million, RMB27.5 million and 7.6 million, respectively.

During the Track Record Period, no remuneration was paid to, or received by, the Directors or the five highest paid individuals as an inducement to join or upon joining the Group. No compensation was paid to, or received by, the Directors, former Directors or the five highest paid individuals for the loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

Save as disclosed above, no other payments have been made or are payable by the Group to the Directors in respect of the Track Record Period.

COMPLIANCE ADVISOR

We have appointed Red Solar Capital Limited as the Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the requirements under the Listing Rules and applicable Hong Kong laws.

The term of appointment of the Compliance Advisor shall commence on the [REDACTED] and is expected to end on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, Ms. Feng, through FWH Holding Ltd., Feng WH, WH Feng Ltd. and Qdama Talent, was entitled to control the exercise of 51.26% voting rights of the issued Shares of the Company.

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Ms. Feng, through FWH Holding Ltd., Feng WH, WH Feng Ltd. and Qdama Talent, will be collectively interested in approximately [REDACTED]% of our enlarged issued share capital. Therefore, Ms. Feng, FWH Holding Ltd., Feng WH, WH Feng Ltd. and Qdama Talent will remain as our Controlling Shareholders immediately upon completion of the [REDACTED].

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors are satisfied that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates upon [REDACTED].

Management Independence

Our business is managed and conducted by our Board and senior management. Despite that Ms. Feng serves as our executive Director and Chairperson of the Board, Ms. Feng has devoted substantially all of her business interests to our Group, and our Directors expect that there will be no competition between the Company and our Controlling Shareholders and the risk of potential conflicts of interest will be comparatively low. Our Directors believe that our Board and our management team are able to operate our business and manage all actual or potential conflicts of interest independently of our Controlling Shareholders for the following reasons:

- (i) each of our Directors is aware of his/her fiduciary duties as a director which require, among other things, that he/she acts for the benefit and in the interest of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest;
- (ii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and our Directors or their respective associates, the interested Director(s) is required to declare the nature of such interest before voting at the relevant Board meetings of our Company in respect of such transactions;
- (iii) our daily management and operations are carried out by our two executive Directors and other six members of our senior management team. As of the Latest Practicable Date, except for our executive Director and CEO, Ms. Feng, none of the other Directors and senior management holds any management position or directorship in our Controlling Shareholders' and/or their close associates. They also have substantial experience in the industry in which our Company is engaged and will therefore be able to make business decisions that are in the best interest of our Group;
- (iv) all of our three independent non-executive Directors are independent of the Controlling Shareholders and have extensive experience in their respective areas of expertise. See “Directors and Senior Management.” All our independent non-executive Directors are appointed in accordance with the requirements under the Listing Rules to ensure that the decisions of our Board are made only after due consideration of independent and impartial opinions;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (v) where a Shareholders’ meeting is held to consider a proposed transaction in which any of the Controlling Shareholders has a material interest, the relevant Controlling Shareholder(s) shall abstain from voting on the resolutions and shall not be counted towards the quorum for the voting;
- (vi) our Company has appointed Red Solar Capital Limited as our compliance advisor, which will provide advice and guidance to our Group in respect of compliance with the applicable laws and Listing Rules including various requirements relating to Directors’ duties and corporate governance; and
- (vii) upon completion of the [REDACTED], our Company will adopt a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders which would support our independent management. See “— Corporate Governance Measures” in this section below for further information.

Therefore, our Directors believe that our Company has sufficient and effective control mechanisms to ensure that the Directors perform their respective duties properly and safeguard the interests of our Company and our Shareholders as a whole.

Based on the above, the Directors believe that our Board as a whole and together with our senior management team are able to perform the managerial role in our Group independently.

Operational Independence

We are in possession of all production and operating facilities and technology relating to our Group’s business and have obtained all the relevant material licenses, qualifications and approvals for conducting all our business. Currently, we engage in our Group’s business independently, with the independent right to make operational decisions and implement such decisions. We have independent access to customers and suppliers and are not dependent on the Controlling Shareholders for any significant amount of our revenue, product development, staffing or marketing and sales activities, and we have sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders. We have our own organizational structure with independent departments, each with specific areas of responsibility. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business.

We entered into certain continuing connected transactions with our Controlling Shareholders and/or their associates in respect of certain continuing connected transactions, including procurement and franchise arrangements. For more details, see “Connected Transactions.” Considering our access to independent sources and the sufficient competitive market, our Directors consider that, even if such agreements are terminated, our Company will be able to identify other suitable suppliers or substitutes through fair negotiation at similar terms and conditions in line with the market terms to meet our business and operational needs without causing any undue delay.

Based on the above, our Directors are of the view that the Company operates independently from our Controlling Shareholders.

Financial Independence

Our Company has established its own finance department with a team of independent financial staff responsible for discharging treasury, accounting, reporting, group credit and internal control functions independent from our Controlling Shareholders and their respective close associates, as well as a sound and independent financial system, and makes independent financial decisions according to our own business needs. Our Company maintains bank accounts independently and does not share any bank account with our

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Controlling Shareholders. Our Company makes tax registration and pays tax independently with its own funds. As such, our Company's financial functions, such as cash and accounting management, invoices and bills, operate independently of our Controlling Shareholders and their close associates.

As of the Latest Practicable Date, we did not have any outstanding loans or non-trade balances granted, guaranteed or pledged by any of our Controlling Shareholders to us.

Based on the above, our Directors believe that we are able to maintain financial independence from our Controlling Shareholders and their respective close associates.

COMPETING ISSUES UNDER RULE 8.10 OF THE LISTING RULES

Save and except for the interests of our Controlling Shareholders in our Company and its subsidiaries, our Controlling Shareholders and Directors (other than the independent non-executive Directors) confirm that as of the Latest Practicable Date, they did not have any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Our Directors recognize the importance of good corporate governance to protect the interests of our Shareholders. Our Company would adopt the following corporate governance measures to manage potential conflict of interests between our Group and our Controlling Shareholders:

- (i) where a Board meeting is held for the matters in which any Director has a material interest, such Director(s) shall abstain from voting on the relevant resolutions and shall not be counted towards the quorum for the voting;
- (ii) where a Shareholders' meeting is to be held for considering proposed transactions in which our Controlling Shareholders or any of their associates has a material interest, the relevant Controlling Shareholders will not vote on the resolutions and shall not be counted in the quorum in the voting;
- (iii) our Company has established internal control mechanisms to identify connected transactions. Upon the [REDACTED], if our Company enters into connected transactions with a Controlling Shareholder or any of their associates, our Company will comply with the relevant requirements of Chapter 14A of the Listing Rules, including the announcement, reporting and independent shareholders' approval requirements (if applicable) under the Listing Rules;
- (iv) our Board will consist of a balanced composition of executive and non-executive Directors, including not less than one-third of independent non-executive Directors, to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. Our independent non-executive Directors, individually and collectively, possess the requisite knowledge and experience. They are committed to providing impartial and professional advice to protect the interests of our minority Shareholders;
- (v) in the event that our independent non-executive Directors are requested to review any conflict of interests between our Group and the Controlling Shareholders, the relevant Controlling Shareholders shall provide the independent non-executive Directors with all relevant financial, operational and market and any other necessary information and our Company shall disclose the decisions of the independent non-executive Directors either in its annual reports or by way of announcements;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (vi) our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company’s cost; and
- (vii) we have appointed Red Solar Capital Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the Listing Rules and applicable laws, rules, codes and guidelines, including but not limited to various requirements relating to Directors’ duties and internal controls.

Based on the above, our Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflicts of interest between our Group and our Controlling Shareholders and/or Directors to protect minority Shareholders’ rights after the [REDACTED].

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors as at the Latest Practicable Date, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), each of the following persons will have an interest and/or short position (as applicable) in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the Shares, once the Shares are [REDACTED] on the Stock Exchange:

Name of Shareholder	Nature of interest ⁽¹⁾	Number of Shares	Approximate Percentage of Shareholding in the Total Issued Share Capital Immediately following the Completion of the [REDACTED] (Assuming the [REDACTED] is not exercised)
Feng WH ⁽²⁾	Beneficial interest	886,208,559	[REDACTED]%
Qdama Talent ⁽³⁾	Beneficial interest	251,633,875	[REDACTED]%
Ms. Feng ⁽²⁾⁽³⁾⁽⁴⁾	Interest in controlled corporations	1,211,858,719	[REDACTED]%
Generation Alpha ⁽⁵⁾	Beneficial interest	320,910,939	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) As of the Latest Practicable Date, Feng WH was wholly owned by FWH Holding Ltd., which in turn was wholly owned by Ms. Feng. Therefore, each of Ms. Feng and FWH Holding Ltd. is deemed to be interested in the Shares held by Feng WH in the Company under the SFO.
- (3) Qdama Talent is a platform holding the underlying incentive Shares under the Pre-[REDACTED] Share Incentive Scheme. A total of 251,633,875 Shares were allotted and issued to Qdama Talent for the purpose of the Pre-[REDACTED] Share Incentive Scheme. As of the Latest Practicable Date, Qdama Talent is legally owned by TMF Trust (HK) Limited as trustee of the QDM Employee Trust, which was established by the Company as the settlor for the purpose of the Pre-[REDACTED] Share Incentive Scheme. Qdama Talent is ultimately controlled by Ms. Feng. As such, each of TMF Trust (HK) Limited and Ms. Feng is deemed to be interested in the 251,633,875 Shares held by TMF Trust (HK) Limited. See “Statutory and General Information — Further Information about the Directors — The Pre-[REDACTED] Share Incentive Scheme” in Appendix IV to this document.
- (4) As of the Latest Practicable Date, WH Feng Ltd. held 74,016,285 Shares of the Company. As of the Latest Practicable Date, WH Feng Ltd. was wholly owned by FWH Holding Ltd., which in turn was wholly owned by Ms. Feng. Therefore, each of Ms. Feng and FWH Holding Ltd. is deemed to be interested in the Shares held by WH Feng Ltd. in the Company under the SFO.
- (5) Generation Alpha is an investment holding company incorporated under the laws of the BVI. As of the Latest Practicable Date, Generation Alpha was i) managed by GenBridge Capital Fund I GP, Ltd. (“Fund I GP”); ii) owned as to 94.70% by GenBridge Capital Fund I, L.P., which is also managed by Fund I GP. Fund I GP is owned as to i) 50% by GenBridge Capital Partners, Ltd. which is wholly owned by Ms. Li Mao Chun; and ii) 50% by JD.com, Inc., a company listed on the Hong Kong Stock Exchange (stock code: 9618 (HKD counter) and 89618 (RMB counter)) and the NASDAQ (ticker symbol: JD). Therefore, each of Fund I GP, GenBridge Capital Fund I, L.P., GenBridge Capital Partners, Ltd., Ms. Li Mao Chun and JD.com, inc. is deemed to be interested in the Shares held by Generation Alpha in the Company under the SFO.

Save as disclosed above, the Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), have an interest or short position in the Shares or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at any general meeting of the Company.

SHARE CAPITAL

SHARE CAPITAL

The following is a description of the authorized and issued share capital of the Company in issue and to be issued as fully paid or credited as fully paid immediately before and following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised):

1. Share capital as of the date of this document

Number of Shares	Description	Aggregate Par Value
		(US\$)
<i>Authorized share capital:</i>		
4,348,241,700	Ordinary Shares of a par value of US\$0.00001 each	43,482.417
10,495,000	Series Pre-A Preferred Shares of a par value of US\$0.00001 each	104.95
64,778,000	Series A Preferred Shares of a par value of US\$0.00001 each	647.78
125,186,670	Series B Preferred Shares of a par value of US\$0.00001 each	1,251.8667
39,321,330	Series B+ Preferred Shares of a par value of US\$0.00001 each	393.2133
131,886,000	Series C Preferred Shares of a par value of US\$0.00001 each	1,318.86
113,349,000	Series D Preferred Shares of a par value of US\$0.00001 each	1,133.49
166,742,300	Series E Preferred Shares of a par value of US\$0.00001 each	1,667.423
5,000,000,000	Total	50,000
<i>Issued share capital:</i>		
1,746,537,827	Ordinary Shares of a par value of US\$0.00001 each	17,465.37827
10,495,000	Series Pre-A Preferred Shares of a par value of US\$0.00001 each	104.95
64,778,000	Series A Preferred Shares of a par value of US\$0.00001 each	647.78
125,186,670	Series B Preferred Shares of a par value of US\$0.00001 each	1,251.8667
39,321,330	Series B+ Preferred Shares of a par value of US\$0.00001 each	393.2133
131,886,000	Series C Preferred Shares of a par value of US\$0.00001 each	1,318.86
113,349,000	Series D Preferred Shares of a par value of US\$0.00001 each	1,133.49
152,113,872	Series E Preferred Shares of a par value of US\$0.00001 each	1,521.13872
2,364,221,779	Total	23,642.21779

SHARE CAPITAL

2. Share capital immediately after the completion of the [REDACTED]

Number of Shares	Description	Aggregate par value
		(US\$)
<i>Authorized share capital:</i>		
[5,000,000,000]	Ordinary Shares of a par value of US\$0.00001 each	[50,000]
[5,000,000,000]	Total	[50,000]
<i>Issued share capital:</i>		
[2,364,221,779]	Ordinary Shares in issue immediately before the [REDACTED] of nominal or par value of US\$0.00001 each	[23,642.21779]
[REDACTED]	Ordinary Shares of US\$0.00001 each to be issued pursuant to the [REDACTED] (assuming the [REDACTED] is not exercised)	[REDACTED]
[REDACTED]	Total	[REDACTED]

ASSUMPTIONS

The above table assumes the [REDACTED] becomes unconditional and the issue of Shares pursuant to the [REDACTED] is made as described herein. It does not take into account any Shares which may be issued upon the exercise of the [REDACTED] or any Shares which may be allotted and issued or repurchased by the Company under the general mandates for the allotment and issue or repurchase of Shares granted to the Directors as described below.

RANKING

The [REDACTED] will rank pari passu in all respects with all Shares in issue or to be issued as mentioned in this document, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of the Memorandum and Articles of Association, the Company may from time to time by ordinary resolution of Shareholders (i) increase its share capital; (ii) consolidate and divide its share capital into Shares of larger amount; (iii) divide its Shares into several classes; and (iv) cancel any Shares which have not been taken or agreed to be taken. In addition, the Company may, subject to the provisions of the Cayman Companies Act, reduce its share capital or capital redemption reserve by its Shareholders passing a special resolution. See “Summary of the Constitution of the Company and Cayman Companies Act” in Appendix III to this document.

GENERAL MANDATES TO ALLOT AND ISSUE SHARES AND TO BUY BACK SHARES

Subject to the [REDACTED] becoming unconditional, the Directors have been granted a general unconditional mandate to exercise all the powers of our Company to allot and issue Shares and to buy back Shares. For details of such general mandates, see “Statutory and General Information — A. Further Information about our Company” in Appendix IV to this document.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with our consolidated financial statements, included in the Accountant’s Report in Appendix I, together with the respective accompanying notes. Our consolidated financial information has been prepared in accordance with the Hong Kong Financial Reporting Standards.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in this document, including the sections headed “Risk Factors” and “Business” and elsewhere in this document. For further details, see “Forward-Looking Statements.”

OVERVIEW

We are the largest community-based fresh product chain company in China, with the household brand Qdama (“錢大媽”). According to CIC, the community-based fresh product chains accounted for 10.2% of the overall China’s fresh product retail market in 2025. 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.

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”. 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 D&C Model, establishing our brand awareness around “freshness” and earning widespread consumer recognition.

During the Track Record Period, we demonstrated our strong focus on profitability and quality of business development. Our gross profit increased from RMB1,148.5 million in 2023 to RMB1,201.9 million in 2024 and further increased to RMB1,268.1 million in 2025. Our gross profit remained relatively stable at RMB580.1 million and RMB584.0 million in the six months ended June 30, 2025 and 2026, respectively. We recorded net profit of RMB168.6 million and RMB288.4 million in 2023 and 2024 and net loss of RMB278.6 million in 2025. We further recorded net profit of RMB176.1 million and RMB68.1 million in the six months ended June 30, 2025 and 2026, respectively. Eliminating the impact of items including (i) fair value gains/(losses) on convertible redeemable preferred shares (“CRPS”), (ii) share-based payment expenses for modification of CRPS, (iii) share-based payments to employees and (iv) [REDACTED], we recorded an adjusted net profit (non-HKFRS measure) of RMB[REDACTED], RMB[REDACTED], RMB[REDACTED], RMB[REDACTED] and RMB[REDACTED] in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

BASIS OF PREPARATION

The historical financial information has been prepared in accordance with the HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The historical financial information has been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income (“FVOCI”), CRPS and derivative financial instruments measured at fair value.

The preparation of the historical financial information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also

FINANCIAL INFORMATION

requires our management to exercise its judgment in the process of applying our accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the historical financial information, are disclosed in Note 4 to the Accountant’s Report in Appendix I in this document. The historical financial information has been prepared on a going concern basis. See Note 2 to the Accountant’s Report in Appendix I in this document.

MAJOR FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, materially affected by a number of general factors, many of which are beyond our control, including: (i) macroeconomic trends; (ii) change in per capita disposable income and per capita expenditure on fresh products; (iii) evolving consumption patterns and habits; (iv) rising food safety awareness and consciousness in everyday life; (v) fluctuations in prices of fresh products, driven by factors such as seasonal supply variations, weather conditions, and changes in feed and transportation costs; (vi) improved logistics and storage infrastructure, such as the development of cold-chain logistics and standardization of supply chain of fresh products; (vii) competitive landscape; and (viii) governmental policies, initiatives and incentives.

In addition to these general factors, the following specific factors have a more direct impact on our results of operations.

Our Product Portfolio and Pricing Strategy

Our products are at the core of our business, and we sell them through our extensive store network. We are dedicated to offering franchisees and consumers quality, value-for-money fresh products, complemented by our warm service that forms neighborly ties and a loyal community of consumers. 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. Our product portfolio continued to evolve throughout the Track Record Period. The diversity of our product portfolio allows us to capture varying tastes and preferences in consumer demand. Through our offering of quality products, we have cultivated long-term brand recognition among consumers. Our revenue from product sales amounted to RMB11,460.1 million, RMB11,490.7 million, RMB11,038.7 million, RMB5,065.2 million and RMB4,951.5 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, representing 97.6%, 97.5%, 97.3%, 97.4% and 97.2% of our total revenue for the same periods. Our gross profit margins of product sales were 7.8%, 8.1%, 8.9%, 8.9% and 9.1% in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively.

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. In addition, we have established a rigorous dynamic market price monitoring mechanism. For instance, the market prices of pork products are subject to fluctuations throughout the hog cycle. Through the implementation of the dynamic pricing strategy, we are able to better attract franchisees and consumers, manage inventory and maintain profitability. Furthermore, we offer an assortment of promotional products, typically vegetables, which serves as a key driver of consumer traffic to our stores. We change the selection of promotional products and adjust product pricing. See “Business — Pricing Policy — Store Pricing Guidance.” Benefiting from our mature pricing strategy and continually refreshed product portfolio, our gross profit margin on product sales improved steadily during the Track Record Period.

Our Extensive Offline Store Network, Complemented by Online Sales Channels

Our extensive offline store network comprises franchise and self-operated stores. As of December 31, 2023, 2024, 2025 and June 30, 2026, our offline store network consisted of a total of 2,916, 2,922, 2,904 and 3,014 stores, respectively, of which 2,835, 2,863, 2,861 and

FINANCIAL INFORMATION

2,946 were franchise stores. The majority of our offline stores are located in Guangdong Province. As of December 31, 2023, 2024, 2025 and June 30, 2026, we had 2,017, 2,029, 1,970 and 1,991 stores in Guangdong Province, representing 69.2%, 69.4%, 67.8% and 66.0% of our total number of stores, respectively. As of December 31, 2023, 2024, 2025 and June 30, 2026, our store network consisted of 838, 826, 861 and 946 stores in other regions in Chinese Mainland, representing 28.7%, 28.3%, 29.6% and 31.4% of the total number of stores in our store network, respectively. As we expanded beyond the Chinese Mainland market, the number of our stores in Hong Kong and Macau increased from 61 as of December 31, 2023 to 67 as of December 31, 2024, further increased to 73 as of December 31, 2025 and 77 as of June 30, 2026. We expect to open more stores in existing regions, as well as expanding into new geographic markets in China. We plan to continue to expand our presence in China by increasing our geographic coverage and deepening our market penetration.

Our revenue is primarily derived from product sales to franchisees, who operate franchise stores under our brand and sell our products to consumers. In our franchise model, we also charge (i) franchise fees, which are recognized over the scheduled period on a straight-line basis, and (ii) sales-based royalty fees to franchisees. The franchise service fee is fixed and charged upfront for each newly opened franchise store, which is recognized over the term of the relevant franchise agreement, which typically ranges from three to five years. The sales-based royalty fees are based on a certain percentage of daily sales to consumers. The sales-based royalty fees are recognized when the sales of franchisee to consumer transaction occur, and thus are generally driven by the increase in the number of franchise stores and their aggregate product sales. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, the revenue from sales to our 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, representing 94.5%, 94.5%, 95.3%, 95.0% and 95.0% of our revenue for the same periods.

Our extensive store network is complemented by online sales channels, which 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 sales are recorded as sales revenue of the stores which processed and delivered orders. Our online channels complement these stores by offering convenient ordering and pickup options to create a convenient shopping experience.

Our Strong Supply Chain Capabilities

We have built a robust supply chain infrastructure that ensures product freshness and quality while enhancing cost efficiency. 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 China. In addition, we have established a network of integrated distribution centers and logistics operations designed to maintain an efficient delivery of fresh products to our stores, upholding our “no overnight meat” commitment while improving operational efficiency and cost-effectiveness. As of June 30, 2026, we operated 16 integrated distribution centers with sorting and processing capabilities. Each integrated distribution center is equipped with processing centers, where we carry out preliminary processing and packaging of vegetables, meat and other fresh products, achieving significant cost savings while enhancing quality. See “Business — Supply Chain Infrastructure.”

In addition, 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 provide improved routes and outsource the delivery service to logistics service suppliers, who are responsible for arranging vehicles, drivers and delivery services. We leverage their distribution operations to create a highly efficient supply chain from integrated distribution centers to stores. We incurred logistics expenses of RMB312.8 million, RMB292.1 million, RMB278.0 million, RMB132.2 million and RMB133.6 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 51.6%, 48.1%, 48.8%, 47.8% and 46.6% of our selling and marketing expenses and 2.7%, 2.5%,

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2.5%, 2.5% and 2.6% of our revenue for the same periods. We believe that a strong distribution network will continually empower our business expansion. Meanwhile, our dense store network and continually improved delivery routes allow for faster delivery of products to our offline stores.

We have efficient inventory turnover cycles for the vast majority of our products, as we tailor the procurement volume according to sales orders. We typically do not maintain inventory for products to be sold in offline stores. Our integrated distribution centers cover all of the stores and are empowered by our digitized supply chain system, ensuring deliveries from the integrated distribution centers to stores to be fulfilled within four to five hours. In 2023, 2024, 2025 and the six months ended June 30, 2026, our inventory turnover days were 1.4 days, 1.2 days, 1.4 days and 1.5 days, respectively. Therefore, our integrated distribution centers primarily act as hubs for sorting and processing rather than storage. We believe that our self-operated integrated distribution centers and in-house processing capabilities will support a stable, high-volume supply of quality products while ensuring food safety. See “Business — Supply Chain Infrastructure.”

Digitalized Operations to Manage Costs and Enhance Operational Efficiency

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. We operate a multichannel digital marketing and sales network centered on our Qdama Mini Programs, store-based community groups, and partnerships with third-party food delivery platforms. Through our membership system and digital data analytics, we collect and analyze transaction data to understand purchasing behaviors and consumption patterns to refine product selection, pricing and promotional strategies, thereby improving marketing effectiveness and enhancing overall consumer satisfaction. In addition, our digitized supply chain system provides end-to-end coordination across procurement, sorting, processing and logistics. With real-time monitoring of supply-and-demand dynamics from suppliers to stores, we ensure timely replenishment and inventory optimization while enhancing operational efficiency and reducing costs. Our management and franchisees can thus make informed decisions to enhance efficiency and drive targeted marketing. Furthermore, our Digital Operation Platform connects headquarters directly with all franchise stores, integrating ordering, sales, inventory and pricing data. The platform provides daily forecasts and replenishment 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 assortment and pricing strategies based on aggregated data insights. See “Business — Our Digitalization.”

Through the expansion of our business scale and digitalization, we have enhanced sales activity efficiency and workforce productivity. Our integrated digital systems enable real-time decision-making and streamlined operations across procurement, logistics and store management. Our administrative expenses represent 3.5%, 3.7%, 3.3%, 3.4% and 3.8% of our revenue in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, while our selling and marketing expenses represent 5.2%, 5.2%, 5.0%, 5.3% and 5.6% of our revenue for the same periods.

To promote our brand and enhance consumer experience, we launched our membership system in November 2016. As of June 30, 2026, the cumulative number of members registered across various channels reached over 30 million. Through our membership program, we engage a vast base of active members through various benefits and activities. We believe that this membership system bolsters our sales and cultivates a closer relationship with consumers, thereby enhancing brand loyalty. See “Business — Branding and Marketing — Member-targeted Marketing Activities.”

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CRITICAL ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Some of our accounting policies require us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies have a significant impact on our financial position and results of operations. Our management continually evaluates such estimates, assumptions and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. There has been no material deviation between our management’s estimates or assumptions and actual results, and we have not made any material changes to these estimates or assumptions during the Track Record Period. We do not expect any material changes in these estimates and assumptions in the foreseeable future.

Impairment Assessment for Non-Financial Assets

Non-financial assets, mainly including property, plant and equipment, right-of-use assets, intangible assets and investments accounted for using equity method, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value in use (“VIU”) calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (iii) the selection of the most appropriate valuation technique, such as the market approach, the income approach, as well as a combination of approaches, including the adjusted net asset method; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect our financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the profit or loss.

We performed impairment assessment for our non-financial assets, including the right-of-use assets, property and equipment and intangible assets, when events or changes in circumstances indicated that the related asset values may not be recoverable. The carrying value of related assets were supported by recoverable amounts which were calculated for the cash-generating units (“CGUs”) to which these assets belong using the VIU model. Impairment provision would be made if the carrying amounts exceeded the recoverable amounts of the respective CGUs. The impairment provision made for right-of-use assets amounted to RMB0.6 million, RMB0.2 million, nil, nil and nil for the year ended December 31, 2023, 2024 and 2025 and six months ended June 30, 2025 and 2026, respectively. Our impairment losses on property, plant and equipment amounted to RMB0.5 million, nil, nil, RMB0.4 million and nil for the same periods, respectively.

Other significant accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in Notes 4 to the Accountant’s Report in Appendix I in this document.

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Revenue	11,744,089	11,787,796	11,343,644	5,202,302	5,095,356
Cost of sales	(10,595,626)	(10,585,926)	(10,075,578)	(4,622,207)	(4,511,333)
Gross profit	1,148,463	1,201,870	1,268,066	580,095	584,023
Selling and marketing expenses	(605,742)	(607,348)	(569,275)	(276,754)	(286,838)
Administrative expenses	(414,092)	(432,738)	(371,051)	(176,269)	(193,350)
(Provision for)/reversal of impairment loss on financial assets	(528)	555	(658)	376	(329)
Research and development expenses	(19,537)	(16,428)	(11,318)	(6,317)	(5,335)
Other income	20,631	18,758	13,216	6,712	4,742
Other losses – net	(288)	(9,134)	(32,737)	(11,985)	(12,544)
Finance costs – net	(18,801)	(6,526)	(8,635)	(5,407)	(5,777)
Fair value gains/(losses) on CRPS	73,418	163,847	419,052	84,972	(1,985)
Share-based payment expenses for modification of CRPS	–	–	(954,563)	–	–
Profit/(loss) before income tax	183,524	312,856	(247,903)	195,423	82,607
Income tax expenses.	(14,961)	(24,467)	(30,734)	(19,373)	(14,556)
Profit/(loss) for the period	168,563	288,389	(278,637)	176,050	68,051

NON-HKFRS FINANCIAL MEASURE

To supplement our consolidated financial statements, which are presented in accordance with HKFRS, we also use adjusted net profit as an additional financial measure, which is not required by, or presented in accordance with, HKFRSs. We believe this non-HKFRSs measure facilitates comparisons of operating performance from period to period and company to company by eliminating potential impacts of certain items. We also believe this measure provides useful information to investors and others in understanding and evaluating our combined results of operations in the same manner as they help our management. However, such non-HKFRSs financial measure we present may not be directly comparable to similar measures presented by other companies. The use of such non-HKFRS measure should not be considered as a substitute for analysis of our results of operations or financial condition as reported under HKFRSs.

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

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

Notes:

- (1) Our CRPS we issued to Pre-[REDACTED] investors will be re-classified from liabilities to equity as a result of automatic conversion into Ordinary Shares upon [REDACTED]. We adjust fair value gains/(losses) on CRPS and share-based payment expenses for modification of CRPS because they are non-cash in nature.
- (2) Share-based payments to employees mainly represent expenses associated with the equity incentive plans designed for management and employees who have demonstrated outstanding performance. We adjust equity settled share-based payments to employees because they are non-cash in nature.
- (3) [REDACTED] represent professional fees, [REDACTED] and other fees incurred in connection with the [REDACTED]. We adjust [REDACTED] because they are related to this [REDACTED].

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

Revenue by Business Segment

During the Track Record Period, we primarily derived revenue from product sales. The following table sets forth a breakdown of our revenue by business segment in absolute amounts and as percentages of our total revenue for the periods indicated:

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

Notes:

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

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During the Track Record Period, product sales contributed to the vast majority of our revenue. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, revenue from product sales amounted to RMB11,460.1 million, RMB11,490.7 million, RMB11,038.7 million, RMB5,065.2 million and RMB4,951.5 million, respectively, representing 97.6%, 97.5%, 97.3%, 97.4% and 97.2% of our revenue for the same periods.

As we adopt a franchise model, we charge franchise fees and sales-based royalty fees to franchisees. The franchise service fee is fixed and charged upfront for each newly opened franchise store, which is recognized over the term of the relevant franchise agreement, which typically ranges from three to five years. The sales-based royalty fees were based on a certain percentage of daily sales transactions completed. The sales-based royalty fees were driven by the increase in number of stores across our store network and their sales. We typically charge sales-based royalty fees to our franchisees starting from six months after a store opening.

Revenue by Geographic Region

Leveraging an established presence in Guangdong Province as our benchmark, we strategically expanding coverage to other regions in Chinese Mainland such as Eastern China, Central China and Southwestern China, to replicate our success. We have also expanded our business footprints into Hong Kong and Macau. The following table sets forth a breakdown of our revenue by geographic region in absolute amounts and as percentages of our revenue for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
Guangdong Province	7,934,323	67.5	7,957,374	67.5	7,424,674	65.5	3,436,185	66.1	3,223,489	63.3
Other regions in Chinese										
Mainland ⁽¹⁾	3,106,322	26.5	2,953,977	25.1	2,983,868	26.3	1,314,345	25.3	1,438,971	28.2
Hong Kong and Macau	703,444	6.0	876,445	7.4	935,102	8.2	451,772	8.7	432,896	8.5
Total	11,744,089	100.0	11,787,796	100.0	11,343,644	100.0	5,202,302	100.0	5,095,356	100.0

Note:

(1) Other regions in Chinese Mainland primarily include Changsha, Shanghai, Chengdu, Chongqing, Zhengzhou and Wuhan.

During the Track Record Period, our sales in Guangdong Province contributed the majority of our revenue. Revenue from sales in Guangdong Province remained relatively stable at RMB7,934.3 million in 2023 and RMB7,957.4 million in 2024. The revenue from sales in Guangdong Province subsequently decreased by 6.7% to RMB7,424.7 million in 2025, primarily due to a decrease in sales of pork products and vegetables resulting from a decrease in market prices. The revenue from sales in Guangdong Province further decreased by 6.2% from RMB3,436.2 million in the six months ended June 30, 2025 to RMB3,223.5 million in the six months ended June 30, 2026, primarily due to a decrease in sales of pork products resulting from a decrease in market prices.

The revenue from sales in other regions of Chinese Mainland decreased from RMB3,106.3 million in 2023 to RMB2,954.0 million in 2024, primarily due to the closure of certain loss-making stores, while the number of stores in these regions remained relatively stable. Revenue from sales in other regions in Chinese Mainland remained relatively stable at RMB2,954.0 million in 2024 and RMB2,983.9 million in 2025. Revenue from sales in other regions further increased by 9.5% from RMB1,314.3 million in the six months ended June 30, 2025 to RMB1,439.0 million in the six months ended June 30, 2026, primarily due to an increase in the number of operating stores in these regions from 832 as of June 30, 2025 to 946 as of June 30, 2026, partially offset by the impact of a decrease in the market prices of pork products.

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The aggregate number of stores in Hong Kong and Macau increased from 61 as of December 31, 2023 to 67 as of December 31, 2024, further increased to 73 as of December 31, 2025 and 77 as of June 30, 2026, which contributed to an overall increase in revenue throughout the Track Record Period. The revenue from sales in Hong Kong and Macau increased from RMB703.4 million in 2023 to RMB876.4 million in 2024, and further increased to RMB935.1 million in 2025, which remained relatively stable at RMB451.8 million and RMB432.9 million in the six months ended June 30, 2025 and 2026, respectively.

Revenue by Sales Channel

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

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

Notes:

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

During the Track Record Period, the sales to our franchisees contributed to the majority of our revenue. Our franchisees operate franchise stores under our brand and sell our products to consumers. We have established an extensive store network, comprising primarily franchise stores. As of December 31, 2023, 2024, 2025 and June 30, 2026, we had a total of 2,916, 2,922, 2,904 and 3,014 stores, comprising 2,835, 2,863, 2,861 and 2,946 franchise stores, respectively. In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, the 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, representing 94.5%, 94.5%, 95.3%, 95.0% and 95.0% of our total revenue for the same periods.

We also conduct direct sales to consumers via self-operated stores, which 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, so enhancing their operational efficiency. In addition, we sell our products to certain non-franchisee customers, including food wholesalers, supermarkets, restaurants and other corporate customers, which allows us to leverage our supply chain capabilities at scale, enhance brand exposure across different consumption scenarios, and optimize overall operational efficiency, while remaining complementary to our franchise-based retail network.

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Revenue from Product Sales by Product Type

Our product portfolio covers diverse product types, including primary fresh animal proteins, fresh produce, as well as chilled and prepared foods. The following table sets forth a breakdown of our revenue from product sales by product type in absolute amounts and as percentages 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	%
(RMB in thousands, except for percentages) (unaudited)										
Primary fresh animal proteins ⁽¹⁾	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 ⁽²⁾	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 foods	1,475,018	12.9	1,524,945	13.3	1,513,246	13.7	712,456	14.1	695,782	14.1
Others ⁽³⁾	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) Primary fresh animal proteins include (i) pork products, (ii) meat, poultry and eggs, and (iii) seafood. Meat, poultry and eggs mainly include beef, poultry and eggs, excluding pork products.
- (2) Fresh produce include (i) vegetables, and (ii) fruits.
- (3) 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.

Revenue from Product Sales by Brand

The following table sets forth a breakdown of our revenue from product sales by brand in absolute amounts and as percentages 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	%
(RMB in thousands, except for percentages) (unaudited)										
Private label products	16	0.0	52,042	0.5	269,859	2.4	129,850	2.6	401,809	8.1
Non-private label products and others ⁽¹⁾	11,460,036	100.0	11,438,615	99.5	10,768,801	97.6	4,935,316	97.4	4,549,663	91.9
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

Note:

- (1) Non-private label products and others include sales of non-private label products and offset of sales discounts.

Cost of Sales

Our cost of sales consists of (i) costs of inventories sold or consumed, primarily comprising costs of sales of products, costs of sales of equipment to franchises and costs of consumables used, (ii) labor costs, mainly employee benefit expenses and outsourced personnel service fees, (iii) depreciation and amortization, primarily lease expenses of

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integrated distribution centers and depreciation of related leasehold improvements, and (iv) others. The following table sets forth a breakdown of our cost of sales by nature in absolute amounts and as a percentage of our total cost of sales for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
							(unaudited)			
Costs of inventories sold or consumed . . .	10,248,331	96.7	10,259,784	96.9	9,799,323	97.3	4,480,994	96.9	4,389,126	97.3
Costs of sales of products	10,205,194	96.3	10,210,893	96.5	9,765,102	96.9	4,464,305	96.6	4,375,107	97.0
Costs of sales of equipment to										
franchises	18,856	0.2	17,400	0.2	11,470	0.1	4,509	0.1	4,944	0.1
Costs of consumables used	24,281	0.2	31,491	0.3	22,751	0.2	12,180	0.3	9,075	0.2
Labor costs	181,483	1.7	192,990	1.8	171,683	1.7	90,590	2.0	77,028	1.7
Depreciation and amortization	118,516	1.1	85,243	0.8	64,434	0.6	33,903	0.7	23,739	0.5
Others ⁽¹⁾	47,296	0.5	47,909	0.5	40,138	0.4	16,720	0.4	21,440	0.5
Total	10,595,626	100.0	10,585,926	100.0	10,075,578	100.0	4,622,207	100.0	4,511,333	100.0

Note:

(1) Others primarily include utilities expenses and expenses relating to short-term leases and property management fees.

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

Gross Profit and Gross Profit Margin

Our gross profit increased from RMB1,148.5 million in 2023 to RMB1,201.9 million in 2024, further increased to RMB1,268.1 million in 2025. Our gross profit remained relatively stable at RMB580.1 million and RMB584.0 million in the six months ended June 30, 2025 and 2026, respectively. Our gross profit margin increased from 9.8% in 2023 to 10.2% in 2024, further increased to 11.2% in 2025, and also increased from 11.2% in the six months ended June 30, 2025 to 11.5% in the six months ended June 30, 2026.

Gross Profit and Gross Profit Margin by Business Segment

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

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

Note:

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

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Our gross profit margin increased throughout the Track Record Period, primarily driven by an improvement in the gross profit margin of product sales, benefiting from economies of scale, changes in product mix and cost-saving initiatives. See “— Period-To-Period Comparison of Results of Operations.”

Gross Profit and Gross Profit Margin by Geographic Region

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

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<i>(RMB in thousands, except for percentages)</i>										
(unaudited)										
Guangdong Province	905,850	11.4	910,942	11.5	918,692	12.4	420,670	12.2	425,288	13.2
Other regions in Chinese Mainland . . .	127,783	4.1	139,807	4.7	177,795	6.0	74,713	5.7	76,960	5.3
Hong Kong and Macau	114,830	16.3	151,121	17.2	171,579	18.4	84,712	18.8	81,775	18.9
Total	1,148,463	9.8	1,201,870	10.2	1,268,066	11.2	580,095	11.2	584,023	11.5

Our overall gross profit margins are primarily driven by product sales in Guangdong Province, which is mainly attributable to our established presence in Guangdong Province. As of December 31, 2023, 2024, 2025 and June 30, 2026, we had 2,017, 2,029, 1,970 and 1,991 stores in Guangdong Province, representing 69.2%, 69.4%, 67.8% and 66.1% of our total number of stores, respectively. Our gross profit margins for sales in Guangdong Province remained relatively stable at 11.4%, 11.5% and 12.4% in 2023, 2024 and 2025, respectively. Our gross profit margins for sales in Guangdong Province further increased from 12.2% in the six months ended June 30, 2025 to 13.2% in the six months ended June 30, 2026, primarily due to changes in product mix, as reflected in the increased sales contribution from private label products, which generally carried relatively higher gross profit margins.

Our gross profit margin for sales in other regions in Chinese Mainland increased from 4.1% in 2023 to 4.7% in 2024, and further increased to 6.0% in 2025, mainly attributable to the increasingly mature operations in these regions and the increase in store density, which enhanced economies of scale. Our gross profit margins for sales in other regions decreased from 5.7% in the six months ended June 30, 2025 to 5.3% in the six months ended June 30, 2026, primarily due to decreases in the prices at which we supplied vegetables and meat, poultry and eggs to franchisees in response to decreases in the market prices of such products so as to maintain the price competitiveness of franchise stores.

Our gross profit margin for sales in the Hong Kong and Macau markets increased from 16.3% in 2023 to 17.2% in 2024, and further increased to 18.4% in 2025, primarily due to an increase in the number of self-operated stores. Our gross profit margins for sales in Hong Kong and Macau markets remained relatively stable at 18.8% and 18.9% in the six months ended June 30, 2025 and 2026, respectively. Sales in the Hong Kong and Macau markets generally achieved higher margins, primarily due to higher market prices of products compared to sales in Chinese Mainland.

Selling and Marketing Expenses

Our selling and marketing expenses consist of (i) logistics expenses, (ii) labor costs, (iii) third-party food delivery platform expenses, (iv) advertising and promotion expenses, (v) depreciation and amortization, mainly related to our leased self-operated stores and related leasehold improvements, and (vi) others. Our logistics expenses mainly represent expenses incurred for transportation and delivery services provided by third parties and delivery service fees charged by third-party food delivery platforms. The logistics expenses amounted to RMB312.8 million, RMB292.1 million, RMB278.0 million, RMB132.2 million and RMB133.6 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, accounting for 2.7%, 2.5%, 2.5%, 2.5% and 2.6% of our revenue for the same periods. Our labor costs mainly represent wages, salaries, social insurance, housing provident funds and various other employee benefits paid to our personnel and outsourced personnel involved in selling and marketing activities.

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Our selling and marketing expenses amounted to RMB605.7 million, RMB607.3 million, RMB569.3 million, RMB276.8 million and RMB286.8 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, which represent 5.2%, 5.2%, 5.0%, 5.3% and 5.6% of our revenue for the same periods. The following table sets forth a breakdown of our selling and marketing expenses in absolute amounts and as percentages of total selling and marketing expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
							(unaudited)			
Logistics expenses	312,780	51.6	292,141	48.1	278,020	48.8	132,231	47.8	133,636	46.6
Labor costs	176,021	29.1	194,182	32.0	177,455	31.2	91,615	33.1	89,346	31.1
Third-party food delivery platform expenses	25,933	4.3	37,137	6.1	48,545	8.5	20,391	7.4	22,938	8.0
Advertising and promotion expenses	24,650	4.1	20,209	3.3	16,756	2.9	7,387	2.7	11,401	4.0
Depreciation and amortization	36,766	6.0	33,354	5.5	25,317	4.5	13,259	4.8	12,492	4.4
Others ⁽¹⁾	29,592	4.9	30,325	5.0	23,182	4.1	11,871	4.3	17,025	5.9
Total	605,742	100.0	607,348	100.0	569,275	100.0	276,754	100.0	286,838	100.0

Note:

(1) Others mainly include utility expenses, rental expenses for employee dormitories and related expenses.

Administrative Expenses

Our administrative expenses consist of (i) labor costs, (ii) office expenses, (iii) depreciation and amortization, (iv) travel and hospitality expenses, (v) professional service fees, (vi) [REDACTED], and (vii) others. Our labor costs mainly represent share-based payments to employees, wages, salaries, social insurance, housing provident funds and various other employee benefits paid to our staff involved in administrative activities. Our professional service fees mainly include fees incurred for tax, legal, audit and market research services.

Our administrative expenses amounted to RMB414.1 million, RMB432.7 million, RMB371.1 million, RMB176.3 million and RMB193.4 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, respectively, which represent 3.5%, 3.7%, 3.3%, 3.4% and 3.8% of our revenue for the same periods. The following table sets forth a breakdown of our administrative expenses in absolute amounts and as percentages of total administrative expenses for the periods indicated:

	Year ended December 31,						Six months ended June 30,			
	2023		2024		2025		2025		2026	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(RMB in thousands, except for percentages)										
							(unaudited)			
Labor costs	299,096	72.2	321,433	74.2	271,457	73.2	136,955	77.7	144,543	74.8
Office expenses	28,239	6.8	25,565	5.9	22,019	5.9	10,171	5.8	10,161	5.3
Depreciation and amortization	25,280	6.1	21,032	4.9	15,666	4.2	8,479	4.8	7,143	3.7
Travel and hospitality expenses	19,583	4.7	13,636	3.2	10,940	2.9	5,306	3.0	5,155	2.7
Professional service fees	15,607	3.8	10,480	2.4	10,393	2.8	5,652	3.2	4,124	2.1
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others ⁽¹⁾	23,201	5.6	23,663	5.5	24,904	6.7	9,706	5.5	14,447	7.5
Total	414,092	100.0	432,738	100.0	371,051	100.0	176,269	100.0	193,350	100.0

Note:

(1) Others mainly includes taxation, expenses relating to short-term leases, and utilities expenses.

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Research and Development Expenses

Our research and development expenses consist of employee benefit expenses, which amounted to RMB19.5 million, RMB16.4 million, RMB11.3 million, RMB6.3 million and RMB5.3 million in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026. The employee benefit expenses mainly represent wages, salaries and other employee benefits paid to our IT team. Our IT team developed certain IT systems, such as TMS system and WMS system.

(Provision for)/Reversal of Impairment Loss on Financial Assets

Provision for or reversal of impairment loss on financial assets primarily relates to trade receivables and other receivables. We incurred provision for impairment on financial assets of RMB0.5 million, RMB0.7 million and RMB0.3 million in 2023, 2025 and the six months ended June 30, 2026, respectively, while recorded reversal of impairment loss on financial assets of RMB0.6 million and RMB0.4 million in 2024 and the six months ended June 30, 2025, respectively. The following table sets forth a breakdown of our provision for or reversal of impairment on financial assets for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Trade receivables	(393)	629	(65)	(137)	(99)
Other receivables	(135)	(74)	(593)	513	(230)
Total	(528)	555	(658)	376	(329)

We performed impairment assessment for receivables under the expected credit loss model. See Note 3.1.2 to the Accountant’s Report in Appendix I in this document.

Other Income

Our other income consists of (i) miscellaneous income from franchisees, (ii) government grants, (iii) interest income on loans to a related party, and (iv) interest income on loans to a third party. The following table sets forth a breakdown of our other income in absolute amounts and as percentages of total other income 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>			
Miscellaneous income ⁽¹⁾	8,943	43.3	13,038	69.6	11,206	84.8	5,712	85.1	3,839	81.0
Government grants ⁽²⁾	5,562	27.0	3,140	16.7	1,888	14.3	961	14.3	819	17.3
Interest income on loans to a related party	6,126	29.7	2,575	13.7	–	–	–	–	–	–
Interest income on loans to a third party ⁽³⁾	–	–	5	0.0	122	0.9	39	0.6	84	1.7
Total	20,631	100.0	18,758	100.0	13,216	100.0	6,712	100.0	4,742	100.0

Notes:

- (1) Miscellaneous income from franchisees primarily represented payments collected from franchisees due to their non-compliance with franchise agreements.
- (2) Government grants mainly represented subsidies obtained from local governments upon fulfilling certain conditions or for engaging in specific industry. There are no unfulfilled conditions or other contingencies attached to these grants.
- (3) Interest income on loans to a third party mainly represented interest income from loans provided to a third party for the joint development of an integrated distribution center in Guangzhou.

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Other Losses, Net

Our net other losses consist of (i) net exchange (losses)/gains, (ii) net losses on disposal of property, plant and equipment, (iii) net (losses)/gains from early termination and modification of lease agreements, (iv) fair value gains on derivative financial instruments, (v) losses on written-off of input VAT, and (vi) others. The following table sets forth a breakdown of our net other losses for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
				(unaudited)	
Net exchange (losses)/gains	(3,444)	3,555	(8,677)	(1,117)	(15,546)
Net losses on disposal of property, plant and equipment ⁽¹⁾	(157)	(8,793)	(6,590)	(5,152)	(37)
Net (losses)/gains from early termination and modification of lease agreements ⁽²⁾	(1,952)	4,865	(4,752)	(4,291)	35
Fair value gains on derivative financial instruments ⁽³⁾	–	–	–	–	1,718
Losses on write-off of input VAT ⁽⁴⁾	(3,290)	(12,729)	(15,136)	(2,517)	–
Others ⁽⁵⁾	8,555	3,968	2,418	1,092	1,286
Total	(288)	(9,134)	(32,737)	(11,985)	(12,544)

Notes:

- (1) Net losses on disposal of property, plant and equipment primarily relate to the disposal of our underperforming stores and the integration of our warehousing resources. During the process of integrating our warehousing resources, certain lease terminations resulted in one-off losses related to leasehold improvements.
- (2) Net losses or gains from early termination and modification of lease agreements arise from the closure of certain warehousing facilities as part of our effort to enhance operational efficiency. Losses primarily relate to penalties incurred for early termination, including nonrefundable deposits. Gains mainly reflect the reversal of lease liabilities corresponding to the original remaining lease period following early termination.
- (3) We recorded fair value gains on derivative financial instruments of RMB1.7 million in the six months ended June 30, 2026, primarily because we entered into foreign exchange swap arrangements during the period to improve the utilization of our surplus foreign currency funds and mitigate our exposure to foreign exchange risk.
- (4) Losses on the write-off of input VAT primarily resulted from 22 subsidiaries becoming dormant, 21 of which had completed deregistration as of June 30, 2026. These subsidiaries were initially established to undertake regional store operations or supply chain management functions. Their transition to dormancy was primarily attributable to our organizational restructuring and initiatives to enhance operational efficiency, including the integration of regional store and supply chain management functions and the discontinuation of operations in certain loss-making regions. As certain dormant subsidiaries have not yet completed the deregistration process, we may continue to incur losses on the write-off of input VAT in future periods; however, such losses are not expected to be material.
- (5) Others mainly include write-off of aged payables.

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Finance Costs, Net

Our finance income consists of (i) interest income from bank deposits, and (ii) unwinding of discount from rental deposits. Our finance costs consist of the (i) interest expenses on lease liabilities (ii) interest expenses on bank borrowings, and (iii) unwinding of discount on deposits from franchisees. The following table sets forth a breakdown of our net finance costs for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Finance income					
Interest income from bank deposits	9,948	13,811	18,085	8,786	6,277
Unwinding of discount from rental deposits ⁽¹⁾ . . .	1,281	1,126	684	391	302
Sub-total	11,229	14,937	18,769	9,177	6,579
Finance costs					
Interest expenses on lease liabilities	(15,463)	(6,816)	(9,011)	(4,991)	(3,591)
Interest expenses on bank borrowings	(10,341)	(10,043)	(14,561)	(7,458)	(6,748)
Unwinding of discount on deposits from franchisees ⁽²⁾	(4,226)	(4,604)	(3,832)	(2,135)	(2,017)
Sub-total	(30,030)	(21,463)	(27,404)	(14,584)	(12,356)
Finance costs, net	(18,801)	(6,526)	(8,635)	(5,407)	(5,777)

Notes:

- (1) Unwinding of discount on rental deposits represents the finance income recognized over the lease term. It arises from amortizing the discount applied to long-term rental deposits (for leases exceeding one year) related to offices and integrated distribution centers. These deposits are initially measured at their present value. The unwinding process recognizes the initially unrealized financing income as the deposit's repayment date approaches.
- (2) Unwinding of discount on deposits from franchisees refers to the finance costs recognized over the deposit period from the amortization of the discount applied to refundable deposits received from franchisees. These deposits are initially recorded at present value, and the unwinding reflects the accretion of the liability towards its ultimate settlement value.

Fair Value Gains/(Losses) on CRPS

We recorded fair value gains on CRPS of RMB73.4 million, RMB163.8 million, RMB419.1 million and RMB85.0 million in 2023, 2024, 2025 and the six months ended June 30, 2025, respectively, and recorded fair value losses on CRPS of RMB2.0 million in the six months ended June 30, 2026, mainly reflecting fluctuations in our valuation.

The CRPS we issued to Pre-[REDACTED] investors will be re-classified from liabilities to equity as a result of automatic conversion into Ordinary Shares upon [REDACTED].

Share-based Payment Expenses for Modification of CRPS

During each period of the Track Record Period, we only recorded share-based payment expenses for modification of CRPS in 2025, amounting to RMB954.6 million. On September 8, 2025, we issued 618,917,203 new Ordinary Shares to our Shareholders, including our Pre-[REDACTED] Investors, pursuant to the supplemented shareholders' agreement on the same date. The related modification was accounted for in accordance with HKFRS 2 Share-based Payment standard, amounting to RMB954,563,000. See Notes 24, 26 and 27 to the Accountant's Report in Appendix I to this document.

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Income Tax Expenses

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, our income tax expenses amounted to RMB15.0 million, RMB24.5 million, RMB30.7 million, RMB19.4 million and RMB14.6 million, respectively. We are subject to income tax on an entity basis on profits arising in or derived from tax jurisdictions in which members of our Group are domiciled and in which they operate. See Note 14 to the Accountant’s Report in Appendix I in this document.

Cayman Islands

The Cayman Islands currently levy no taxes on corporations based upon profits, income, gains, or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for certain stamp duties that may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

British Virgin Islands

Under the current laws of the British Virgin Islands, entities incorporated in the British Virgin Islands are not subject to tax on their income or capital gains.

Hong Kong

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits of our Group’s entities incorporated in Hong Kong for each year during the Track Record Period. The provision for Hong Kong profits tax in 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026 are calculated in accordance with the two-tier profits tax rates regime. Under the two-tier profits tax rates regime, the first HK\$2.0 million of profits of a qualifying corporation are taxed at 8.25%, and profits above HK\$2.0 million are taxed at 16.5%. The profits of a corporation not qualifying for the two-tier profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

PRC

CIT provision was made on the estimated assessable profits of entities within our Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate was 25% during the Track Record Period.

Macau

Macau profits tax has been provided for at the rate of 12% on the estimated assessable profits of our entities incorporated in Macau for each period of the Track Record Period.

As of the Latest Practicable Date, we did not have any dispute with any tax authority.

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months ended June 30, 2026 Compared with Six Months ended June 30, 2025

Revenue

Our total revenue decreased by 2.1% from RMB5,202.3 million in the six months ended June 30, 2025 to RMB5,095.4 million in the six months ended June 30, 2026. In particular:

- our revenue from product sales decreased by 2.2% from RMB5,065.2 million in the six months ended June 30, 2025 to RMB4,951.5 million in the six months

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ended June 30, 2026, primarily due to a decrease in sales of pork products, which was mainly attributable to a decline in the prices of our pork products in line with overall market price trends, partially offset by an increase in overall product sales driven by expansion of our store network;

- our revenue from royalty and franchising services remained relatively stable at RMB74.2 million and RMB73.5 million in the six months ended June 30, 2025 and 2026, respectively; and
- our revenue from others increased by 11.8% from RMB62.9 million in the six months ended June 30, 2025 to RMB70.4 million in the six months ended June 30, 2026, primarily due to the growth of our online sales channels offering instant delivery services, benefiting from the strategic traffic expansion and enhanced marketing efforts by third-party food delivery platforms.

Cost of Sales

Our cost of sales decreased by 2.4% from RMB4,622.2 million in the six months ended June 30, 2025 to RMB4,511.3 million in the six months ended June 30, 2026, generally in line with the revenue trend.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our gross profit remained relatively stable at RMB580.1 million and RMB584.0 million in the six months ended June 30, 2025 and 2026, respectively. Our gross profit margin increased from 11.2% in the six months ended June 30, 2025 to 11.5% in the six months ended June 30, 2026. In particular:

- our gross profit margin of product sales increased from 8.9% in the six months ended June 30, 2025 to 9.1% in the six months ended June 30, 2026, primarily due to (i) an increase in gross margin in Guangdong Province, benefiting from changes in product mix, as reflected in the increased sales contribution from private label products, which generally carried relatively higher gross profit margins, and (ii) cost-saving initiatives, including adjustments to the layout of our supply chain infrastructure, which reduced rental and labor costs;
- our gross profit margin of royalty and franchising services remained at 100.0% in the six months ended June 30, 2025 and 2026; and
- our gross profit margin of others remained relatively stable at 86.0% and 85.1% in the six months ended June 30, 2025 and 2026, respectively.

Selling and Marketing Expenses

Our selling and marketing expenses increased by 3.6% from RMB276.8 million in the six months ended June 30, 2025 to RMB286.8 million in the six months ended June 30, 2026, primarily due to an increase in advertising and promotion expenses mainly resulting from increased promotion activities related to our instant delivery services and brand-building initiatives.

Administrative Expenses

Our administrative expenses increased by 9.7% from RMB176.3 million in the six months ended June 30, 2025 to RMB193.4 million in the six months ended June 30, 2026, primarily due to (i) an increase in share-based payments to employees, and (ii) [REDACTED] incurred in the six months ended June 30, 2026.

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Research and Development Expenses

Our research and development expenses decreased by 15.5% from RMB6.3 million in the six months ended June 30, 2025 to RMB5.3 million in the six months ended June 30, 2026, primarily reflecting the completion of certain R&D projects.

(Provision for)/Reversal of Impairment Loss on Financial Assets

We recorded reversal of impairment loss on financial assets of RMB0.4 million in the six months ended June 30, 2025 and provision for impairment loss on financial assets of RMB0.3 million in the six months ended June 30, 2026.

Other Income

Our other income decreased by 29.4% from RMB6.7 million in the six months ended June 30, 2025 to RMB4.7 million in the six months ended June 30, 2026, primarily due to a decrease in miscellaneous income from franchisees as a result of improved store operational compliance among our franchisees.

Other Losses, Net

Our net other losses remained relatively stable at RMB12.0 million and RMB12.5 million in the six months ended June 30, 2025 and 2026, respectively, primarily reflecting an increase in net exchange losses resulting from Renminbi appreciation in respect of (i) Renminbi-denominated procurement payables of our Hong Kong and Macau subsidiaries and (ii) our foreign currency deposits, partially offset by decreases in net losses arising from (i) disposals of property, plant and equipment, as no significant disposals were made in the six months ended June 30, 2026, and (ii) the early termination and modification of lease agreements.

Finance Costs, Net

Our net finance costs increased by 6.8% from RMB5.4 million in the six months ended June 30, 2025 to RMB5.8 million in the six months ended June 30, 2026, primarily due to a decrease in interest income from bank deposits.

Fair Value Gains/(Losses) on CRPS

We recorded fair value gains on CRPS of RMB85.0 million in the six months ended June 30, 2025 and fair value losses on CRPS of RMB2.0 million in the six months ended June 30, 2026, reflecting fluctuations in our valuation.

Income Tax Expenses

We recorded income tax expenses of RMB19.4 million and RMB14.6 million in the six months ended June 30, 2025 and 2026, respectively.

Profit for the Period

As a result of the foregoing, our profit for the period decreased by 61.3% from RMB176.1 million in the six months ended June 30, 2025 to RMB68.1 million in the six months ended June 30, 2026.

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Year Ended December 31, 2025 Compared with Year Ended December 31, 2024

Revenue

Our total revenue decreased by 3.8% from RMB11,787.8 million in 2024 to RMB11,343.6 million in 2025. In particular:

- our revenue from product sales decreased by 3.9% from RMB11,490.7 million in 2024 to RMB11,038.7 million in 2025, primarily due to a decrease in sales of pork products and meat, poultry and eggs, which was mainly attributable to a decline in the prices of our pork and egg products in line with overall market price trends;
- our revenue from royalty and franchising services decreased by 6.1% from RMB169.4 million in 2024 to RMB159.1 million in 2025, primarily due to (i) a decrease in franchise fees, mainly because many franchise fees from stores opened in previous years were fully amortized in 2024, and (ii) a decrease in sales-based royalty fees resulting from a decrease in sales to franchisees; and
- our revenue from others increased by 14.2% from RMB127.8 million in 2024 to RMB145.9 million in 2025, primarily due to the growth of our online sales channels offering with instant delivery services, benefiting from the strategic traffic expansion and enhanced marketing efforts by third-party food delivery platforms.

Cost of Sales

Our cost of sales decreased by 4.8% from RMB10,585.9 million in 2024 to RMB10,075.6 million in 2025, generally in line with the revenue trend.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our overall gross profit increased by 5.5% from RMB1,201.9 million in 2024 to RMB1,268.1 million in 2025. Our gross profit margin increased from 10.2% in 2024 to 11.2% in 2025. In particular;

- our gross profit margin of product sales increased from 8.1% in 2024 to 8.9% in 2025, primarily due to (i) an increase in gross margin in other regions in Chinese Mainland, benefiting from the increasingly mature of store operations in these regions and the increase in store density, which enhanced economies of scale, (ii) changes in product mix, as sales contributions from products with relatively higher gross margins increased, and (iii) cost-saving initiatives, including (a) adjustments to the layout of our supply chain infrastructure, which reduced rental and labor costs, and (b) strengthened energy management, resulting in lower utility costs;
- our gross profit margin of royalty and franchising services remained at 100.0% in 2024 and 100.0% in 2025; and
- our gross profit margin of others increased from 75.5% in 2024 to 85.1% in 2025, primarily due to the growth of our online sales channels offering with instant delivery services, which are of higher gross margin by nature.

Selling and Marketing Expenses

Our selling and marketing expenses decreased by 6.3% from RMB607.3 million in 2024 to RMB569.3 million in 2025, primarily due to a decrease in logistics expenses resulting from a decrease in product sales and our continued efforts to improve operational efficiency, including optimizing the intelligent route planning system and introducing vehicles with larger load capacities, and (ii) a decrease in labor costs as a result of a decrease in the number

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of selling and marketing personnel following organization streamlining to enhance operational efficiency, and the closure or conversion of certain self-operated stores into franchise stores.

Administrative Expenses

Our administrative expenses decreased by 14.3% from RMB432.7 million in 2024 to RMB371.1 million in 2025, primarily due to a decrease in labor costs resulting from decreased share-based payments to employees.

Research and Development Expenses

Our research and development expenses decreased by 31.1% from RMB16.4 million in 2024 to RMB11.3 million in 2025, primarily reflecting the completion of certain R&D projects.

(Provision for) / Reversal of Impairment Loss on Financial Assets

We recorded reversal of impairment loss on financial assets of RMB0.6 million in 2024 and provision for impairment loss on financial assets of RMB0.7 million in 2025.

Other Income

Our other income decreased from RMB18.8 million in 2024 to RMB13.2 million in 2025, primarily due to (i) a decrease in government grants, as the majority of our government grants in previous period were non-recurring in nature, and (ii) no interest income on loans to a related party was recorded in the latter period, as such loans had been settled by July 2024.

Other Losses, Net

Our net other losses increased from RMB9.1 million in 2024 to RMB32.7 million in 2025, primarily due to (i) net exchange losses of RMB8.7 million resulting from Renminbi appreciation on Renminbi-denominated procurement payables of our Hong Kong and Macau subsidiaries, and (ii) net losses of RMB4.8 million from early termination and modification of lease agreements, mainly in relation to the closure of our warehousing facilities in Xi'an and Dongguan. As part of our effort to enhance operational efficiency, we relocated and upgraded these facilities.

Finance Costs, Net

Our net finance costs increased from RMB6.5 million in 2024 to RMB8.6 million in 2025, primarily due to an increase in interest expenses on bank borrowings and lease liabilities, partially offset by an increase from interest income from bank deposits.

Fair Value Gains on CRPS

We recorded fair value gains on CRPS of RMB163.8 million in 2024 and RMB419.1 million in 2025, reflecting fluctuations in our valuation.

Share-based Payment Expenses for Modification of CRPS

We recorded share-based payment expenses for modification of CRPS of RMB954.6 million in 2025, primarily due to the impact of new Ordinary Shares we issued to our Shareholders, including our Pre-[REDACTED] Investors, pursuant to the supplemented shareholders' agreement dated September 8, 2025. See Notes 24, 26 and 27 in the Accountant's Report in Appendix I to this document.

Income Tax Expenses

We recorded income tax expenses of RMB24.5 million in 2024 and RMB30.7 million in 2025.

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Profit for the Year

As a result of the foregoing, our profit for the year changed from RMB288.4 million in 2024 to loss of RMB278.6 million in 2025.

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Revenue

Our total revenue remained relatively stable at RMB11,744.1 million in 2023 and RMB11,787.8 million in 2024. In particular:

- our revenue from product sales remained relatively stable at RMB11,460.1 million in 2023 and RMB11,490.7 million in 2024;
- our revenue from royalty and franchising services remained relatively stable at RMB176.1 million in 2023 and RMB169.4 million in 2024; and
- our revenue from others increased by 18.3% from RMB108.0 million in 2023 to RMB127.8 million in 2024, primarily driven by the growth of our online sales channels offering with instant delivery services, which was one of our key promotional initiatives in 2024.

Cost of Sales

Our cost of sales remained relatively stable at RMB10,595.6 million in 2023 and RMB10,585.9 million in 2024, generally in line with the revenue trend.

Gross Profit and Gross Profit Margin

As a result of the foregoing, our overall gross profit increased from RMB1,148.5 million in 2023 to RMB1,201.9 million in 2024. Our gross profit margin increased from 9.8% in 2023 to 10.2% in 2024. In particular;

- our gross profit margin of product sales increased from 7.8% in 2023 to 8.1% in 2024, primarily due to (i) an increase in gross margin in other regions in Chinese Mainland, benefiting from the increasingly mature of store operations in these regions and the increase in store density, which enhanced economies of scale, (ii) changes in product mix, as sales contributions from products with relatively higher gross margins increased, and (iii) cost-saving initiatives, including adjustments to the layout of our supply chain infrastructure, which reduced rental costs;
- our gross profit margin of royalty and franchising services remained at 100.0% in 2023 and 100.0% in 2024; and
- our gross profit margin of others increased from 70.4% in 2023 to 75.5% in 2024, primary driven by the growth of our online sales channels offering with instant delivery services, which are of higher gross margin by nature.

Selling and Marketing Expenses

Our selling and marketing expenses remained relatively stable at RMB605.7 million in 2023 and RMB607.3 million in 2024, primarily due to the combined effect of (i) an increase in labor costs, mainly driven by an increase in the number of personnel managing sales and performance of stores at regional level, (ii) an increase in third-party food delivery platform expenses resulting from the growth of our online sales channels offering with instant delivery services, and (iii) a decrease in logistics expenses, mainly driven by adjustments in freight pricing, intelligent route optimization and distribution center integration, which collectively improved transportation efficiency.

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Administrative Expenses

Our administrative expenses increased from RMB414.1 million in 2023 to RMB432.7 million in 2024, primarily due to (i) an increase in labor costs resulting from increased share-based payments to employees, and (ii) an increase in [REDACTED], partially offset by a decrease in travel and hospitality expenses as a result of strengthened management of travel activities to improve efficiency.

Research and Development Expenses

Our research and development expenses decreased by 15.9% from RMB19.5 million in 2023 to RMB16.4 million in 2024, primarily reflecting the completion of certain R&D projects.

(Provision for) /Reversal of Impairment Loss on Financial Assets

We recorded provision for impairment loss on financial assets of RMB0.5 million in 2023 and reversal of impairment loss on financial assets by RMB0.6 million in 2024.

Other Income

Our other income decreased by 9.1% from RMB20.6 million in 2023 to RMB18.8 million in 2024, primarily due to a decrease in interest income on loans to a related party which had been settled by July 2024, partially offset by an increase in miscellaneous income from franchisees, mainly comprising default penalties, as we strengthened our franchisee management efforts.

Other Losses, Net

Our net other losses increased from RMB0.3 million in 2023 to RMB9.1 million in 2024, primarily due to (i) an increase in losses on write-off of input VAT arising from certain subsidiaries becoming dormant, and (ii) an increase in net losses on the disposal of property, plant and equipment as a result of the closure of our warehousing facilities in Changsha and Shanghai in 2024 as we relocated and upgraded these facilities as part of our effort to enhance operational efficiency, partially offset by net exchange gains of RMB3.6 million driven by fluctuations in the exchange rate mainly between Hong Kong dollars and Renminbi.

Finance Costs, Net

Our net finance costs decreased by 65.3% from RMB18.8 million in 2023 to RMB6.5 million in 2024, primarily due to a decrease in interest expenses on lease liabilities, which was mainly attributable to the early termination of lease agreements for certain warehousing facilities as part of our effort to enhance operational efficiency.

Fair Value Gains on CRPS

We recorded fair value gains on CRPS of RMB73.4 million in 2023 and RMB163.8 million in 2024, reflecting fluctuations in our valuation.

Income Tax Expenses

We recorded income tax expenses of RMB15.0 million in 2023 and RMB24.5 million in 2024.

Profit for the Year

As a result of the foregoing, our profit for the year increased from RMB168.6 million in 2023 to RMB288.4 million in 2024.

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth selected information from our summary of the consolidated statements of financial position as of the dates indicated, which has been extracted from our consolidated financial statements included in the Accountant’s Report in Appendix I in this document:

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

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

Non-Current Assets and Liabilities

The following table sets out a breakdown of our non-current assets and liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Non-current assets				
Property, plant and equipment	82,923	43,453	27,548	30,055
Right-of-use assets	200,510	148,731	213,219	230,201
Intangible assets	33,225	30,706	26,481	24,222
Deposits, prepayments and other receivables	29,123	27,679	24,211	24,344
Financial assets at FVOCI	5,000	8,000	8,000	8,000
Deferred income tax assets	12,372	9,414	9,439	6,101
Total non-current assets	363,153	267,983	308,898	322,923
Non-current liabilities				
Contract liabilities	20,945	15,179	15,809	16,685
Bank borrowings	—	—	85,000	356,900
Lease liabilities	119,596	76,996	149,938	162,902
Deferred income tax liabilities	792	580	788	2,149
Accruals and other payables	96,558	73,063	72,611	91,463
Total non-current liabilities	237,891	165,818	324,146	630,099

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Property, Plant and Equipment

Our property, plant and equipment consist of (i) fixtures and equipment, such as transportation and cargo sorting equipment, (ii) leasehold improvements, (iii) furniture and electronic equipment, such as cash registers and electronic scales, and (iv) construction in progress. The following table sets forth the breakdown of our property, plant and equipment as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Fixtures and equipment	30,295	19,116	19,304	20,517
Leasehold improvements	44,223	19,273	5,845	7,345
Furniture and electronic equipment	8,037	4,065	2,399	2,193
Construction in progress	368	999	–	–
Total	82,923	43,453	27,548	30,055

Our property, plant and equipment decreased from RMB82.9 million as of December 31, 2023 to RMB43.5 million as of December 31, 2024, decreased to RMB27.5 million as of December 31, 2025, primarily due to (i) depreciation of fixtures, equipment and leasehold improvements, and (ii) disposals of fixtures and equipment and leasehold improvements resulting from write-offs of renovations and equipment following the closure of certain warehousing facilities. Our property, plant and equipment increased from RMB27.5 million as of December 31, 2025 to RMB30.1 million as of June 30, 2026, primarily due to (i) an increase in leasehold improvements arising from renovation activities at certain offices and new self-operated stores, and (ii) an increase in fixtures and equipment mainly resulting from increased procurement of automated weighing, packaging and cleaning equipment for certain integrated distribution centers.

Right-of-Use Assets

Our right-of-use assets primarily related to leased premises for integrated distribution centers, self-operated stores and offices. Our right-of-use assets decreased from RMB200.5 million as of December 31, 2023 to RMB148.7 million as of December 31, 2024, primarily due to (i) depreciation, and (ii) the termination of certain leased warehousing facilities as part of our effort to enhance operational efficiency, partially offset by new leases for stores and integrated distribution centers. Our right-of-use assets subsequently increased from RMB148.7 million as of December 31, 2024 to RMB213.2 million as of December 31, 2025, primarily due to a new lease of an integrated distribution center in Dongguan. Our right-of-use assets further increased from RMB213.2 million as of December 31, 2025 to RMB230.2 million as of June 30, 2026, primarily due to additional leases entered into for newly opened self-operated stores.

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Deposits, Prepayments and Other Receivables, Non-current

Our non-current deposits, prepayments and other receivables include (i) rental deposits, (ii) loans to a third party, (iii) prepayment for purchase of property, plant and equipment and intangible assets, and (iv) other prepayments, representing subsidies to certain franchisees for pre-opening support services. The following table sets forth the breakdown of our non-current deposits, prepayments and other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	(RMB in thousands)			
Non-current				
Rental deposits	28,901	22,651	13,600	13,357
Loans to a third party	–	2,505	3,893	3,978
Prepayment for purchase of property, plant and equipment and intangible assets	783	289	1,152	296
Other prepayments	13	2,697	5,800	7,001
Less: allowance for impairment	(574)	(463)	(234)	(288)
Total	29,123	27,679	24,211	24,344

Our non-current deposits, prepayments and other receivables decreased from RMB29.1 million as of December 31, 2023 to RMB27.7 million as of December 31, 2024, and further decreased to RMB24.2 million as of December 31, 2025, primarily due to the write-off of rental deposits resulting from the termination of certain leased warehousing facilities as part of our effort to enhance operational efficiency. Our non-current deposits, prepayments and other receivables remained relatively stable at RMB24.2 million and RMB24.3 million as of December 31, 2025 and June 30, 2026, respectively. We recorded loans to a third party of RMB2.5 million, RMB3.9 million and RMB4.0 million as of December 31, 2024, 2025 and June 30, 2026, respectively, primarily due to loans provided to a third party for the joint development of an integrated distribution center in Guangzhou.

Accruals and Other Payables, Non-current

Our non-current accruals and other payables represent deposits related to franchise stores, which are the refundable initial deposit received from franchisees upon entering into franchise agreements. These deposits will be refunded to franchisees at the end of the franchise period, net of any penalties incurred. The classification as non-current reflects that the remaining term of the franchise agreements exceeds one year. Our non-current accruals and other payables amounted to RMB96.6 million, RMB73.1 million, RMB72.6 million and RMB91.5 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively.

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Current Assets and Liabilities

The following table sets forth the breakdown of our current assets and current liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Current assets				
Inventories	33,956	37,338	37,891	37,025
Trade receivables	6,791	2,568	2,771	5,032
Deposit, prepayments and other receivables	240,348	174,147	161,767	166,456
Income tax recoverable	4,996	5,264	5,595	5,157
Derivative financial instruments	—	—	—	1,718
Restricted cash	282,288	290,242	146,939	140,215
Cash and cash equivalents	714,243	775,358	1,253,296	1,258,179
Total current assets	1,282,622	1,284,917	1,608,259	1,613,782
Current liabilities				
Trade payables	904,150	750,045	814,431	767,262
Accruals and other payables	386,636	388,832	357,688	319,752
Contract liabilities	18,531	15,033	14,027	17,868
Lease liabilities	95,576	67,493	60,886	60,377
Convertible redeemable preferred shares (“CRPS”)	2,292,653	2,094,867	1,666,704	1,641,427
Bank borrowings	390,674	519,945	432,316	133,308
Income tax payables	5,407	2,112	2,998	3,881
Total current liabilities	4,093,627	3,838,327	3,349,050	2,943,875
Net current liabilities	(2,811,005)	(2,553,410)	(1,740,791)	(1,330,093)

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

To improve our net current liabilities position, we have implemented measures to strengthen our liquidity and working capital management. In particular, we intend to (i) continue to enhance our operating cash flows through improving store performance, optimizing product mix and strengthening operating efficiency; (ii) continue to strengthen working capital management, including maintaining our T+1 settlement arrangement with franchisees, monitoring rolling cash flow forecasts and liquidity requirements, and managing inventory and procurement scale based on operational needs; and (iii) maintain access to bank financing. As of June 30, 2026, we had committed unutilized bank facilities of RMB200.0 million. In addition, our CRPS, which were classified as current liabilities during the Track Record Period, will be automatically converted into Ordinary Shares upon [REDACTED] and reclassified from liabilities to equity as a result of automatic conversion into Ordinary Shares upon [REDACTED]. Our net current liabilities position would turn into net current assets upon [REDACTED].

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Inventories

Our inventories primarily consist of (i) products, and (ii) consumables, such as packaging materials. The following table sets forth a breakdown of our inventories as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Products	27,001	32,119	31,218	29,303
Consumables	6,955	5,219	6,673	7,722
Total	33,956	37,338	37,891	37,025

As we adopt the D&C Model, we do not maintain slow-moving inventory of products in either the integrated distribution centers or the self-operated stores. The inventory balances as of the dates indicated above mainly reflect stock for sales on the following day, and remained relatively stable at RMB34.0 million, RMB37.3 million, RMB37.9 million and RMB37.0 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively.

We define inventory turnover days as the average of the beginning and ending balances of inventory for the relevant period, divided by the cost of sales for the same period and multiplied by the number of days during such period. The number of days for each year ended December 31 is 365 days and for the six months ended June 30 is 180 days. Our inventory turnover days remained relatively stable at 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, reflecting our efforts in maintaining zero inventory of fresh products.

As of July 31, 2026, RMB37.0 million or 100.0%, of our inventories as of June 30, 2026 had been sold or utilized.

Trade Receivables

Our trade receivables mainly represent amounts due when a franchise store’s daily sales proceeds, which are collected by us, are insufficient to cover its purchase costs and related fees payable by franchisees. Under our settlement process, consumer payments at franchise stores are normally remitted to us. At the close of each day, we deduct the store’s purchase costs and related fees from these payments. Any surplus after settlement is recorded as other payables to the relevant franchisee, while any shortfall is charged to such franchisee and recorded as trade receivables. The franchisees were required to settle the payment with us on a T+1 basis. Generally, no credit terms were granted to franchisees. As such, our trade receivables are generally low. The following table sets forth our trade receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Trade receivables	8,655	2,960	3,090	5,450
Less: allowance for impairment	(1,864)	(392)	(319)	(418)
Total	6,791	2,568	2,771	5,032

Our trade receivables amounted to RMB6.8 million, RMB2.6 million, RMB2.8 million and RMB5.0 million, respectively, as of December 31, 2023, 2024, 2025 and June 30, 2026, mainly reflecting our trade receivables from daily sales to franchisees as of the dates indicated. Our trade receivables increased from RMB2.8 million as of December 31, 2025 to RMB5.0 million as of June 30, 2026, primarily due to an increase in trade receivables from non-franchisee customers as we expanded sales to such customers.

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For trade receivables, we apply the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The aging analysis of our trade receivables based on invoice date is as follows:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Within one month	6,290	2,644	2,519	4,129
One to three months	671	77	440	1,054
Three to six months	678	–	31	78
Six months to one year	293	10	33	132
Over one year	723	229	67	57
Total	8,655	2,960	3,090	5,450

During the Track Record Period, the majority of our trade receivables were outstanding within one month. We define trade receivables turnover days as the average of the opening and closing balances of trade receivables for the relevant period, divided by the total revenue for the same period and multiplied by the number of days during such period. The number of days for each year ended December 31 is 365 days and for the six months ended June 30 is 180 days. Our trade receivables turnover days remained relatively stable at 0.2 days, 0.1 days, 0.1 days and 0.1 days in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively.

As of July 31, 2026, RMB2.9 million or 52.8%, of our trade receivables as of June 30, 2026 had been settled.

Deposits, Prepayments and Other Receivables, Current

Our current deposits, prepayments and other receivables primarily consist of (i) value added tax recoverable, (ii) prepayments to suppliers, (iii) rental deposits, (iv) prepaid expenses, (v) prepaid [REDACTED], and (vi) amounts due from a related party. The following table sets forth the breakdown of our current deposits, prepayments and other receivables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Value added tax recoverable	138,246	123,235	112,030	117,552
Prepayments to suppliers	3,668	7,013	13,895	3,408
Rental deposits	14,741	18,234	11,197	11,585
Prepaid expenses	11,170	18,376	10,192	15,121
Prepaid [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Amounts due from a related party	69,971	–	–	–
Others	5,234	5,969	9,117	9,191
Less: allowance for impairment	(3,265)	(3,400)	(3,135)	(3,307)
Total	240,348	174,147	161,767	166,456

Our current deposits, prepayments and other receivables decreased from RMB240.3 million as of December 31, 2023 to RMB174.1 million as of December 31, 2024, primarily due to the amounts due from a related party of RMB70.0 million incurred as of December 31, 2023, which had been settled in July 2024, partially offset by an increase in prepaid expenses, mainly in relation to the prepaid rental for our new integrated distribution center in Dongguan.

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Our current deposits, prepayments and other receivables decreased from RMB174.1 million as of December 31, 2024 to RMB161.8 million as of December 31, 2025, primarily due to a decrease in value added tax recoverable in relation to certain subsidiaries becoming dormant, which resulted in the write-off of input VAT. See “— Consolidated Statements of Comprehensive Income — Other Losses, Net.”

Our current deposits, prepayments and other receivables remained relatively stable at RMB161.8 million and RMB166.5 million as of December 31, 2025 and June 30, 2026, respectively.

As of July 31, 2026, RMB60.6 million or 36.4% of our current deposits, prepayments and other receivables as of June 30, 2026 had been settled.

Restricted Cash

During the Track Record Period, our restricted cash represents guaranteed deposits and restricted deposits. Our restricted cash amounted to RMB282.3 million, RMB290.2 million, RMB146.9 million and RMB140.2 million as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively. See Note 23 in the Accountant’s Report in Appendix I to this document.

Trade Payables

During the Track Record Period, our trade payables primarily include payables for inventories. Our trade payables are non interest-bearing and are generally settled between 15 and 45 days.

Our trade payables decreased from RMB904.2 million as of December 31, 2023 to RMB750.0 million as of December 31, 2024, primarily due to shorter credit terms with certain suppliers in exchange for more favorable prices. Our trade payables then increased from RMB750.0 million as of December 31, 2024 to RMB814.4 million as of December 31, 2025 and then decreased to RMB767.3 million as of June 30, 2026, primarily due to an earlier year-end settlement cut-off timing with suppliers in 2025.

The following table sets forth the breakdown of the aging analysis of our trade payables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Up to three months	893,396	743,255	805,961	758,199
Three to six months	4,139	3,920	3,958	4,917
Six months to one year	1,732	1,297	2,775	2,499
Over one year	4,883	1,573	1,737	1,647
Total	904,150	750,045	814,431	767,262

We define trade payables turnover days as the average of the opening and closing balances of trade payables for the relevant year, divided by the total cost of sales for the same period and multiplied by the number of days during such period. The number of days for each year ended December 31 is 365 days and for six months ended June 30 is 180 days. Our trade payables turnover days decreased from 32.8 days in 2023 to 28.5 days in 2024, primarily because we negotiated shorter credit terms with certain suppliers in exchange for more favorable purchasing prices. Our trade payables turnover days then remained relatively stable at 28.3 days in 2025. Our trade payables turnover days then increased to 31.6 days in the six months ended June 30, 2026, primarily due to seasonality, as higher sales of fruit and primary fresh animal proteins in the second half of 2025 resulted in higher procurement levels and a relatively high opening trade payables balance for the period.

As of July 31, 2026, RMB708.3 million or 92.3% of our trade payables as of June 30, 2026 had been settled.

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Accruals and Other Payables, Current

Our current accruals and other payables primarily consist of (i) deposits from suppliers, (ii) employee benefits payables, (iii) deposits from franchisees, (iv) deposits from consumers, representing cash deposits into consumers’ membership accounts, which include stored value balances and prepaid cards, (v) net receipt of sale proceeds on behalf of franchisees, (vi) other taxes payables, (vii) logistics expenses payable, (viii) accrued other expenses, and (ix) accrued [REDACTED]. The following table sets forth the breakdown of our current accruals and other payables as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Deposits from suppliers	87,879	81,862	77,346	74,114
Employee benefits payables	81,960	88,857	71,184	54,339
Deposits from franchisees	20,560	46,156	50,031	31,635
Deposits from consumers	58,154	58,424	48,661	46,871
Net receipt of sale proceeds on behalf of franchisees	30,545	28,420	30,918	29,742
Other taxes payables	30,129	23,197	22,645	30,730
Logistics expenses payables	44,455	24,360	21,857	25,273
Accrued other expenses	24,365	24,646	15,151	14,697
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Others	5,221	4,839	5,842	8,672
Total	386,636	388,832	357,688	319,752

Our current accruals and other payables remained relatively stable at RMB386.6 million as of December 31, 2023 and RMB388.8 million as of December 31, 2024, primarily due to an increase in deposits from franchisees becoming due within one year in line with the terms of our franchise agreements, partially offset by a decrease in logistics expenses payables, resulting from (i) adjustments in freight pricing, intelligent route optimization and distribution center integration, which collectively improved transportation efficiency, and (ii) shortened settlement period to suppliers.

Our current accruals and other payables subsequently decreased from RMB388.8 million as of December 31, 2024 to RMB357.7 million as of December 31, 2025, primarily due to (i) a decrease in receipt on behalf of franchisees for prepaid cards as a result of reduced promotional incentives, and (ii) a decrease in accrued other expenses, as our compensation related to early lease terminations was settled in 2025.

Our current accruals and other payables decreased from RMB357.7 million as of December 31, 2025 to RMB319.8 million as of June 30, 2026, primarily due to decreases in (i) deposits from franchisees, as fewer franchise agreements were due within one year, (ii) employee benefits payable mainly due to the payment of the bonus for the year of 2025 in the six months ended June 30, 2026, and only six months of bonus was accrued as of June 30, 2026, and (iii) accrued [REDACTED].

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2026, we had cash and cash equivalents of RMB1,258.2 million. Our cash and cash equivalents primarily consist of cash at banks under RMB, USD, HKD and MOP denominations. We have historically funded our cash requirements principally from [REDACTED] from our business operations, capital contributions from shareholders, and bank borrowings. After the [REDACTED], we intend to finance our future capital requirements through cash generated from our business operations, bank borrowings and the net [REDACTED] from the [REDACTED]. We do not anticipate any material changes to the availability of financing to fund our operations in the future.

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Consolidated Statements of Cash Flows

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

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	(RMB in thousands)				
	(unaudited)				
Profit/(loss) before income tax	183,524	312,856	(247,903)	195,423	82,607
After adjustments	320,806	347,080	434,356	180,184	158,254
Changes in working capital	(176,561)	(188,648)	33,034	(6,457)	(65,845)
Income tax paid	(29,046)	(25,286)	(30,038)	(10,227)	(8,618)
Net cash inflow from operating activities	115,199	133,146	437,352	163,500	83,791
Net cash (outflow)/inflow from investing activities	(5,989)	73,195	7,360	933	(134,757)
Net cash (outflow)/inflow from financing activities	(187,777)	(145,944)	34,863	113,649	59,351
Net (decrease)/increase in cash and cash equivalents	(78,567)	60,397	479,575	278,082	8,385
Cash and cash equivalents at beginning of year/period	791,507	714,243	775,358	775,358	1,253,296
Effect of currency translation differences	1,303	718	(1,637)	(750)	(3,502)
Cash and cash equivalents at end of the year/period	714,243	775,358	1,253,296	1,052,690	1,258,179

Net Cash Inflow from Operating Activities

In the six months ended June 30, 2026, we had net cash generated from operating activities of RMB83.8 million. Our net cash inflow from operating activities is calculated by adjusting our profit before income tax of RMB82.6 million by non-cash and other items to arrive at an operating profit before changes in working capital of RMB158.3 million, further adjusted by working capital changes of RMB65.8 million and income tax paid of RMB8.6 million. Our movements in working capital primarily reflect (i) a decrease in trade payables of RMB38.2 million, (ii) an increase in prepayments, deposits and other receivables of RMB15.7 million, and (iii) a decrease in accruals and other payables of RMB16.2 million, partially offset by an increase in contract liabilities of RMB4.9 million.

In 2025, we had net cash generated from operating activities of RMB437.4 million. Our net cash inflow from operating activities is calculated by adjusting our loss before income tax of RMB247.9 million to by non-cash and other items arrive at an operating profit before changes in working capital of RMB434.4 million, further adjusted by working capital changes of RMB33.0 million and income tax paid of RMB30.0 million. Our movements in working capital primarily reflect an increase in trade payables of RMB69.9 million, partially offset by a decrease in accruals and other payables of RMB32.6 million.

In 2024, we had net cash generated from operating activities of RMB133.1 million, which is calculated by adjusting our profit before income tax of RMB312.9 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB347.1 million, further adjusted by working capital changes of RMB188.6 million and income tax paid of RMB25.3 million. Our movements in working capital primarily reflect (i) a decrease in trade payables of RMB158.5 million, (ii) a decrease in accruals and other payables of RMB28.8 million, and (iii) a decrease in contract liabilities of RMB9.3 million, partially offset by a decrease in restricted cash of RMB5.8 million.

In 2023, we had net cash generated from operating activities of RMB115.2 million, which is calculated by adjusting our profit before income tax of RMB183.5 million by non-cash and other items to arrive at an operating profit before working capital changes of RMB320.8 million, further adjusted by working capital changes of RMB176.6 million and income tax paid of RMB29.0 million. Our movements in working capital primarily reflect (i) a decrease in trade payables of RMB107.5 million and (ii) a decrease in accruals and other

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payables of RMB99.4 million, partially offset by a decrease in prepayments, deposits and other receivables of RMB33.2 million.

Net Cash (Outflow)/Inflow from Investing Activities

In the six months ended June 30, 2026, our net cash outflows used in investing activities was RMB134.8 million, mainly attributable to (i) placement of restricted deposits for derivative instrument of RMB134.8 million, and (ii) purchase of property, plant and equipment of RMB7.0 million, partially offset by interest received from bank deposits by RMB7.3 million.

In 2025, our net cash inflow from investing activities was RMB7.4 million, mainly attributable to (i) interest received from bank deposits of RMB16.7 million, and (ii) proceeds from disposal of property, plant and equipment of RMB4.9 million, partially offset by purchase of property, plant and equipment of RMB12.3 million.

In 2024, our net cash inflow from investing activities was RMB73.2 million, mainly attributable to (i) repayment from a related party of RMB77.2 million, and (ii) interest received from bank deposits of RMB13.5 million, partially offset by (i) purchase of property, plant and equipment of RMB11.8 million, and (ii) loans granted to a related party of RMB4.5 million.

In 2023, our net cash outflow from investing activities was RMB6.0 million, mainly attributable to (i) purchase of property, plant and equipment of RMB13.4 million, (ii) purchase of intangible assets of RMB6.6 million, and (iii) acquisition of financial assets at FVOCI of RMB5.0 million, partially offset by the interest received from bank deposits of RMB9.4 million and proceeds from disposal of property, plant and equipment of RMB6.3 million.

Net Cash (Outflow)/Inflow from Financing Activities

In the six months ended June 30, 2026, our net cash inflows generated from financing activities was RMB59.4 million, primarily attributable to (i) proceeds from bank borrowings of RMB399.9 million, and (ii) redemption of restricted bank deposits of RMB140.6 million, partially offset by (i) repayments of bank borrowings of RMB427.0 million, and (ii) principal elements of lease payments of RMB38.6 million.

In 2025, our net cash inflow from financing activities was RMB34.9 million, mainly attributable to (i) proceeds from bank borrowings of RMB664.9 million, and (ii) redemption of restricted bank deposits of RMB390.0 million, partially offset by (i) repayments of bank borrowings of RMB667.6 million, and (ii) placement of restricted bank deposits of RMB245.1 million.

In 2024, our net cash outflow from financing activities was RMB145.9 million, mainly attributable to (i) repayments of bank borrowings of RMB635.3 million, and (ii) placement of restricted bank deposits of RMB429.2 million, partially offset by (i) proceeds from bank borrowings of RMB764.7 million, and (ii) redemption of restricted bank deposits of RMB415.4 million.

In 2023, our net cash outflow from financing activities was RMB187.8 million, mainly attributable to (i) placement of restricted bank deposit of RMB470.0 million, and (ii) repayments of bank borrowings of RMB370.0 million, partially offset by (i) proceeds from bank borrowings of RMB600.3 million, and (ii) redemption of restricted bank deposit of RMB198.3 million.

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INDEBTEDNESS

During the Track Record Period, our indebtedness include (i) convertible redeemable preferred shares, (ii) bank borrowings, and (iii) lease liabilities. The following table sets forth the breakdown of our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Current				
Convertible redeemable preferred shares	2,292,653	2,094,867	1,666,704	1,641,427
Bank borrowings	390,674	519,945	432,316	133,308
Lease liabilities	95,576	67,493	60,886	60,377
Non-Current				
Lease liabilities	119,596	76,996	149,938	162,902
Bank borrowings	—	—	85,000	356,900
Total	2,898,499	2,759,301	2,394,844	2,354,914

Convertible Redeemable Preferred Shares

As of December 31, 2023, 2024, 2025 and June 30, 2026, our convertible redeemable preferred shares had fair value of RMB2,292.7 million, RMB2,094.9 million, RMB1,666.7 million and RMB1,641.4 million, respectively. See Notes 24 and 26 to the Accountant’s Report in Appendix I in this document.

Lease Liabilities

Our lease liabilities represent the present value of outstanding lease payments under our lease agreements. The following table sets forth the breakdown of our lease liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Current	95,576	67,493	60,886	60,377
Non-current	119,596	76,996	149,938	162,902
Total	215,172	144,489	210,824	223,279

Our lease liabilities decreased from RMB215.2 million as of December 31, 2023 to RMB144.5 million as of December 31, 2024, primarily due to the termination of certain leased warehousing facilities as part of our effort to enhance operational efficiency. Our lease liabilities increased from RMB144.5 million as of December 31, 2024 to RMB210.8 million as of December 31, 2025, primarily due to the addition of a leased integrated distribution center in Dongguan. Our lease liabilities increased from RMB210.8 million as of December 31, 2025 to RMB223.3 million as of June 30, 2026.

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Bank Borrowings

As of December 31, 2023, 2024, 2025 and June 30, 2026, our bank borrowings were RMB390.7 million, RMB519.9 million, RMB517.3 million and RMB490.2 million, respectively. The weighted average interest rate, which is calculated based on interest expenses on bank borrowings divided by weighted average principal bank loan as of the relevant period end and multiplied by 100%, was 2.61%, 3.49%, 2.57% and 2.51% as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively. As of June 30, 2026, we had committed unutilized bank facilities of RMB200.0 million. These bank facilities are provided by independent third parties and not guaranteed by our Controlling Shareholders and/or their respective close associates.

Contingent Liabilities

We did not have any material contingent liabilities as of December 31, 2023, 2024, 2025 and June 30, 2026, respectively.

Indebtedness Statement

Our Directors confirm that during the Track Record Period and as of the Latest Practicable Date, there was no material covenant on any of our outstanding debt and that we did not experience any difficulty in obtaining bank loans and other borrowings, material default in payment of trade and non-trade payables, bank loans and other borrowings or breach of covenants during the Track Record Period and up to the date of this document.

Save as disclosed above, as of June 30, 2026, being the latest indebtedness date, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, hire purchase commitments, guarantees or other material contingent liabilities. Our Directors have confirmed that there is no material change in our indebtedness since June 30, 2026 and up to the Latest Practicable Date.

KEY FINANCIAL RATIOS

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

	Year ended/As of December 31,			Six months ended/ As of June 30,	
	2023	2024	2025	2025	2026
				(unaudited)	
Gross margin (%) ⁽¹⁾	9.8	10.2	11.2	11.2	11.5
Net margin (%) ⁽²⁾	1.4	2.4	(2.5)	3.4	1.3
Adjusted net margin (non-HKFRS measure) (%) ⁽³⁾	1.0	1.6	2.6	1.9	2.0
Debt-to-asset ratio (%) ⁽⁴⁾	263.2	257.8	191.6	N/A	184.5

Notes:

- (1) Calculated using gross profit for the period divided by total revenue for the period.
- (2) Calculated using net profit for the period divided by total revenue for the period.
- (3) Calculated using adjusted net profit (non-HKFRS measure) for the period divided by total revenue for the period.
- (4) Calculated using total liabilities divided by total assets as of the end of the period and multiplied by 100%. The relevant financial position data as of June 30, 2025 is not available.

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CAPITAL EXPENDITURES

During the Track Record Period, our capital expenditures consist of (i) purchase of property, plant and equipment, and (ii) purchase of intangible assets. We funded our capital expenditure requirements primarily from cash generated from our operating activities, equity financing and bank borrowings during the Track Record Period. The following table sets forth our capital expenditure for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
	<i>(RMB in thousands)</i>			<i>(unaudited)</i>	
Purchase of property, plant and equipment	13,431	11,790	12,264	6,193	7,040
Purchase of intangible assets	6,642	1,748	683	384	398
Total	20,073	13,538	12,947	6,577	7,438

We intend to fund our planned capital expenditures primarily with cash flows generated from our operations, bank borrowings, and the net [REDACTED] received from the [REDACTED]. See “Future Plans and Use of [REDACTED].” We may adjust our capital expenditures for any given year according to our development plans or in light of market conditions and other factors we believe to be appropriate.

CAPITAL COMMITMENTS

During the Track Record Period, our capital commitments were mainly related to the purchase of property, plant and equipment and intangible assets. See Note 34 to the Accountant’s Report in Appendix I in this document. The following table sets forth our capital commitments for the periods indicated:

	Year ended December 31,			Six months ended June 30,
	2023	2024	2025	2026
	<i>(RMB in thousands)</i>			
Property, plant and equipment	255	1,855	1,610	527
Intangible asset	477	155	–	99
Total	732	2,010	1,610	626

RELATED PARTY TRANSACTIONS

We enter into transactions with our related parties from time to time. During the Track Record Period, our Group made a loan to Mr. Feng, which had been settled in July 2024. See Note 36 to the Accountant’s Report in Appendix I in this document.

Our Directors are of the view that the related party transactions were conducted in the ordinary course of business on an arm’s-length basis and with normal commercial terms between the relevant parties. Our Directors are also of the view that our related party transactions during the Track Record Period would not distort our track record results or make our historical results unreflective of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we did not have any off-balance sheet commitments and arrangements.

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FINANCIAL RISKS DISCLOSURE

We are exposed to a variety of financial risks: market risk (including foreign exchange rate, interest rate risk and price risk), credit risk and liquidity risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Market Risk

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not our subsidiaries’ functional currency. The functional currency of our Company and majority of our subsidiaries is RMB, except for the subsidiaries incorporated in Hong Kong where the functional currency is HK\$ and the subsidiaries incorporated in Macau where the functional currency is MOP. We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US\$ and HK\$. We manage our foreign exchange risk by performing regular reviews of our net foreign exchange exposures. We have not entered into any forward exchange contract to hedge our exposure to foreign exchange risk.

Cash Flow and Fair Value Interest Rate Risk

We have no significant variable interest-bearing assets or liabilities except for the bank balances, of which the interest rates are not expected to change significantly.

Price Risk

We are exposed to material price risk in respect of financial assets at FVOCI held by us. We are not exposed to commodity price risk. To manage our price risk arising from the investments, all investments must be assessed cautiously and approved by the senior management before they may be entered into.

Credit Risk

We are exposed to credit risk in relation to our cash and cash equivalents, restricted cash, trade receivables, deposits and other receivables. The carrying amounts of each class of the above financial assets represent our maximum exposure to credit risk in relation to financial assets.

To manage risk arising from cash and cash equivalents and restricted cash, we only transact with state-owned or reputable financial institutions in Chinese Mainland and reputable international financial institutions outside of Chinese Mainland. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have a low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are immaterial.

To manage risk arising from trade receivables, which are mostly from the franchisees, we have policies in place to ensure that they have settled the payment on T+1 basis and normally no credit period granted to them.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experiences.

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Liquidity Risk

Cash flow forecasts are prepared by management. Management monitors rolling forecasts on our liquidity requirements to ensure we maintain sufficient liquidity reserve to support sustainability and growth of our business. Currently, we finance our working capital requirements through funds generated from operations, issue of new shares, and obtaining bank borrowings.

See Note 3 to the Accountant’s Report in Appendix I to this document.

DIVIDENDS AND DIVIDEND POLICY

During the Track Record Period, we did not declare or distribute any dividend. According to our Articles of Association and applicable laws and regulations, the decision on whether to pay dividends will be made at the discretion of our Directors and will depend upon, among others, the financial results, cash flow, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends and other factors that our Directors may consider relevant. We do not have a predetermined dividend payout ratio. We will evaluate our dividend policy in light of our financial condition and the prevailing economic environment.

Subject to the Cayman Companies Act, through a general meeting, we may declare dividends, but no dividend may be declared unless out of either profit or share premium account and no dividend shall exceed the amount recommended by our Board. Any declaration of dividends will be at the absolute discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that our Directors consider relevant. Our Board may also from time to time pay interim dividends as our Board believes to be justified by the profits of our Company, as well as special dividends on shares of any class of such amounts and on such dates as it deems fit. We cannot guarantee in what form dividends will be paid in the future. As advised by our Cayman Islands Legal Advisor, under the Cayman Companies Act, a position of accumulated losses does not necessarily restrict us from declaring and paying dividends to our Shareholders as dividends may be declared and paid out of our share premium account, provided that immediately after the date on which the dividend is proposed to be paid, we will be able to pay our debts as they fall due in the ordinary course of business.

As we are a holding company, our ability to declare and pay dividends will also depend on the availability of dividends received from our subsidiaries, including our PRC companies. PRC laws require that dividends be paid only out of the net profit calculated according to PRC accounting principles. Pursuant to the Company Law of the PRC, enterprises incorporated in the PRC are required to set aside 10% of their after-tax profits at the end of each year to fund statutory reserves, until such reserve funds reach and remain at or above 50% of the relevant PRC entity’s registered capital. Distributions from our subsidiaries may also be restricted if they incur debt or losses, or in accordance with any restrictive covenants in bank credit facilities or other agreements that we or our subsidiaries may enter into in the future.

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the net [REDACTED] from the [REDACTED] and the financial resources available to us, including our internally generated funds, the available bank facilities, and cash and cash equivalents, we have sufficient working capital for our present requirements, that is at least 12 months from the date of this document.

DISTRIBUTABLE RESERVES

As of June 30, 2026, our Company had RMB82.5 million of retained earnings. The retained earnings are available for distribution to our Shareholders.

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[REDACTED]

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

UNAUDITED [REDACTED] ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

See “Appendix II — Unaudited [REDACTED] Financial Information.”

NO MATERIAL ADVERSE CHANGE

Our Directors have confirmed that up to the date of this document there has been no material adverse change in our financial or trading position or prospects since June 30, 2026, being the end date of the periods reported in the Accountant’s Report in Appendix I to this document, and there has been no event since June 30, 2026 which would materially affect the information shown in the Accountant’s Report in Appendix I in this document.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors confirm that as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” in this document for a detailed description of our future plans.

USE OF [REDACTED]

Assuming that the [REDACTED] is not exercised, after deducting the [REDACTED] and other estimated [REDACTED] payable by us in connection with the [REDACTED], and assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] and HK\$[REDACTED]), we estimate that we will receive net [REDACTED] of approximately HK\$[REDACTED] from the [REDACTED]. We intend to use the [REDACTED] from the [REDACTED] for the purposes and in the amounts set forth below:

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for the development and management of our store network, including expanding our franchise and self-operated store networks, upgrading existing stores, and strengthening the management and support of our franchise stores, to broaden our geographical coverage, deepen our market penetration and enhance the operating quality of our store network over the next five years. Approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] are expected to be allocated for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. In particular:
 - o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to expand our franchise store network. We plan to open approximately 1,300 franchise stores including approximately 260 in Guangdong Province and approximately 1,040 across other regions in Chinese Mainland, Hong Kong and Macau, with approximately 170, 230, 250, 300 and 350 franchise stores planned for opening in 2027, 2028, 2029, 2030 and 2031, respectively. Our franchise model enables rapid, high-quality growth of our store network, reduces our capital burden and allows us to leverage franchisees’ local resources and execution capabilities, enabling us to quickly enter new cities and residential communities, achieve greater scale, and strengthen our position in the highly competitive fresh product retail market.

We intend to invest in: (i) conducting franchisee acquisition and promotion activities, including organizing and participating in exhibitions and placing online advertisements to reach prospective franchisees; and (ii) recruiting 30 operational personnel to identify and screen potential franchisees, manage the onboarding process, deliver training to new franchisees and their staff, and oversee the development and opening of new franchise stores. These measures are expected to ease early operational pressures, support local market development and customer acquisition, and accelerate the ramp-up of new stores toward stable, ongoing operations.

Our ability to implement our franchise store expansion is supported by our franchise-led expansion strategy and established operating capabilities. We have implemented standardized operating procedures covering franchisee acquisition, site selection, store design and decoration, training, store operations and performance monitoring. These procedures facilitate consistent store operations in accordance with our standards and enable us to provide centralized supply chain management, system support and franchisee management. In addition, we intend to recruit the aforementioned operational personnel to support the planned expansion. As our store network expands, increased store density within each region is expected to improve the utilization and efficiency of our procurement,

FUTURE PLANS AND USE OF [REDACTED]

sorting, processing and cold-chain logistics resources, thereby enhancing economies of scale. Our existing supply chain infrastructure, together with the planned upgrades and expansion of our distribution centers, is expected to support the phased expansion of our franchise store network.

- o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to open and operate approximately 100 new self-operated stores. We plan to open approximately 100 new self-operated stores including approximately 20 in Guangdong Province and approximately 80 across other regions in Chinese Mainland, Hong Kong and Macau, with approximately 12, 18, 20, 22 and 28 self-operated stores planned for opening in 2027, 2028, 2029, 2030 and 2031, respectively. The expected set-up costs for each store range from RMB1.0 million to RMB2.0 million, including equipment procurement, store renovation and decoration. The [REDACTED] will also be used for rental and the day-to-day operations of new stores, covering expenses such as employee benefits, utilities and marketing activities. They will serve as operational benchmarks, pilot program for new store formats, products and systems, and training hubs for store managers and staff.

In implementing this plan, we will leverage our established capabilities in site selection, store set-up, training, supply chain management and digital operations. Our self-operated stores are intended to remain a strategic complement to our store network expansion. See “Business — Our Sales Network — Offline Sales Network — Our Self-Operated Stores.”

- o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to upgrade existing stores. The relevant [REDACTED] will principally be used to support store renovation and refurbishment to improve store appearance and functionality and promote consistent brand presentation across our store network.
- o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to strengthen the management and support of our franchise stores. We intend to use the relevant [REDACTED] for providing ongoing operational training and support to franchisees and their staff, focusing on day-to-day store management and operational best practices to foster collaboration, knowledge sharing and mutual support across our store network.

We will focus on further penetration within cities and regions where we already operate, particularly in select markets across Eastern, Central, and Southwestern China, while continuing to adhere to our established standards and procedures for store location selection and anti-cannibalization. See “Business — Our Sales Network — Offline Sales Network — Store Location Selection and Anti-cannibalization”.

We believe that our store expansion plan is supported by sufficient market demand. According to CIC, the market size of community-based fresh product chains in China is expected to increase from RMB816.5 billion in 2026 to RMB1,415.4 billion in 2030, representing a CAGR of 14.7%. By region, the Eastern China market is forecast to expand from RMB264.8 billion to RMB461.9 billion (CAGR 14.9%), Central China market from RMB109.8 billion to RMB213.7 billion (CAGR 18.1%) and Southwestern China market from RMB76.0 billion to RMB130.0 billion (CAGR 14.4%) over the same period. The market remained fragmented, with the top five players together accounting for a 6.5% share in terms of GMV of fresh products in 2025.

Our market share in the community-based fresh product chains industry in 2025 was 1.9% nationally, 0.5% in Eastern China, 1.5% in Central China and 1.8% in Southwestern China. This low penetration provides a sustainable demand base to support our future store expansion.

FUTURE PLANS AND USE OF [REDACTED]

The key assumptions of our store expansion plan are that (i) market demand in our target markets, including selected markets in Eastern China, Central China and Southwestern China, will remain sufficient to support the planned expansion, (ii) we will be able to acquire qualified franchisees and store personnel and identify and secure suitable store locations on commercially reasonable terms in accordance with our site selection and anti-cannibalization criteria, and (iii) our planned investments in integrated distribution centers will be implemented in step with our store roll-out and, together with our existing supply chain infrastructure, provide sufficient capacity to support the new stores. We will continue to assess these factors and may adjust the pace and geographic allocation of store openings as appropriate.

The expansion of our store network is expected to expand our revenue base, improve economies of scale over time, and enhance operating cash inflows, while also increasing execution and operational management requirements.

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for strengthening supply chain capabilities by enhancing our procurement efficiency and upgrading integrated distribution centers over the next five years. Approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] are expected to be allocated for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. In particular:
 - o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to upgrade and expand our integrated distribution centers and strengthen our core product processing capabilities.

We plan to upgrade existing integrated distribution centers by (i) expanding sorting, processing, and storage areas to increase daily order processing capacity, (ii) introducing advanced automation equipment such as automated sorting lines, intelligent weighing, automatic labeling and packaging systems, to reduce manual operations, and (iii) equipping centers with specialized processing equipment, such as equipment for grading, cutting and standardized packaging of fresh produce, to strengthen our ability to supply customized and differentiated products.

In addition, we plan to establish two new integrated distribution centers with advanced food processing capabilities in Eastern China and Northern China by 2029 and 2031, respectively, each of which is expected to be capable of serving a radius of approximately 100km to 200km. These new centers are intended to support our planned incremental store expansion, enhance supply chain resilience by reducing regional concentration and providing additional operational redundancy, and strengthen our ability to develop private label and value-added products as our business continues to scale.

The net [REDACTED] will be allocated to equipment procurement, rental expenses, personnel remuneration and daily operations. In addition, we intend to upgrade our logistics systems, particularly by enhancing our proprietary TMS platform with advanced algorithms to optimize transportation routes and manage deliveries from our distribution centers to stores.

- o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to shorten the procurement process from farming bases and strengthen our control over procurement and quality assurance. This initiative will enable us to reduce intermediate steps in sourcing and ensure consistent product quality and supply chain stability. We plan to: (i) establish 14 origin-based distribution centers in key production areas of fresh produce from 2027 to 2029 to facilitate product

FUTURE PLANS AND USE OF [REDACTED]

aggregation, preliminary sorting and temporary storage closer to farming bases; (ii) expand our direct sourcing efforts across product categories; (iii) collaborate with leading suppliers and integrate order-based resources; and (iv) promote order-based cultivation and breeding models and create exclusive products by jointly developing standardized farming bases with our partners.

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for enriching our product portfolio and developing our branding and marketing efforts over the next five years. Approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] are expected to be allocated for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. In particular:
 - o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for enriching our product portfolio to meet diverse consumer tastes and preferences. We plan to strengthen our capabilities in product selection and cultivation to enhance product quality and meet consumers’ demand for premium offerings through (i) recruiting approximately 30 talents to join our product R&D team, with an average annual remuneration of approximately RMB300 thousand, who are expected to have bachelor’s or more advanced degrees and relevant experience in fresh food product development, (ii) establishing a prepared food R&D center equipped with laboratories and advanced equipment to support our R&D activities, and (iii) cooperating with universities and research institutions.

The prepared food R&D center is intended to support the development, testing and quality validation of prepared food products. As we continue to expand our private label offerings and prepared food products, including 3R products, prepared meats and grain-based products, the center is expected to enhance product iteration, quality consistency and rollout across our store network. It will also support our strategy of broadening scenario-based assortment centered around daily meal consumption, developing prepared food products using a broader range of pork cuts, and enhancing product differentiation under the Qdama Fresh Series.

- o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for branding and marketing initiatives. We aim to build our private-label products centered on “freshness” and “value-for-money”. We plan to: (i) launch promotional campaigns to encourage consumer trials of new products; (ii) strengthen our brand-building and marketing team by hiring five professionals with relevant experience in brand promotion, marketing, channel operations, content creation and/or digital marketing in the retail, fresh product, food and beverage or consumer goods industries; (iii) leverage our membership system and implement targeted marketing activities through Qdama App, Mini-programs and other online channels, and (iv) promote our brand across both online and offline channels, including advertising on major social media platforms, livestreaming, and IP collaborations.

Our investments in optimizing our product portfolio and strengthening our brand and marketing initiatives are expected to enhance product differentiation, which may support margin improvement and revenue mix optimization over time, while increasing operating expenses associated with personnel and facility investments.

FUTURE PLANS AND USE OF [REDACTED]

- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for upgrading digital and AI-assisted systems for our management of franchise stores and the operations of our distribution centers over the next five years. Approximately HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] are expected to be allocated for this purpose in 2027, 2028, 2029, 2030 and 2031, respectively. In particular:
 - o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to upgrade the digital systems used to manage franchise stores and introduce AI agents into such systems. By analyzing store-level sales, consumer traffic and pricing data, the AI agents will enhance our existing demand forecasting, order recommendation and store-monitoring functions, provide more timely and granular analysis for our product assortment, pricing and marketing strategies, and facilitate the identification of unusual store performance and potential non-compliance. These enhancements are expected to strengthen our centralized management of franchise stores and enable us to provide more targeted operational guidance to franchisees and their staff.
 - o approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used to upgrade the digital systems used in our distribution centers. We plan to (i) further upgrade and integrate our existing digital systems covering product receiving, sorting, processing, storage and inventory control to standardize operating procedures and enable more comprehensive real-time monitoring of distribution center operations, (ii) incorporate AI-assisted data analysis to forecast operational workloads, support quality control, identify operational anomalies and optimize personnel and equipment scheduling, and (iii) integrate receiving, inventory, processing and settlement records and introduce online reconciliation tools to improve product traceability and data accuracy. These upgrades are expected to improve processing efficiency, inventory accuracy, resource utilization and cost control.
 - approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], will be used for potential investment, merger and acquisition opportunities to further expand our store network and strengthen our product processing capabilities. We will primarily focus on (i) fresh food retail chains with an established customer base and store network in our target markets, and (ii) suppliers specializing in meat processing, particularly those with advanced processing technologies, standardized production systems, and robust food safety controls. We will focus on small- to medium-sized chain companies that generated annual revenue of over RMB500 million, operate in regions where we have an existing or planned footprint to support supply chain integration and operational synergies, and maintain a satisfactory record of food safety and regulatory compliance.
- These investments will enable rapid market entry while reducing upfront costs for site selection, store renovation, and brand development, and improve processing efficiency and ensure consistent quality. We intend to primarily acquire majority interests in target companies to facilitate operational integration and synergy realization. As of the Latest Practicable Date, we had not identified or entered into negotiations with any investment targets. According to CIC, there are over 100 targets in China that meet our selection criteria as of June 30, 2026.
- approximately [REDACTED]% of the net [REDACTED], or HK\$[REDACTED], as working capital and for general corporate uses.

FUTURE PLANS AND USE OF [REDACTED]

In the event that the [REDACTED] is set at the maximum [REDACTED] or the minimum [REDACTED] of the indicative [REDACTED] range, the net [REDACTED] of the [REDACTED] will increase or decrease by approximately HK\$[REDACTED], respectively.

Additional net [REDACTED] that we would receive if the [REDACTED] is exercised in full would be (i) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the maximum [REDACTED] of the indicative [REDACTED] range), (ii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range) and (iii) HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per Share, being the minimum [REDACTED] of the indicative [REDACTED] range).

To the extent that the net [REDACTED] from the [REDACTED] are either more or less than expected, we will adjust our allocation of the net [REDACTED] for the above purposes on a *pro rata* basis.

To the extent that the net [REDACTED] of the [REDACTED] are not immediately used for the above purposes, we will only deposit such funds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions). In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

If any part of our development plan does not proceed as planned for reasons such as changes in government policies that would hinder the development of any of our projects, or the occurrence of force majeure events, the Directors will carefully evaluate the situation and may reallocate the net [REDACTED] from the [REDACTED].

[REDACTED]

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APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages I-[1] to I-[3], received from the Company’s reporting accountant, [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[DRAFT]

ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF QDAMA INTERNATIONAL HOLDING LTD. (錢大媽國際控股有限公司), CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED AND ABCI CAPITAL LIMITED

Introduction

We report on the historical financial information of Qdama International Holding Ltd. (錢大媽國際控股有限公司) (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages I-[4] to I-[82], which comprises the consolidated and the company statements of financial position as at 31 December 2023, 2024 and 2025 and 30 June 2026, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2026 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together, the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-[4] to I-[82] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date] (the “[**REDACTED**]”) in connection with the initial [**REDACTED**] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant’s responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant’s judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

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ACCOUNTANT’S REPORT

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant’s report, a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended 30 June 2025 and other explanatory information (the “**Stub Period Comparative Financial Information**”). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the [REDACTED] of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-[4] have been made.

Dividends

We refer to note 33 to the Historical Financial Information which states that no dividends have been paid by Qdama International Holding Ltd. (錢大媽國際控股有限公司) in respect of the Track Record Period.

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ACCOUNTANT’S REPORT

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong
[Date]

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ACCOUNTANT’S REPORT

I HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant’s report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by [PricewaterhouseCoopers] in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the “**Underlying Financial Statements**”).

The Historical Financial Information is presented in Renminbi (“**RMB**”) and all values are rounded to the nearest thousand (“**RMB’000**”) except when otherwise indicated.

Consolidated statements of comprehensive income

	Note	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue	6	11,744,089	11,787,796	11,343,644	5,202,302	5,095,356
Cost of sales	10	(10,595,626)	(10,585,926)	(10,075,578)	(4,622,207)	(4,511,333)
Gross profit		1,148,463	1,201,870	1,268,066	580,095	584,023
Selling and marketing expenses	10	(605,742)	(607,348)	(569,275)	(276,754)	(286,838)
Administrative expenses	10	(414,092)	(432,738)	(371,051)	(176,269)	(193,350)
Net (provision for)/reversal of impairment loss on financial assets	3.1.2	(528)	555	(658)	376	(329)
Research and development expenses	10	(19,537)	(16,428)	(11,318)	(6,317)	(5,335)
Other income	7	20,631	18,758	13,216	6,712	4,742
Other losses – net	8	(288)	(9,134)	(32,737)	(11,985)	(12,544)
Operating profit		128,907	155,535	296,243	115,858	90,369
Finance income	9	11,229	14,937	18,769	9,177	6,579
Finance costs	9	(30,030)	(21,463)	(27,404)	(14,584)	(12,356)
Finance costs – net	9	(18,801)	(6,526)	(8,635)	(5,407)	(5,777)
Fair value gains/(losses) on convertible redeemable preferred shares	26	73,418	163,847	419,052	84,972	(1,985)
Share-based payment expenses for modification of convertible redeemable preferred shares	27	–	–	(954,563)	–	–
Profit/(loss) before income tax		183,524	312,856	(247,903)	195,423	82,607
Income tax expenses	14	(14,961)	(24,467)	(30,734)	(19,373)	(14,556)
Profit/(loss) for the year/period		168,563	288,389	(278,637)	176,050	68,051
Profit/(loss) for the year/period attributable to:						
– Owners of the Company		168,867	288,438	(278,810)	175,993	68,129
– Non-controlling interests		(304)	(49)	173	57	(78)
		168,563	288,389	(278,637)	176,050	68,051

APPENDIX I

ACCOUNTANT’S REPORT

		Year ended 31 December			Six months ended 30 June	
	Note	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Other comprehensive (loss)/income						
<i>Items that may be reclassified to profit or loss:</i>						
– Currency translation differences	25	(2)	435	(1,233)	(639)	(2,472)
<i>Items that may not be reclassified to profit or loss:</i>						
– Fair value change of convertible redeemable preferred shares due to own credit risk	26	41,657	3,939	9,111	74,696	27,262
Total comprehensive income/(loss) for the year/period		210,218	292,763	(270,759)	250,107	92,841
Total comprehensive income/(loss) for the year/period attributable to:						
– Owners of the Company		210,522	292,812	(270,932)	250,050	92,919
– Non-controlling interests		(304)	(49)	173	57	(78)
		210,218	292,763	(270,759)	250,107	92,841
Earnings/(loss) per share for profit attributable to owners (expressed in RMB cents per share)						
– Basic	15	17.21	30.09	(24.99)	18.70	4.56
– Diluted	15	5.85	7.76	(39.61)	5.01	3.04

APPENDIX I

ACCOUNTANT’S REPORT

Consolidated statements of financial position

		As at 31 December			As at 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets					
Property, plant and equipment	16	82,923	43,453	27,548	30,055
Right-of-use assets	17	200,510	148,731	213,219	230,201
Intangible assets	18	33,225	30,706	26,481	24,222
Deposits, prepayments and other receivables	22	29,123	27,679	24,211	24,344
Financial assets at fair value through other comprehensive income (“FVOCI”)	13	5,000	8,000	8,000	8,000
Deferred income tax assets . .	30	12,372	9,414	9,439	6,101
		363,153	267,983	308,898	322,923
Current assets					
Inventories	20	33,956	37,338	37,891	37,025
Trade receivables	21	6,791	2,568	2,771	5,032
Deposits, prepayments and other receivables	22	240,348	174,147	161,767	166,456
Income tax recoverable		4,996	5,264	5,595	5,157
Derivative financial instruments	32	—	—	—	1,718
Restricted cash	23	282,288	290,242	146,939	140,215
Cash and cash equivalents . .	23	714,243	775,358	1,253,296	1,258,179
		1,282,622	1,284,917	1,608,259	1,613,782
Total assets		1,645,775	1,552,900	1,917,157	1,936,705

APPENDIX I

ACCOUNTANT’S REPORT

		As at 31 December			As at 30 June
	<i>Note</i>	2023	2024	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Equity					
Equity attributable to owners of the Company					
Share capital	24	72	69	113	113
Other reserves	25	104,878	51,808	1,027,771	1,076,344
Accumulated losses		(2,796,832)	(2,509,212)	(2,789,409)	(2,719,134)
		(2,691,882)	(2,457,335)	(1,761,525)	(1,642,677)
Non-controlling interests		6,139	6,090	5,486	5,408
Total deficit		(2,685,743)	(2,451,245)	(1,756,039)	(1,637,269)
Liabilities					
Non-current liabilities					
Contract liabilities	6	20,945	15,179	15,809	16,685
Lease liabilities	17	119,596	76,996	149,938	162,902
Bank borrowings	31	–	–	85,000	356,900
Deferred income tax liabilities	30	792	580	788	2,149
Accruals and other payables . .	29	96,558	73,063	72,611	91,463
		237,891	165,818	324,146	630,099
Current liabilities					
Trade payables	28	904,150	750,045	814,431	767,262
Accruals and other payables . .	29	386,636	388,832	357,688	319,752
Contract liabilities	6	18,531	15,033	14,027	17,868
Lease liabilities	17	95,576	67,493	60,886	60,377
Convertible redeemable preferred shares	26	2,292,653	2,094,867	1,666,704	1,641,427
Bank borrowings	31	390,674	519,945	432,316	133,308
Income tax payables		5,407	2,112	2,998	3,881
		4,093,627	3,838,327	3,349,050	2,943,875
Total liabilities		4,331,518	4,004,145	3,673,196	3,573,974
Net current liabilities		(2,811,005)	(2,553,410)	(1,740,791)	(1,330,093)
Total deficit and liabilities . . .		1,645,775	1,552,900	1,917,157	1,936,705

APPENDIX I

ACCOUNTANT’S REPORT

Statements of financial position of the Company

		As at 31 December			As at 30 June
	Note	2023	2024	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000
Assets					
Non-current assets					
Interest in subsidiaries	12	3,025,493	3,039,355	3,059,704	3,081,801
		3,025,493	3,039,355	3,059,704	3,081,801
Current assets					
Prepayments	22	583	4,719	8,471	14,317
Amounts due from subsidiaries	37	663	729	783	758
Cash and cash equivalents. . .	23	301	1,594	274	1,248
		1,547	7,042	9,528	16,323
Total assets		3,027,040	3,046,397	3,069,232	3,098,124
Equity					
Share capital	24	72	69	113	113
Other reserves	25	171,667	117,344	1,104,195	1,157,386
Retained earnings	25	502,046	644,650	91,231	82,480
Total equity		673,785	762,063	1,195,539	1,239,979
Liabilities					
Current liabilities					
Other payables.	29	2,539	5,284	11,221	793
Convertible redeemable preference shares	26	2,292,653	2,094,867	1,666,704	1,641,427
Amounts due to subsidiaries .	37	58,063	184,183	195,768	215,925
Total liabilities.		2,353,255	2,284,334	1,873,693	1,858,145
Total equity and liabilities . . .		3,027,040	3,046,397	3,069,232	3,098,124

Attributable to owners of the Company

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	Attributable to owners of the Company				
	Share capital	Other reserves (Note 25)	Accumulated losses	Sub-total	Non- controlling interests
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	69	51,808	(2,509,212)	(2,457,335)	6,090
Balance at 1 January 2025					
Comprehensive income/(loss)					
(Loss)/profit for the year	–	–	(278,810)	(278,810)	173
Currency translation differences	–	(1,233)	–	(1,233)	–
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	9,111	–	9,111	–
25&26					
Transactions with owners in their capacity as owners:					
Appropriation of statutory reserves	–	2,488	(2,488)	–	–
Transaction with non-controlling shareholders	–	(11,042)	–	(11,042)	(777)
Issuance of ordinary shares	44	954,519	–	954,563	–
Derecognition of subsidiaries	–	(1,101)	1,101	–	–
Share-based payment to employees	–	23,221	–	23,221	–
25&27					
Balance at 31 December 2025	113	1,027,771	(2,789,409)	(1,761,525)	5,486
(Unaudited)					
Balance at 1 January 2025	69	51,808	(2,509,212)	(2,457,335)	6,090
Comprehensive income/(loss)					
Profit for the period	–	–	175,993	175,993	57
Currency translation differences	–	(639)	–	(639)	–
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	74,696	–	74,696	–
25&26					
Transactions with owners in their capacity as owners:					
Share-based payment to employees	–	8,993	–	8,993	–
25&27					
Balance at 30 June 2025	69	134,858	(2,333,219)	(2,198,292)	6,147

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Consolidated statements of cash flows

		Year ended 31 December			Six months ended 30 June	
	Note	2023	2024	2025	2025	2026
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(Unaudited)	
Cash flows from operating activities						
Cash generated from operations	34(a)	144,245	158,432	467,390	173,727	92,409
Income tax paid		(29,046)	(25,286)	(30,038)	(10,227)	(8,618)
Net cash inflow from operating activities		115,199	133,146	437,352	163,500	83,791
Cash flows from investing activities						
Purchase of property, plant and equipment		(13,431)	(11,790)	(12,264)	(6,193)	(7,040)
Proceeds from disposal of property, plant and equipment	34(b)	6,280	6,046	4,869	3,104	225
Purchase of intangible assets		(6,642)	(1,748)	(683)	(384)	(398)
Proceeds from disposal of an associate		1,000	–	–	–	–
Loans granted to a related party	37(b)	–	(4,500)	–	–	–
Loans granted to a third party		–	(2,500)	(1,266)	–	–
Repayment from a related party		2,392	77,200	–	–	–
Placement of restricted bank deposits for derivative bank financial instruments		–	–	–	–	(134,827)
Interest received from bank deposits		9,412	13,487	16,704	4,406	7,283
Acquisition of financial assets at FVOCI		(5,000)	(3,000)	–	–	–
Net cash (outflow)/inflow from investing activities		(5,989)	73,195	7,360	933	(134,757)

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	<i>Note</i>	Year ended 31 December			Six months ended 30 June	
		2023	2024	2025	2025	2026
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
					(Unaudited)	
Cash flows from financing activities						
Payments for acquisition of ownership interests in a subsidiary without change in control		–	–	(11,819)	–	–
Refund to a Series D CRPS holder of Guangzhou Qdama	26(i)	(175,000)	–	–	–	–
Refund to warrant holders upon exercise of warrants	26(ii)	–	(238,399)	–	–	–
Proceeds from issuance of CRPS	(i)(ii)	175,000	238,399	–	–	–
Refund to a warrant holder upon expiry of warrant	26(ii)	–	(30,000)	–	–	–
Payments for repurchase of ordinary shares	24	–	(110,000)	–	–	–
Payments of rental deposits to the lessors		(7,693)	(8,823)	(14,041)	(912)	(2,365)
Refund of rental deposits		12,199	4,518	11,445	7,393	1,390
Proceeds from bank borrowings	34(c)	600,268	764,660	664,900	242,900	399,900
Repayments of bank borrowings	34(c)	(370,000)	(635,268)	(667,560)	(269,660)	(427,000)
Placement of restricted bank deposits		(469,970)	(429,196)	(245,140)	(103,800)	–
Redemption of restricted bank deposits		198,316	415,422	389,992	285,428	140,576
Payments of [REDACTED]		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Principal elements of lease payments	34(c)	(125,228)	(96,946)	(66,934)	(34,147)	(38,622)
Interest elements of lease payments	34(c)	(15,463)	(6,816)	(9,011)	(4,991)	(3,591)
Interest paid	34(c)	(10,039)	(10,164)	(14,530)	(7,407)	(6,756)
Net cash (outflow)/inflow from financing activities		(187,777)	(145,944)	34,863	113,649	59,351
Net (decrease)/increase in cash and cash equivalents		(78,567)	60,397	479,575	278,082	8,385
Cash and cash equivalents at the beginning of year/period		791,507	714,243	775,358	775,358	1,253,296
Effect of currency translation differences		1,303	718	(1,637)	(750)	(3,502)
Cash and cash equivalents at end of the year/period		714,243	775,358	1,253,296	1,052,690	1,258,179

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION AND HISTORY OF THE GROUP

1.1 General information

Qdama International Holding Ltd. (the “**Company**”) was incorporated in the Cayman Islands on 12 May 2021 as an exempted company with limited liability. The address of the Company’s registered office is PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the sales of the fresh products through self-operated stores/self-operated channels, franchise stores/ franchise channels and online platform (the “[REDACTED] **Business**”) in the People’s Republic of China (the “**PRC**”), Hong Kong and Macau.

Before 20 December 2024, Ms. Feng and her brother, Mr. Feng, through Feng WH Ltd. (formerly known as “**JS Feng Ltd.**”) and WH Feng Ltd., collectively held 100% of the Company’s ordinary shares.

On 20 December 2024, Mr. Feng transferred all of his equity interest in Feng WH Ltd. (formerly known as “**JS Feng Ltd.**”) to Ms. Feng. Since then, Ms. Feng has been the ultimate controlling shareholder of the Group.

1.2 History of the Group

Prior to the incorporation of the Company and the completion of the reorganisation as described below (the “**Reorganisation**”), the [REDACTED] **Business** was mainly carried out by Guangzhou Qdama Agricultural Products Company Limited (廣州市錢大媽農產品有限公司, “**Guangzhou Qdama**”), a limited liability company established in the PRC, and its subsidiaries (together, the “**PRC Operating Entities**”). The PRC Operating Entities were collectively controlled by the Ultimate Controlling Shareholders throughout the Track Record Period.

In preparation for the initial [REDACTED] of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited (the “[REDACTED]”), the Group underwent the Reorganisation to incorporate the Company as the holding company of the companies which now comprise the Group to conduct the [REDACTED] **Business**.

The Reorganisation mainly involved the following:

- (a) On 12 May 2021, the Company was incorporated in the Cayman Islands and 1 share of United States dollars (“**US\$**”) 0.1 par value had been issued at par to the initial subscriber and transferred at par to Mr. Feng on the same day. On 25 May 2021, the Company issued 1 share at par to Ms. Feng.
- (b) On 20 May 2021, Qdama International Investment Holding Ltd. (“**Qdama BVI**”) was incorporated in the British Virgin Islands (“**BVI**”) by the Company as a wholly-owned subsidiary, which is authorised to issue a maximum of 50,000 shares of one class of no par value.
- (c) On 9 June 2021, Qdama (Hong Kong) Investment Holding Limited (“**Qdama HK**”) was incorporated by Qdama BVI in Hong Kong as a wholly-owned subsidiary of Qdama BVI.
- (d) On 26 January 2022, a total of 1,172,797,000 ordinary shares of the Company were issued as follows:

Shareholder	Number of shares	Equity interest in %
Feng WH Ltd. (<i>Note (i)</i>)	926,108,000	78.96%
WH Feng Ltd. (<i>Note (ii)</i>)	54,870,000	4.68%
Qdama Talent Holding Limited (<i>Note (iii)</i>)	191,819,000	16.36%
	1,172,797,000	100.00%

- (i) On 28 April 2021, Feng WH Ltd. (formerly known as “**JS Feng Ltd.**”) was incorporated in the BVI which was wholly owned by Mr. Feng.
- (ii) On 28 April 2021, WH Feng Ltd. was incorporated in the BVI which was wholly owned by Ms. Feng.
- (iii) On 1 December 2021, Qdama Talent Holding Limited was incorporated in the BVI which was wholly owned by Mr. Feng and Ms. Feng as an employee stock ownership platform.

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- (e) Pursuant to the agreement dated 26 January 2022, all issued registered capital to the investors of Guangzhou Qdama were cancelled. In consideration, the Company issued the following convertible redeemable preferred shares (“**CRPS**”) on 26 January 2022 to Guangzhou Qdama’s then investors:
- 10,495,000 series Pre-A convertible redeemable preferred shares of the Company (“**Series Pre-A CRPS**”) to the holders of Series Pre-A convertible redeemable preferred shares of Guangzhou Qdama;
 - 64,778,000 series A convertible redeemable preferred shares of the Company (“**Series A CRPS**”) to the holders of Series A investment of Guangzhou Qdama;
 - 125,186,670 series B convertible redeemable preferred shares of the Company (“**Series B CRPS**”) to the holders of Series B investment of Guangzhou Qdama;
 - 39,321,330 series B+ convertible redeemable preferred shares of the Company (“**Series B+ CRPS**”) to the holders of Series B+ investment of Guangzhou Qdama;
 - 131,886,000 series C convertible redeemable preferred shares of the Company (“**Series C CRPS**”) to the holders of Series C investment of Guangzhou Qdama;
 - 80,289,000 series D convertible redeemable preferred shares of the Company (“**Series D CRPS**”) to the holders of Series D investment of Guangzhou Qdama.
- (f) On 26 January 2022, the Company issued 116,038,169 Series E Convertible Redeemable Preferred Shares and warrants to subscribe for 50,704,131 Series E Convertible Redeemable Preferred Shares to investors at a consideration of US\$97,124,000 (equivalent to RMB614,239,000) and US\$42,439,000 (equivalent to RMB268,399,000), respectively.
- (g) On 27 January 2022, Qdama HK acquired a total of 97.9651% of effective interest in Guangzhou Qdama from the Ultimate Controlling Shareholders, employee stock ownership platform in the PRC and investors at a consideration of RMB1,591,597 which was based on the book value of its registered capital and settled in cash. After the acquisition, Guangzhou Qdama became a non-wholly owned subsidiary of Qdama HK.

Upon the completion of the reorganisation on 27 January 2022, the Company became the holding company of the companies now comprising the Group.

2 BASIS OF PREPARATION

The material accounting policies applied in preparation of the Historical Financial Information are set out as below. These policies have been consistently applied to all the years and periods presented, unless otherwise stated.

The Historical Financial Information has been prepared in accordance with the HKFRS Accounting Standards issued by the HKICPA. The Historical Financial Information has been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income (“**FVOCI**”), convertible redeemable preferred shares and derivative financial instruments measured at fair value.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

As at 30 June 2026, the Group had net deficit of approximately RMB1,637,269,000, and net current liabilities of approximately RMB1,330,093,000, including the CRPS of RMB1,641,427,000 which were classified as financial liabilities. The CRPS will be automatically converted to ordinary shares upon the completion of qualified [REDACTED].

The Group’s management has been continuously monitoring its financial position and has secured adequate financing to support its operations and capital expenditure. Based on the Group’s available funds, banking facilities and cash flow projections, and taking into account the non-exercise of the redemption rights by CRPS holders for at least twelve months from 30 June 2026, the directors of the Company believe the Group will have sufficient working capital to meet its operational needs, debt repayments, and capital expenditure for at least twelve months from the period end date of the Historical Financial Information. Accordingly, the Historical Financial Information has been prepared on a going concern basis.

All relevant standards, amendments and interpretations to the existing standards that are effective during the Track Record Period have been adopted by the Group consistently throughout the Track Record Period.

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(a) New and amended standards adopted by the Group

The HKICPA has issued a number of new and amended HKFRS Accounting Standards. For the purpose of preparing the Historical Financial Information, the Group has adopted all applicable new and amended HKFRS Accounting Standards consistently throughout the Track Record Period except for any new or interpretation that are not yet effective for the reporting period ended 30 June 2026.

These amendments did not have significant impact except amendment to HKAS 1, ‘Classification of Liabilities as Current or Non-current’, which has been applied throughout the Track Record Period. As at 31 December 2023, 2024 and 2025 and 30 June 2026, all the convertible redeemable preferred shares were classified as current liabilities (Note 3.1.3).

(b) New and amended standards and interpretation not yet adopted by the Group

To the date of issuance of this report, the HKICPA has issued the following new and amended standards and interpretation which are not yet effective and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
HK Int 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKAS 21 (Amendments)	Translation to a Hyperinflationary Presentation Currency	1 January 2027
HKFRS 20	Regulatory Assets and Regulatory Liabilities	1 January 2029
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The directors have performed assessment on the new standards, and amendments, and has concluded on a preliminary basis that these new standards and amendments would not have a significant impact on the Group’s consolidated financial statements when they become effective, except for HKFRS 18 which will impact the presentation of profit and loss.

HKFRS 18 will replace HKAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the group’s consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

Although the adoption of HKFRS 18 will have no impact on the group’s net profit, the group expects that grouping items of income and expenses in the consolidated statements of comprehensive income into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the group has performed, foreign exchange differences currently aggregated in the line item ‘other losses — net’ in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.

The line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation.

The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;

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- a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statements of comprehensive income — this break-down is only required for certain nature of expenses; and
- for the first annual period of application of HKFRS 18, a reconciliation for each line item in the consolidated statements of comprehensive income between the restated amounts presented by applying HKFRS 18 and the amounts previously presented applying HKAS 1.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with HKFRS 18.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including: (a) foreign exchange risk, (b) interest rate risk and (c) price risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

3.1.1 Market risk

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the Group subsidiaries’ functional currency. The functional currency of the Company and majority of the subsidiaries is RMB, except for the subsidiaries incorporated in Hong Kong where the functional currency is Hong Kong dollars (“**HK\$**”) and the subsidiaries incorporated in Macau where the functional currency is Macau Pataca (“**MOP**”). The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US\$ and HK\$. The Group manages its foreign exchange risk by performing regular reviews of the Group’s net foreign exchange exposures. The Group has not entered into any forward exchange contract to hedge its exposure to foreign exchange risk.

The Group operates mainly in the PRC with most of the transactions settled in RMB. Management considers that the business is not exposed to significant foreign exchange risk as there are no significant financial assets or liabilities of the Group are denominated in the currencies other than the respective functional currencies of the Group’s entities.

Following table shows that, if US\$/HK\$ have strengthened/weakened by 5% against RMB, with all other variables held constant, pre-tax profit for the Track Record Periods change.

	As at 31 December			As at 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Pre-tax profit/(loss) increase/(decrease)				(Unaudited)	
US\$ strengthened by 5%	10,193	18,551	20,223	13,086	12,904
US\$ weakened by 5%	(10,193)	(18,551)	(20,223)	(13,086)	(12,904)
HK\$ strengthened by 5%	1,587	3,991	6,491	6,575	1,557
HK\$ weakened by 5%	(1,587)	(3,991)	(6,491)	(6,575)	(1,557)

(b) Cash flow and fair value interest rate risk

The Group has no significant variable interest-bearing assets or liabilities except for the bank balances, of which the interest rates are fixed or not expected to change significantly.

(c) Price risk

The Group is not exposed to material price risk in respect of financial assets at FVOCI held by the Group. The Group is not exposed to commodity price risk. To manage its price risk arising from the investments, all investments must be assessed cautiously and approved by the senior management before they may be entered into.

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3.1.2 Credit risk

The Group is exposed to credit risk in relation to its cash and cash equivalents, restricted cash, trade receivables and deposits and other receivables. The carrying amounts of each class of the above financial assets represent the Group’s maximum exposure to credit risk in relation to financial assets.

To manage risk arising from cash and cash equivalents and restricted cash, the Group only transacts with state-owned or reputable financial institutions in Chinese Mainland and reputable international financial institutions outside of Chinese Mainland. There has been no recent history of default in relation to these financial institutions. These instruments are considered to have low credit risk because they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. The identified credit losses are immaterial.

To manage risk arising from trade receivables, which are mostly from the franchisees, the Group has policies in place to ensure that they have settled the payment on “T+1” basis and normally no credit period granted to them. In view of the sound collection history of receivables due from them, to measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 90 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experiences and forward-looking information.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- external credit rating.
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower’s ability to meet its obligations.
- actual or expected significant changes in the operating results of the counter party.
- significant changes in credit risk on other financial instruments of the same counter party.
- significant changes in the expected performance and behaviour of the counter party, including changes in the payment status of borrowers in the Group and changes in the operating results of the counter party.

The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward-looking macroeconomic data.

For other receivables, the Group adopted a “three-stage” model for impairment based on changes in credit quality since initial recognition as summarised below:

Category	Other receivables	Basis for recognition of expected credit loss provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1)
Underperforming	Receivables for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime expected losses (stage 2)

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Category	Other receivables	Basis for recognition of expected credit loss provision
Non-performing (credit impaired)	Interest and/or principal repayments are 90 days past due or it becomes probable a customer will enter bankruptcy	Lifetime expected losses (stage 3)
Written-off	There is no reasonable expectation of recovery	Asset is written off

Trade receivables

Settlement between the Group and the franchise stores are processed on a daily basis, the franchisees are required to settle the payment on “T+1” basis.

The Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

To measure the expected credit losses of trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the days of initial recognition.

The loss allowance provisions of trade receivables as at 31 December 2023, 2024 and 2025 and 30 June 2026 are determined as follows, the expected credit losses below also incorporate forward looking information.

	Up to 1 month	1 to 6 months	6 months to 1 year	Over 1 year	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2023					
Expected loss rate	0.67%	59.75%	100.00%	100.00%	
Gross carrying amount	6,290	1,349	293	723	8,655
Loss allowance provision	(42)	(806)	(293)	(723)	(1,864)
	<u>6,248</u>	<u>543</u>	<u>–</u>	<u>–</u>	<u>6,791</u>
At 31 December 2024					
Expected loss rate	2.95%	97.40%	100.00%	100.00%	
Gross carrying amount	2,644	77	10	229	2,960
Loss allowance provision	(78)	(75)	(10)	(229)	(392)
	<u>2,566</u>	<u>2</u>	<u>–</u>	<u>–</u>	<u>2,568</u>
At 31 December 2025					
Expected loss rate	1.27%	39.70%	100.00%	100.00%	
Gross carrying amount	2,519	471	33	67	3,090
Loss allowance provision	(32)	(187)	(33)	(67)	(319)
	<u>2,487</u>	<u>284</u>	<u>–</u>	<u>–</u>	<u>2,771</u>
At 30 June 2026					
Expected loss rate	1.91%	13.25%	100.00%	100.00%	
Gross carrying amount	4,129	1,132	132	57	5,450
Loss allowance provision	(79)	(150)	(132)	(57)	(418)
	<u>4,050</u>	<u>982</u>	<u>–</u>	<u>–</u>	<u>5,032</u>

Other receivables

Other receivables have been assessed for impairment on a collective basis based on different credit risk characteristics. Other receivables are categorised as follows for assessment purpose:

Group 1	Rental deposits
Group 2	Amounts due from related parties
Group 3	Others

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As at 31 December 2023, 2024 and 2025 and 30 June 2026, the gross carrying amount and loss allowance of other receivables in categories are as follows:

	Stage 1		Stage 2		Stage 3	
	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023						
Group 1	41,890	(839)	11	—	1,741	(1,741)
Group 2	69,971	(555)	—	—	—	—
Group 3	5,234	(704)	—	—	—	—
Total	117,095	(2,098)	11	—	1,741	(1,741)
As at 31 December 2024						
Group 1	37,979	(740)	44	(1)	2,862	(2,862)
Group 2	—	—	—	—	—	—
Group 3	8,475	(260)	—	—	—	—
Total	46,454	(1,000)	44	(1)	2,862	(2,862)
As at 31 December 2025						
Group 1	22,935	(313)	118	(1)	1,744	(1,744)
Group 2	—	—	—	—	—	—
Group 3	11,806	(107)	—	—	1,204	(1,204)
Total	34,741	(420)	118	(1)	2,948	(2,948)
As at 30 June 2026						
Group 1	22,881	(379)	186	(4)	1,875	(1,875)
Group 2	—	—	—	—	—	—
Group 3	11,965	(133)	—	—	1,204	(1,204)
Total	34,846	(512)	186	(4)	3,079	(3,079)

The loss allowance for trade receivables and other receivables as at 31 December 2023, 2024 and 2025 and 30 June 2026 reconciles to the opening loss allowance are as follows:

	Trade receivables	Other receivables	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	1,481	3,704	5,185
Provision for impairment losses for the year	393	135	528
Exchange differences	(10)	—	(10)
As at 31 December 2023	1,864	3,839	5,703
As at 1 January 2024	1,864	3,839	5,703
(Reversal of)/provision for impairment losses for the year	(629)	74	(555)
Written off	(847)	—	(847)
Exchange differences	4	(50)	(46)
As at 31 December 2024	392	3,863	4,255
As at 1 January 2025	392	3,863	4,255
Provision for impairment losses for the year	65	593	658
Written off	(137)	(1,056)	(1,193)
Exchange differences	(1)	(31)	(32)
As at 31 December 2025	319	3,369	3,688
(Unaudited)			
As at 1 January 2025	392	3,863	4,255
Provision for impairment losses for the period	137	(513)	(376)
Written off	—	(30)	(30)
Exchange differences	—	(2)	(2)
As at 30 June 2025	529	3,318	3,847

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	Trade receivables	Other receivables	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2026	319	3,369	3,688
Provision for impairment losses for the period	99	230	329
Exchange differences	–	(4)	(4)
As at 30 June 2026	418	3,595	4,013

While cash and cash equivalents and restricted cash are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

3.1.3 Liquidity risk

Cash flow forecasts are prepared by management. Management monitors rolling forecasts on the Group’s liquidity requirements to ensure the Group maintains sufficient liquidity reserves to support sustainability and growth of the Group’s business. Currently, the Group finances its working capital requirements through funds generated from operations, issue of new shares, and obtaining bank borrowings.

Management monitors rolling forecasts of the Group’s liquidity reserves on the basis of expected cash flows. The Group’s policy is to regularly monitor current and expected liquidity requirements and its compliance with the relevant covenants of its borrowing facilities, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and long term.

The Group recognises the convertible redeemable preferred shares issued to investors at fair value through profit or loss (Note 26). Accordingly, the convertible redeemable preferred shares issued to investors are managed on a fair value basis rather than by maturing dates.

The table below analyses the Group’s financial liabilities into relevant maturity grouping based on the remaining period at the end of each reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 31 December 2023					
Trade payables	904,150	–	–	–	904,150
Accruals and other payables (excluding accrued payroll and other taxes payables)	275,107	45,978	61,465	–	382,550
Borrowings and interest payments	394,492	–	–	–	394,492
Lease liabilities and interest payments	102,872	58,206	47,190	26,521	234,789
	1,676,621	104,184	108,655	26,521	1,915,981
As at 31 December 2024					
Trade payables	750,045	–	–	–	750,045
Accruals and other payables (excluding accrued payroll and other taxes payables)	277,895	37,563	43,315	–	358,773
Borrowings and interest payments	526,573	–	–	–	526,573
Lease liabilities and interest payments	71,630	38,726	41,053	517	151,926
	1,626,143	76,289	84,368	517	1,787,317
As at 31 December 2025					
Trade payables	814,431	–	–	–	814,431
Accruals and other payables (excluding accrued payroll and other taxes payables)	264,788	19,207	60,963	–	344,958
Borrowings and interest payments	440,776	12,257	75,042	–	528,075
Lease liabilities and interest payments	67,190	54,956	103,733	–	225,879
	1,587,185	86,420	239,738	–	1,913,343
As at 30 June 2026					
Trade payables	767,262	–	–	–	767,262
Accruals and other payables (excluding accrued payroll and other taxes payables)	235,157	32,820	67,490	–	335,467
Borrowings and interest payments	143,812	110,966	258,954	–	513,732
Lease liabilities and interest payments	67,212	54,670	90,972	33,642	246,496
	1,213,443	198,456	417,416	33,642	1,862,957

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group’s convertible redeemable preferred shares were classified as current liabilities as the convertible redeemable preferred shares

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may be converted into ordinary shares at the option of the preferred shareholders at any time and the conversion feature does not meet the “fixed-for-fixed” criteria.

For Series Pre-A to D Convertible Redeemable Preferred Shares, the maximum exposure of the redemption of convertible redeemable preferred shares is the contractual redemption price, which is equal to 100% of the original investment amount plus a compound interest rate of 8% per annum accrued during the period from the issuance of the convertible redeemable preferred shares until the date on which the redemption price is paid in full, and plus any declared but unpaid dividends if the redemption event occurs as described in Note 26.

For Series E convertible redeemable preferred shares, the maximum exposure of the redemption of convertible redeemable preferred shares is the contractual redemption price, which is equal to 100% of the original investment amount plus a simple interest rate of 15% per annum accrued during the period from the issuance of the convertible redeemable preferred shares until the date on which the redemption price is paid in full, and plus any declared but unpaid dividends if the redemption event occurs as described in Note 26.

3.2 Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital using a gearing ratio and restricted cash. The Group manages its capital structure and makes adjustments to it in order to have funds available to support the business activities which the directors intend to pursue in addition to maximizing the return to shareholders. The directors do not establish quantitative return on capital criteria for management, but rather rely on the expertise of the Group’s management to sustain future development of the business.

In order to carry out current operations and pay for administrative costs, the Group will spend its existing working capital and raise additional amounts as needed. The Group reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Group, is reasonable.

3.3 Fair value estimation

3.3.1 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

The table below analyses the Group’s financial instruments carried at fair value as at 31 December 2023, 2024 and 2025 and 30 June 2026 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023				
Financial assets at FVOCI				
– [REDACTED] equity securities (<i>Note 13</i>)	–	–	5,000	5,000
Financial liabilities at fair value through profit or loss (“FVTPL”)				
– Convertible redeemable preferred shares (<i>Note 26</i>)	–	–	2,292,653	2,292,653
As at 31 December 2024				
Financial assets at FVOCI				
– [REDACTED] equity securities (<i>Note 13</i>)	–	–	8,000	8,000
Financial liabilities at FVTPL				
– Convertible redeemable preferred shares (<i>Note 26</i>)	–	–	2,094,867	2,094,867
As at 31 December 2025				
Financial assets at FVOCI				
– [REDACTED] equity securities (<i>Note 13</i>)	–	–	8,000	8,000
Financial liabilities at FVTPL				
– Convertible redeemable preferred shares (<i>Note 26</i>)	–	–	1,666,704	1,666,704
As at 30 June 2026				
Financial assets at FVOCI				
– [REDACTED] equity securities (<i>Note 13</i>)	–	–	8,000	8,000
Financial assets at FVTPL				
– Derivative financial instruments (<i>Note 32</i>)	–	1,718	–	1,718
Financial liabilities at FVTPL				
– Convertible redeemable preferred shares (<i>Note 26</i>)	–	–	1,641,427	1,641,427

The Group’s policy is to recognise transfers into and transfers out of fair value hierarchy levels at the end of the reporting period.

3.3.2 Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rate;
- The latest round financing, i.e. the prior transaction price or the third-party pricing information; and
- A combination of observable and unobservable inputs, including risk-free rate, expected volatility, discount rate for lack of marketability, market multiples, etc.

There were no changes to valuation techniques during the Track Record Period.

There is no instrument included in level 1. Instruments included in level 2 comprised derivative financial instruments. Level 3 instruments of the Group’s assets and liabilities include wealth management products, convertible redeemable preferred shares measured at fair value through profit and loss, [REDACTED] equity securities measured at fair value through other comprehensive income.

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3.3.3 Fair value measurements using significant unobservable inputs (level 3)

- (a) Quantitative information about fair value measurements using significant unobservable inputs (Level 3) is as follow:

	Fair value				Unobservable input	Range of inputs	Relationship of unobservable inputs to fair value
	As at 31 December			As at 30 June			
	2023	2024	2025	2026			
	RMB'000	RMB'000	RMB'000	RMB'000			
Financial assets at FVOCI							
– [REDACTED] equity securities . . .	5,000	8,000	8,000	8,000	Latest transaction price	N/A	N/A

3.4 Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset as at 31 December 2023, 2024 and 2025 and 30 June 2026.

	Effects of offsetting on the consolidated statements of financial position		
	Gross amounts	Gross amounts set off in the consolidated statements of financial position	Net amounts presented in the consolidated statements of financial position
	RMB'000	RMB'000	RMB'000
As at 31 December 2023			
Financial assets			
Trade receivables	34,851	(28,060)	6,791
Financial liabilities			
Accruals and other payables (excluding accrued payroll and other taxes payables)	399,165	(28,060)	371,105
As at 31 December 2024			
Financial assets			
Trade receivables	31,975	(29,407)	2,568
Financial liabilities			
Accruals and other payables (excluding accrued payroll and other taxes payables)	379,248	(29,407)	349,841
As at 31 December 2025			
Financial assets			
Trade receivables	28,543	(25,772)	2,771
Financial liabilities			
Accruals and other payables (excluding accrued payroll and other taxes payables)	362,242	(25,772)	336,470
As at 30 June 2026			
Financial assets			
Trade receivables	33,189	(28,157)	5,032
Financial liabilities			
Accruals and other payables (excluding accrued payroll and other taxes payables)	354,303	(28,157)	326,146

The Group collects sales proceeds on behalf of the franchisees and settles with each of the franchise store regularly by remitting the sales proceeds to the franchisees after deducting the outstanding purchase amounts of fresh products from the Group. The relevant amounts have therefore been presented net in the consolidated statements of financial position.

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group’s accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

(a) Basis of consolidation

In the normal course of business, the Group enters into franchising agreements with franchisees. The rights and obligations of the Group and the franchisees are stipulated by respective franchising agreements. Because of the complexity of the arrangements, significant judgement is needed in determining whether the Group has the power to control and therefore should consolidate the franchisees.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group also considers, in particular, whether it obtains benefits, including non-financial benefits, from its power to control the entity. As such, the conclusion whether the franchisees are under the control of the Group requires the application of judgement through the analysis of various factors including the extent of power the Group has on relevant activities of the franchisees. Based on the Group’s analysis, it has concluded that it does not have such power on the franchisees.

(b) Share-based compensation arrangements

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is estimated using a model which requires the determination of the appropriate inputs. In addition, the Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of vesting periods of the options in order to determine the amount of share-based compensation expenses charged to profit or loss with the consolidated statement of comprehensive income. The assumptions and models used for estimating the fair value of share-based payment transactions are disclosed in Note 27.

The Group estimates the expected forfeiture rate at the end of vesting periods (“**Forfeiture Rate**”) of the share options granted in order to determine the amount of share-based payment expenses charged to profit or loss. The Forfeiture Rate of the share options of the Group to grantees were assessed to be ranging from 0% to 2.0% during the Track Record Period.

(c) Measurement of the fair value of convertible redeemable preferred shares

The fair values of the Group’s CRPS and warrants were measured at fair value through profit or loss, which are not traded in an active market, are determined by using valuation techniques. Significant judgements and assumptions are exercised by management in selecting valuation models and unobservable inputs at the end of each reporting periods. Changing the key assumptions used by management could materially affect the fair value of these financial liabilities and as a result affect the Group’s financial position and results of operation. Details of the valuation models, key assumptions and inputs are disclosed in Note 26.

(d) Current and deferred income tax

The Group is subject to corporate income taxes in the PRC. Judgement is required in determining the amount of the provision for taxation and the timing of payment of the related taxations. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilization may be different.

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(e) Impairment assessment for non-financial assets

Non-financial assets, mainly including property, plant and equipment, right-of-use assets, intangible assets and investments accounted for using equity method, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts have been determined based on value in use (“VIU”) calculations or fair value less costs to sell. These calculations require the use of judgments and estimates.

Management judgment is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; (iii) the selection of the most appropriate valuation technique, e.g. the market approach, the income approach, as well as a combination of approaches, including the adjusted net asset method; and (iv) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group’s financial condition and results of operations. If there is a significant adverse change in the projected performance and resulting future cash flow projections, it may be necessary to take an impairment charge to the profit or loss.

5 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by chief operating decision-maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segment, has been identified as the executive directors of the Company.

During the Track Record Period, the Group is principally engaged in the sales of the fresh products under the brand name of “Qdama” in the Chinese Mainland, Hong Kong and Macau. Management views the operating results of the business as geographically to make decisions about resources to be allocated. Therefore, the CODM of the Company regards that there are three segments for making strategic decisions.

The majority of operating entities of the Group are located in the PRC. Accordingly, The Group was organised into three geographical segments namely: (i) Guangdong Province and (ii) Other regions in Chinese Mainland, and (iii) Hong Kong & Macau during the Track Record Period.

Accordingly, the Group presents the revenue and corresponding assets and liabilities for the segments, and does not allocate expenses of the other assets to the respective segments.

(a) Segment revenue and results

The following is an analysis of the Group’s revenue by geographical segment:

For the year ended 31 December 2023

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue	7,958,078	3,106,545	703,467	(24,001)	11,744,089
Cost of sales	(7,052,085)	(2,978,878)	(588,664)	24,001	(10,595,626)
Operating expenses	(243,635)	(239,525)	(90,075)	–	(573,235)
Other gains/(losses) – net	8,899	(5,767)	(1,080)	–	2,052
Finance costs – net	(6,827)	(10,992)	(587)	–	(18,406)
Other income	5,434	820	267	–	6,521
Segment results	669,864	(127,797)	23,328	–	565,395
Unallocated:					
Corporate expenses					(466,664)
Other income					14,110
Other losses – net					(2,340)
Finance costs – net					(395)
Fair value gains on convertible redeemable preferred shares					73,418
Profit before income tax					183,524
Income tax expense					(14,961)
Profit for the year					168,563

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For the year ended 31 December 2024

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	8,184,136	2,954,173	876,490	(227,003)	11,787,796
Cost of sales	(7,270,332)	(2,817,220)	(725,377)	227,003	(10,585,926)
Operating expenses	(190,785)	(223,028)	(104,463)	–	(518,276)
Other gains/(losses) – net	704	(24,141)	(1,065)	–	(24,502)
Finance costs – net	(1,329)	(3,413)	(832)	–	(5,574)
Other income	3,718	1,525	582	–	5,825
Segment results	726,112	(112,104)	45,335	–	659,343
Unallocated:					
Corporate expenses					(537,683)
Other income					12,933
Other gains – net					15,368
Finance costs – net					(952)
Fair value gains on convertible redeemable preferred shares					163,847
Profit before income tax					312,856
Income tax expense					(24,467)
Profit for the year					288,389

For the year ended 31 December 2025

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	7,558,650	3,714,038	935,105	(864,149)	11,343,644
Cost of sales	(6,675,421)	(3,500,789)	(763,517)	864,149	(10,075,578)
Operating expenses	(199,953)	(204,420)	(114,259)	–	(518,632)
Other losses – net	(5,930)	(18,007)	(6,093)	–	(30,030)
Finance (costs)/income – net	(4,147)	(1,262)	2,555	–	(2,854)
Other income	2,201	782	671	–	3,654
Segment results	675,400	(9,658)	54,462	–	720,204
Unallocated:					
Corporate expenses					(433,670)
Other income					9,562
Other losses – net					(2,707)
Finance costs – net					(5,781)
Fair value gains and modification adjustments on convertible redeemable preferred shares – net					(535,511)
Loss before income tax					(247,903)
Income tax expense					(30,734)
Loss for the year					(278,637)

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For the six months ended 30 June 2025 (Unaudited)

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	3,531,277	1,494,839	451,772	(275,586)	5,202,302
Cost of sales	(3,121,189)	(1,409,552)	(367,052)	275,586	(4,622,207)
Operating expenses	(90,513)	(98,937)	(54,862)	–	(244,312)
Other gains/(losses) – net	485	(11,539)	(1,478)	–	(12,532)
Finance (costs)/income – net	(1,934)	(769)	1,170	–	(1,533)
Other income	912	477	391	–	1,780
Segment results	319,038	(25,481)	29,941	–	323,498
Unallocated:					
Corporate expenses					(214,652)
Other income					4,932
Other gains – net					547
Finance costs – net					(3,874)
Fair value gains on convertible redeemable preferred shares					84,972
Profit before income tax					195,423
Income tax expense					(19,373)
Profit for the period					176,050

For the six months ended 30 June 2026

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	3,258,614	1,873,519	432,896	(469,673)	5,095,356
Cost of sales	(2,855,302)	(1,774,585)	(351,119)	469,673	(4,511,333)
Operating expenses	(96,743)	(112,247)	(57,542)	–	(266,532)
Other losses – net	1,028	33	(12,586)	–	(11,525)
Finance costs – net	(1,649)	(480)	1,281	–	(848)
Other income	510	268	92	–	870
Segment results	306,458	(13,492)	13,022	–	305,988
Unallocated:					
Corporate expenses					(219,320)
Other income					3,872
Other losses – net					(1,019)
Finance costs – net					(4,929)
Fair value losses on convertible redeemable preferred shares					(1,985)
Profit before income tax					82,607
Income tax expense					(14,556)
Profit for the period					68,051

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(b) Segment assets and liabilities

The segment assets and liabilities as at 31 December 2023, 2024 and 2025 and 30 June 2026 are as follows:

As at 31 December 2023

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	2,021,944	196,428	382,288	(1,968,788)	631,872
Unallocated assets:					
Cash and bank balances					714,243
Restricted cash					282,288
Financial assets at FVOCI					5,000
Deferred tax assets					12,372
Total assets					<u>1,645,775</u>
Total segment liabilities	1,506,654	1,779,055	330,478	(1,968,788)	1,647,399
Unallocated liabilities:					
Borrowings					390,674
Other unallocated corporate liabilities					2,293,445
Total liabilities					<u>4,331,518</u>

As at 31 December 2024

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	1,987,785	137,434	205,475	(1,860,808)	469,886
Unallocated assets:					
Cash and bank balances					775,358
Restricted cash					290,242
Financial assets at FVOCI					8,000
Deferred tax assets					9,414
Total assets					<u>1,552,900</u>
Total segment liabilities	1,129,143	1,735,862	384,556	(1,860,808)	1,388,753
Unallocated liabilities:					
Borrowings					519,945
Other unallocated corporate liabilities					2,095,447
Total liabilities					<u>4,004,145</u>

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As at 31 December 2025

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	1,398,772	186,748	136,429	(1,222,466)	499,483
Unallocated assets:					
Cash and bank balances					1,253,296
Restricted cash					146,939
Financial assets at FVOCI					8,000
Deferred tax assets					9,439
Total assets					<u>1,917,157</u>
Total segment liabilities	1,109,938	1,134,670	466,246	(1,222,466)	1,488,388
Unallocated liabilities:					
Borrowings					517,316
Other unallocated corporate liabilities					1,667,492
Total liabilities					<u>3,673,196</u>

As at 30 June 2026

	Guangdong Province	Other regions in Chinese Mainland	Hong Kong & Macau	Inter- segment elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total segment assets	1,449,843	187,324	138,493	(1,251,450)	524,210
Unallocated assets:					
Cash and bank balances					1,258,179
Restricted cash					140,215
Financial assets at FVOCI					8,000
Deferred tax assets					6,101
Total assets					<u>1,936,705</u>
Total segment liabilities	1,078,975	1,116,402	496,263	(1,251,450)	1,440,190
Unallocated liabilities:					
Borrowings					490,208
Other unallocated corporate liabilities					1,643,576
Total liabilities					<u>3,573,974</u>

6 REVENUE

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Product sales	11,460,052	11,490,657	11,038,660	(Unaudited) 5,065,166	4,951,472
Royalty and franchising services	176,050	169,389	159,069	74,202	73,495
Others	107,987	127,750	145,915	62,934	70,389
	<u>11,744,089</u>	<u>11,787,796</u>	<u>11,343,644</u>	<u>5,202,302</u>	<u>5,095,356</u>
Revenue from contract with customers recognised:					
– at a point in time	11,560,786	11,614,038	11,183,492	5,127,577	5,021,131
– over time	183,303	173,758	160,152	74,725	74,225
	<u>11,744,089</u>	<u>11,787,796</u>	<u>11,343,644</u>	<u>5,202,302</u>	<u>5,095,356</u>

There is no single external customer who contributed 10% or more of the Group’s revenue during the Track Record Period.

APPENDIX I

ACCOUNTANT’S REPORT

Accounting policies of revenue recognition

Revenue is measured when or as the control of the goods or services is transferred to a customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods and services may be transferred over time or at a point in time. Control of the goods and services is transferred over time if the Group’s performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods and services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include multiple performance obligations. For such arrangements, the Group allocates revenue to each performance obligation based on its relative standalone selling price. The Group generally determines standalone selling prices based on the prices charged to customers. If the standalone selling price is not directly observable, it is estimated using expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information. Assumptions and estimations have been made in estimating the relative selling price of each distinct performance obligation, and changes in judgements on these assumptions and estimates may impact the revenue recognition.

(a) Product sales

The Group principally generates its revenue from the sales of fresh products through its self-operating stores/self-operating channels, franchise stores/franchise channels.

- Revenue from sales of fresh products via self-operating stores/self-operating channels to the individual customers is recognised at the point in time when the individual customers accept the ordered fresh products and the control over the fresh foods products is transferred to the customer.
- Revenue from sales of fresh foods and other products to the franchise stores is recognised at the point in time upon the franchise stores accept the fresh products and the control over the fresh foods is transferred to the franchise stores, after which such fresh foods and other products are sold by the franchise stores/franchise channels to the individual customers.

The Group is the primary obligator for the fresh products for the above sales, takes inventory risk and has latitude in establishing prices and selecting suppliers. Revenue is recorded on the gross basis.

Discounts and return allowances

The Group recognises the revenue net of discounts and return allowances when the products are delivered, and the control is passed to customers. For sale of products, the Group reasonably estimates the possibility of return based on the historical experience.

Loyalty programs

Individual customers buying from the operating stores are granted loyalty points primarily from the purchase of goods. Loyalty points can be used as cash coupons to buy the products sold by the Group, which will directly reduce the amount paid by the individual customer. The Group considers loyalty points awarded from sales of products to be part of its revenue generating activities, and accordingly, loyalty points are considered to be a material right and a separate performance obligation identified in the contract. Consideration from the sales transaction is allocated to the products and loyalty points based on the relative standalone selling price of the products and loyalty points awarded. The amount of revenue the Group recognises upon the redemption of loyalty points considers breakage, which is estimated based on the Group’s historical experience.

(b) Royalty and franchising services

The Group also charges one-off franchise fees and sales-based royalty fees to franchisees. The sales-based royalty fees were based on certain percentage of daily sales transactions completed. The Group’s promise to grant the licence is a separate performance obligation.

Revenue from franchise fees of franchise stores is recognised over the scheduled period on a straight-line basis because it’s “right to access” license, the sales-based royalty fees are recognised when the sales of franchisee to consumer transaction occur.

(c) Others

The Group also provides instant delivery services through its online sales channel and other third-party food delivery platforms. The Group acts as an agent and earns premium service and delivery charges. Such revenue is recognised at the point in time when the related performance obligation is satisfied.

APPENDIX I

ACCOUNTANT’S REPORT

The Group also generates revenue from providing operational support to franchise stores to ensure consistency of store styles, including design and decoration services and the sale of store equipment to franchisees. Design and decoration service fees are recognised as revenue when the related services are rendered. Revenue from the sale of store equipment is recognised at the point in time when the franchisee accepts the equipment and control of the equipment transfers to the franchisee.

(d) Presentation of assets and liabilities related to contracts with customers

When either party to a contract has performed, the Group presents the contract in the consolidated statements of financial position as a contract asset or a contract liability, depending on the relationship between the Group’s performance and the customer’s payment.

A contract asset is the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers goods or services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Non-current liabilities				
Contract liabilities related to royalty and franchising services	20,945	15,179	15,809	16,685
Current liabilities				
Contract liabilities related to royalty and franchising services	13,936	12,371	9,652	10,052
Contract liabilities related to product sales and others	4,595	2,662	4,375	7,816
	18,531	15,033	14,027	17,868
Total	39,476	30,212	29,836	34,553

(a) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000	RMB’000
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year/period				(Unaudited)	
– Royalty and franchising services . . .	17,982	13,219	11,783	7,857	5,820
– Product sales and others	9,263	4,595	2,662	1,490	2,244
	27,245	17,814	14,445	9,347	8,064

(b) Unsatisfied performance obligations

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the performance obligations relating to sales of fresh foods products not yet satisfied by the Company were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under HKFRS 15, the transaction price allocated to these unsatisfied performance obligations was not disclosed.

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The following table shows unsatisfied performance obligations resulting from loyalty programs and long-term franchising agreements:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	13,936	12,371	9,652	10,052
1 year to 2 years	10,236	6,498	6,558	7,962
2 years to 5 years	10,709	8,681	9,251	8,723
	34,881	27,550	25,461	26,737

For other services, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these types of contracts.

(c) *Assets recognised from incremental costs to obtain a contract*

During the Track Record Period, there was no significant incremental costs to obtain a contract.

7 OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Government grants (Note a)	5,562	3,140	1,888	(Unaudited) 961	819
Miscellaneous income (Note b)	8,943	13,038	11,206	5,712	3,839
Interest income on loans to a related party (Note 37(b))	6,126	2,575	—	—	—
Interest income on loans to a third party	—	5	122	39	84
	20,631	18,758	13,216	6,712	4,742

(a) Government grants mainly represented subsidies obtained from local governments upon fulfilling certain conditions or for engaging in specific industry. There are no unfulfilled conditions or other contingencies attaching to these grants.

(b) For the year ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the miscellaneous income from franchisees amounted to RMB6,750,000, RMB10,260,000, RMB9,320,000, RMB4,797,000 and RMB3,623,000 respectively. These amounts represent penalties collected by the Group for breaches of franchise agreements. The remaining miscellaneous income consists mainly default penalties from suppliers.

8 OTHER LOSSES – NET

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Exchange (losses)/gains – net	(3,444)	3,555	(8,677)	(Unaudited) (1,117)	(15,546)
Net losses on disposal of property, plant and equipment (Note 34(b))	(157)	(8,793)	(6,590)	(5,152)	(37)
Net (losses)/gains on lease termination and modification (Note a)	(1,952)	4,865	(4,752)	(4,291)	35
Fair value gains on derivative financial instruments	—	—	—	—	1,718
Losses on write-off of input VAT	(3,290)	(12,729)	(15,136)	(2,517)	—
Others	8,555	3,968	2,418	1,092	1,286
	(288)	(9,134)	(32,737)	(11,985)	(12,544)

(a) Net (losses)/gains from early termination and modification of lease agreements represents the (losses)/gains from early termination of lease agreements, losses of non-refundable rental deposit and the compensation for early termination of lease agreements.

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ACCOUNTANT’S REPORT

9 FINANCE COSTS – NET

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Finance income					
Interest income from bank deposits	9,948	13,811	18,085	8,786	6,277
Unwinding of discount from rental deposits	1,281	1,126	684	391	302
	11,229	14,937	18,769	9,177	6,579
Finance costs					
Interest expenses on lease liabilities	(15,463)	(6,816)	(9,011)	(4,991)	(3,591)
Interest expenses on bank borrowings . . .	(10,341)	(10,043)	(14,561)	(7,458)	(6,748)
Unwinding of discount on deposits from franchisees	(4,226)	(4,604)	(3,832)	(2,135)	(2,017)
	(30,030)	(21,463)	(27,404)	(14,584)	(12,356)
Finance costs – net	(18,801)	(6,526)	(8,635)	(5,407)	(5,777)

10 EXPENSES BY NATURE

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Costs of inventories sold or consumed . .	10,248,331	10,259,784	9,799,323	4,480,994	4,389,126
Costs of services provided to franchisees .	8,388	5,991	3,789	1,711	1,614
Employee benefit expenses (<i>Note 11</i>) . . .	563,276	545,015	493,236	258,227	232,518
Share-based payments to employees (<i>Note 27</i>)	18,147	51,735	23,221	8,993	25,929
Outsourced personnel service fee (<i>Note a</i>)	94,716	128,281	115,456	58,257	57,805
Logistics expenses	312,780	292,141	278,020	132,231	133,636
Fees charged by online platforms	25,933	37,137	48,938	20,391	22,967
Legal, professional and consultancy fees .	15,305	11,543	10,057	5,482	5,488
Remuneration for other statutory auditors	357	530	438	297	315
Office expenses	31,457	30,704	26,360	12,650	12,116
Utilities expenses	23,342	22,256	15,786	6,930	7,139
Travelling and entertainment expenses . .	21,922	21,795	19,215	9,327	10,512
Advertising and promotion expenses . . .	24,997	20,665	17,483	7,474	11,435
Net provision/(reversal of) for non-financial assets	1,059	38	(32)	373	–
Depreciation of right-of-use assets (<i>Note 17</i>)	127,812	98,256	84,689	43,926	35,665
Depreciation of property, plant and equipment (<i>Note 16</i>)	48,100	36,452	15,708	9,178	5,128
Amortisation of intangible assets (<i>Note 18</i>)	4,650	4,921	5,020	2,537	2,581
Expense relating to short-term leases (<i>Note 17</i>)	25,221	18,199	16,628	6,867	10,270
[REDACTED]	3,086	16,929	15,672	–	7,777
Others	36,118	40,068	38,215	15,702	24,835
	11,634,997	11,642,440	11,027,222	5,081,547	4,996,856
Representing:					
Cost of sales	10,595,626	10,585,926	10,075,578	4,622,207	4,511,333
Selling and marketing expenses	605,742	607,348	569,275	276,754	286,838
Administrative expenses	414,092	432,738	371,051	176,269	193,350
Research and development expenses	19,537	16,428	11,318	6,317	5,335
	11,634,997	11,642,440	11,027,222	5,081,547	4,996,856

- (a) It represents costs incurred by the Group for human resource companies responsible for outsourced staff working at warehouses and distribution centres.

APPENDIX I

ACCOUNTANT’S REPORT

11 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Wages and salaries	451,693	423,045	382,162	199,657	182,962
Discretionary bonus	30,541	38,907	26,179	11,596	14,553
Pension costs – defined contribution plan (Note a)	49,364	43,512	41,283	22,042	21,213
Termination benefits	11,565	12,201	24,912	14,904	6,024
Other employee benefits	20,113	27,350	18,700	10,028	7,766
	563,276	545,015	493,236	258,227	232,518

- (a) Employees in the Group’s PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group’s PRC subsidiaries contribute funds which are calculated on certain percentage of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, the Group and its employees make monthly contributions to the scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation. Both the Group’s and the employees’ contributions were subject to a monthly cap of HK\$1,500 and thereafter contributions are voluntary.

- (b) **Five highest paid individuals**

The five individuals whose emoluments were the highest in the Group included nil, one, nil, nil and one director for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, whose emoluments are reflected in the analysis shown in Note 38. The emoluments payable to the remaining five, four, five, five and four individuals for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively, are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Basic salaries, other allowances and benefits in kind	7,087	6,603	9,092	4,011	3,439
Discretionary bonus	1,860	1,704	4,933	1,571	1,477
Pension costs – defined contribution plan	116	92	190	91	90
Share-based payments	3,254	10,231	13,286	3,783	2,552
	12,317	18,630	27,501	9,456	7,558

The emoluments fell within the following bands:

	Number of individuals				
	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Emolument bands (in HK\$)					
HK\$nil to HK\$1,000,000	–	–	–	–	–
HK\$1,000,001 to HK\$1,500,000	–	–	–	–	–
HK\$1,500,001 to HK\$2,000,000	2	–	–	4	3
HK\$2,000,001 to HK\$2,500,000	1	–	–	–	–
HK\$2,500,001 to HK\$3,000,000	–	1	1	–	–
HK\$3,000,001 to HK\$3,500,000	–	–	1	1	1
HK\$3,500,001 to HK\$4,000,000	1	1	1	–	–
HK\$4,000,001 to HK\$4,500,000	1	–	–	–	–
HK\$4,500,001 to HK\$5,000,000	–	1	–	–	–
HK\$6,000,001 to HK\$6,500,000	–	–	1	–	–
HK\$9,000,001 to HK\$9,500,000	–	1	–	–	–
HK\$11,000,001 to HK\$11,500,000	–	–	1	–	–
	5	4	5	5	4

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Accounting policies of employee benefits

(a) Pension obligations

The Group only operates defined contribution pension plans. In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees’ salaries. The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees’ payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the governments.

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 was enacted in June 2022 which abolishes the use of the accrued benefits of employers’ mandatory contributions under the MPFO to offset severance payment and long service payment (the “Offsetting Arrangement”). The abolishment of the Offsetting Arrangement would increase the state benefits that affect the long service payment payable by the employer. In accordance with the requirement of HKAS 19 Employee benefits, management has re-measured the provision for long service payment to reflect the financial impact of the abolishment of the Offsetting Arrangement. The impact was assessed not material for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

The Group’s contributions to the defined contribution retirement scheme are expensed as incurred.

(b) Housing funds, medical insurances and other social insurances

Employees of the Group in the PRC are entitled to participate in various government-supervised housing funds, medical insurances and other social insurance plan. The Group contributes on a monthly basis to these funds based on certain percentages of the salaries of the employees, subject to certain ceiling. The Group’s liability in respect of these funds is limited to the contributions payable in each year. Contributions to the housing funds, medical insurances and other social insurances are expensed as incurred.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (i) when the Group can no longer withdraw the offer of those benefits; and (ii) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

12 INTEREST IN SUBSIDIARIES – THE COMPANY

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Investment in subsidiaries	2,024,381	1,755,992	1,755,992	1,755,992
Amounts due from subsidiaries	1,001,112	1,283,363	1,303,712	1,325,809
	3,025,493	3,039,355	3,059,704	3,081,801

APPENDIX I

ACCOUNTANT’S REPORT

The following is a list of all the subsidiaries as at 31 December 2023, 2024 and 2025 and 30 June 2026 and date of this report:

Company name	Place and date of incorporation/ establishment	Registered/ issued capital	Effective interest of the Group as at 31 December 2023	Effective interest of the Group as at 31 December 2024	Effective interest of the Group as at 31 December 2025	Effective interest of the Group as at 30 June 2026	Effective interest of the Group as at date of this report	Principal activities and place of operation	Note
Directly held:									
Qdama International Investment Holding Ltd.	The BVI, 20 May 2021, limited liability company	US\$0.1	100%	100%	100%	100%	100%	Investment holding, the BVI	(v)
Indirectly held:									
Qdama (Hong Kong) Investment Holding Limited	Hong Kong, 9 June 2021, limited liability company	HK\$10,000	100%	100%	100%	100%	100%	Investment holding, HK	(xi)
錢大媽 (香港) 投資控股有限公司									
Guangzhou Qdama Agricultural Products Co., Ltd.	PRC, 16 May 2014, limited liability company	RMB\$22,316,502	100%	100%	100%	100%	100%	Brand management, PRC	(i), (vi)
廣州市錢大媽農產品有限公司									
Guangzhou Qdama Enterprise Management Consulting Co., Ltd.	PRC, 27 April 2017, limited liability company	RMB1,000,000	100%	100%	100%	100%	N/A	Store operations management and supply chain management, PRC	(i), (vii)
廣州市錢大媽企業管理諮詢有限公司 (Formerly known as Zhongshan Qdama Agricultural Products Co., Ltd.									
中山市錢大媽農產品有限公司)									
Shenzhen Qdama Agricultural Products Co., Ltd.	PRC, 2 December 2013, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain management, PRC	(i), (vi)
深圳市錢大媽農產品有限公司									
Qingyuan Qdama Agricultural Products Co., Ltd.	PRC, 19 December 2017, limited liability company	RMB1,000,000	100%	100%	N/A	N/A	N/A	Store operations management, PRC	(i), (iii), (v)
清遠市錢大媽農產品有限公司									
Dongguan Qdama Agricultural Products Co., Ltd.	PRC, 12 October 2016, limited liability company	RMB500,000	100%	100%	100%	100%	100%	Store operations and supply chain management, PRC	(i), (ix)
東莞市錢大媽農產品有限公司									
Guangzhou Qdama Fresh Food Chain Co., Ltd. 廣州市錢大媽生鮮食品連鎖有限公司	PRC, 14 September 2018, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Shanghai Qdama Agricultural Products Co., Ltd.	PRC, 22 March 2019, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations and supply chain management, PRC	(i), (v)
上海錢大媽農產品有限公司									
Foshan Qiancunzhang Agricultural Products Co., Ltd.	PRC, 24 January 2017, limited liability company	RMB1,000,000	100%	100%	N/A	N/A	N/A	Store operations management, PRC	(i), (iii), (v)
佛山市錢村長農副產品有限公司									
Zhuhai Qiancunzhang Agricultural Products Co., Ltd.	PRC, 3 July 2017, limited liability company	RMB1,000,000	100%	100%	N/A	N/A	N/A	Store operations management, PRC	(i), (iii), (v)
珠海市錢村長農產品有限公司									
Guangzhou Qdama Supply Chain Co., Ltd.	PRC, 12 February 2020, limited liability company	RMB10,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (vi)
廣州市錢大媽供應鏈有限公司									

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Guangzhou Caiba Tech Co., Ltd. 廣州市菜吧科技有限公司	PRC, 26 February 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Guangzhou Zhuixian Food Co., Ltd. 廣州市追鮮食品有限公司 (Formerly known as Guangzhou Qdama E-commerce Co., Ltd. 廣州市錢大媽電子商務有限公司)	PRC, 13 August 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Online sales, PRC	(i), (v)
Hong Kong Qdama Fresh Foods Chain Store Co., Limited 香港錢大媽生鮮食品連鎖有限公司	Hong Kong, 27 February 2019, limited liability company	HK\$12,000,000	100%	100%	100%	100%	100%	Store operations management, HK	(xi)
Shenzhen Fresh Food Tech Holding Co., Ltd. 深圳市鮮食科技控股有限公司	PRC, 21 June 2019, limited liability company	RMB5,000,000	51%	51%	71%	71%	71%	Investment holding, PRC	(i), (v), (xii)
Wuhan Qdama Fresh Food Chain Co., Ltd. 武漢市錢大媽生鮮食品連鎖有限公司	PRC, 28 August 2019, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain management, PRC	(i), (v)
Changsha Qdama Fresh Food Chain Co., Ltd. 長沙市錢大媽生鮮食品有限公司	PRC, 23 December 2019, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Chengdu Qdama Fresh Supermarket Co., Ltd. 成都市錢大媽生鮮超市有限公司	PRC, 15 January 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain management, PRC	(i), (viii)
Chongqing Qdama Agricultural Products Co., Ltd. 重慶市錢大媽農副產品有限公司	PRC, 15 February 2020, limited liability company	RMB8,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Jiangsu Qdama Technology Co., Ltd. 江蘇錢大媽科技有限公司	PRC, 4 June 2020, limited liability company	RMB10,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Chengdu Qdama supply chain Co., Ltd. 成都市錢大媽供應鏈有限公司	PRC, 3 March 2020, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Store operations management, PRC	(i), (iii), (v)
Chongqing Qdama Supply Chain Co., Ltd. 重慶市錢大媽供應鏈管理有限公司	PRC, 20 February 2020, limited liability company	RMB35,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (v)
Changsha Qdama Agricultural Products Co., Ltd. 長沙市錢大媽農產品有限公司	PRC, 28 April 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (v)
Hefei Qdama Fresh Food Chain Co., Ltd. 合肥錢大媽生鮮食品有限公司	PRC, 5 August 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain management, PRC	(i), (v)
Hangzhou Qdama Fresh Food Chain Co., Ltd. 杭州錢大媽生鮮食品連鎖有限公司	PRC, 6 August 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC	(i), (v)
Shanghai Qdama Supply Chain Co., Ltd. 上海錢大媽供應鏈管理有限公司	PRC, 22 January 2021, limited liability company	RMB1,000,000	100%	N/A	N/A	N/A	N/A	Supply chain management, PRC	(i), (ii), (v)

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Nanjing Qdama Fresh Food Chain Co., Ltd. 南京錢大媽生鮮食品有限公司	PRC, 7 December 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management and supply chain	(i), (v)
Tianjin Qdama Fresh Food Chain Co., Ltd. 天津錢大媽生鮮食品連鎖有限公司	PRC, 15 December 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC management and supply chain	(i), (v)
Xi'an Qdama Fresh Food Chain Co., Ltd. 西安錢大媽生鮮食品連鎖有限公司	PRC, 25 August 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC management and supply chain	(i), (v)
Zhengzhou Qdama Agricultural Products Co., Ltd. 鄭州錢大媽農產品有限公司	PRC, 31 August 2020, limited liability company	RMB1,000,000	100%	100%	100%	100%	100%	Store operations management, PRC management and supply chain	(i), (v)
Shenzhen Qianxianda Supply Chain Co., Ltd. 深圳市錢鮮達供應鏈有限公司 (Formerly known as Shenzhen Qdama Supply Chain Co., Ltd. 深圳市錢大媽供應鏈有限公司)	PRC, 14 May 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Supply chain management and investment holding, PRC	(i), (v)
Zhongshan Qdama Supply Chain Co., Ltd. 中山市錢大媽供應鏈管理有限公司	PRC, 2 June 2020, limited liability company	RMB5,000,000	100%	100%	100%	N/A	N/A	Supply chain management, PRC	(i), (v)
Dongguan Qdama Supply Chain Co., Ltd. 東莞市錢大媽供應鏈管理有限公司	PRC, 27 May 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (v)
Wuxi Qdama Supply Chain Co., Ltd. 無錫市錢大媽供應鏈有限公司	PRC, 6 July 2020, limited liability company	RMB5,000,000	100%	100%	100%	N/A	N/A	Supply chain management, PRC	(i), (iv), (v)
Shenzhen Qdama Port Management Co., Ltd. 深圳市錢大媽港務管理有限公司	PRC, 10 July 2020, limited liability company	RMB5,000,000	100%	100%	100%	100%	100%	Supply chain management, PRC	(i), (ix)
Wuhan Qdama Supply Chain Co., Ltd. 武漢市錢大媽供應鏈有限公司	PRC, 10 June 2020, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Supply chain management, PRC	(i), (iii), (v)
Hangzhou Qdama Supply Chain Co., Ltd. 杭州市錢大媽供應鏈有限公司	PRC, 28 October 2020, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Supply chain management, PRC	(i), (iii), (v)
Hefei Qdama Supply Chain Co., Ltd. 合肥錢大媽供應鏈有限公司	PRC, 2 November 2020, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Supply chain management, PRC	(i), (iii), (v)
Nanjing Qdama Supply Chain Co., Ltd. 南京錢大媽供應鏈有限公司	PRC, 29 March 2021, limited liability company	RMB5,000,000	100%	100%	N/A	N/A	N/A	Supply chain management, PRC	(i), (iii), (v)
Shenzhen Fresh Food Technology Co., Ltd. 深圳鮮食科技有限公司	PRC, 16 April 2018, limited liability company	RMB5,000,000	51%	51%	71%	71%	71%	Sales of fresh fruits, PRC	(i), (v)

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Shanghai Odama Business Management Co., Ltd. 上海錢大媽企業管理有限公司	PRC, 25 June 2021, limited liability company	RMB100,000	100%	100%	N/A	N/A	N/A	Business management, PRC	(i), (iii), (v)
Guangzhou Qinghe Zhiyun Technology Co., Ltd. 廣州青禾智雲科技有限公司 (Formerly known as Guangzhou Odama Information Technology Company Limited 廣州市錢大媽信息科技有限公司)	PRC, 23 May 2022, limited liability company	RMB15,000,000	100%	100%	100%	100%	100%	Software development and data processing, PRC	(i), (x)
Cadeia de Lojas de Alimentos Frescos de Macau Odama, Sociedade Unipessoal Limitada 澳門錢大媽生鮮食品連鎖一人有限公司	Macau, 7 July 2021, limited liability company	MOP25,000	100%	100%	100%	100%	100%	Store operations management, the Macau	(v)
Guangdong Qiantu Investment Holdings Co., Ltd. 廣東錢途投資控股有限公司	PRC, 27 May 2024, limited liability company	RMB10,000,000	N/A	100%	100%	100%	100%	Investment holding, PRC	(i), (v)
Hainan Qianxianda Agricultural Products Co., Ltd. 海南錢鮮達農產品有限公司	PRC, 17 April 2026, limited liability company	RMB1,000,000	N/A	N/A	N/A	100%	100%	Sales of fresh product, PRC	(i), (v)
(i) The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have official English names.									
(ii) The subsidiaries were dissolved during the year ended 31 December 2024.									
(iii) The subsidiaries were dissolved during the year ended 31 December 2025.									
(iv) The subsidiaries were dissolved during the six months ended 30 June 2026.									
(v) No audited statutory financial statements of the subsidiaries were issued.									
(vi) The statutory financial statements of the subsidiaries for the years ended 31 December 2023, 2024 and 2025 were audited by Guangzhou Fuyang Jianda Certified Public Accountants, Ltd (廣州富揚健達會計師事務所有限公司).									
(vii) The statutory financial statements of the subsidiary for the year ended 31 December 2023 and 2024 were audited by Guangzhou Fuyang Jianda Certified Public Accountants, Ltd (廣州富揚健達會計師事務所有限公司). No audited financial statement was issued for the year ended 31 December 2025. The subsidiary was dissolved on 23 July 2026.									
(viii) The statutory financial statements of the subsidiary for the year ended 31 December 2023 were audited by Guangzhou Fuyang Jianda Certified Public Accountants, Ltd (廣州富揚健達會計師事務所有限公司). No audited financial statements were issued for the year ended 31 December 2024 and 2025.									
(ix) The statutory financial statements of the subsidiaries for the year ended 31 December 2024 and 2025 were audited by Guangzhou Fuyang Jianda Certified Public Accountants, Ltd (廣州富揚健達會計師事務所有限公司). No audited financial statement was issued for the year ended 31 December 2023.									
(x) The statutory financial statements of the subsidiary for the years ended 31 December 2023, 2024 and 2025 were audited by Guangdong Zhongguangrun Certified Public Accountants (General Partnership) (廣東中海粵會計師事務所(普通合夥)).									
(xi) The statutory financial statements of the subsidiaries for the years ended 31 December 2023, 2024 and 2025 were audited by D & Partners Certified Public Accountants (德博會計師事務所).									
(xii) On 29 September 2025, the Group further acquired 20% equity interest in Shenzhen Fresh Food Tech Holding Co., Ltd. (“Shenzhen Fresh Food”) at a consideration of RMB1,819,000. Shenzhen Fresh Food is an investment holding company in the PRC. Non-controlling interest amounting to RMB777,000 was derecognised.									
All companies now comprising the Group have adopted 31 December as their financial year end date.									

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13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current asset				
[REDACTED] equity securities	5,000	8,000	8,000	8,000
	5,000	8,000	8,000	8,000

The movement of equity investments at fair value through other comprehensive income (“FVOCI”) is as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
At the beginning of the year/period	—	5,000	8,000	8,000	8,000
Addition (Note a)	5,000	3,000	—	—	—
At the end of the year/period	5,000	8,000	8,000	8,000	8,000

- (a) On 10 April 2023, the Group acquired a 5% interest in Guangzhou Jinfeng Meat Union Food Co., Ltd, a limited liability company incorporated in the PRC, at a consideration of RMB5,000,000.

On 28 August 2024, the Group acquired a 10% interest of Guangzhou Qianxiansheng Supply Chain Technology Co., Ltd, a limited liability company incorporated in the PRC, at a consideration of RMB3,000,000.

14 INCOME TAX EXPENSES

(a) Cayman Islands income tax

The Cayman Islands currently levy no taxes on corporations based upon profits, income, gains, or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for certain stamp duties that may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. In addition, the Cayman Islands does not impose withholding tax on dividend payments.

(b) British Virgin Islands income tax

Under the current laws of the British Virgin Islands, entities incorporated in the British Virgin Islands are not subject to tax on their income or capital gains.

(c) Hong Kong profits tax

Hong Kong profits tax has been provided for at the rate of 16.5% on the estimated assessable profits of the Group’s entities incorporated in Hong Kong for each of the Track Record Period.

The provision for Hong Kong profits tax for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 are calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporation are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. The profits of corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

(d) Macau profits tax

Macau profits tax has been provided for at the rate of 12% on the estimated assessable profits of the Group’s entities incorporated in Macau for the Track Record Period.

(e) PRC corporate income tax (“CIT”)

CIT provision was made on the estimated assessable profits of entities within the Group incorporated in the PRC and was calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits from refunds and allowances. The general PRC CIT rate is 25% during the Track Record Period.

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The income tax expense of the Group is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Current income tax	22,022	21,721	30,551	16,782	9,857
Deferred income tax (<i>Note 30</i>)	(7,061)	2,746	183	2,591	4,699
	14,961	24,467	30,734	19,373	14,556

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two) (i.e. BEPS 2.0), and various governments around the world have issued, or are in the process of issuing, legislation on this. Pillar Two legislation in Hong Kong, namely the Inland Revenue (Amendment) (Minimum Tax for Multinational Enterprise Groups) Ordinance 2025, has been enacted on 6 June 2025 and the rules take effect from 1 January 2025. The Group’s major operating region is in PRC, the PRC government have not substantively enacted the legislation on Pillar Two as of the date of approval of these financial statements. In conjunction with the ultimate holding company of the Group, an assessment was performed on the various regions that the Group has operations and no material exposure was identified or recognised during the year ended 31 December 2025 and the six months ended 30 June 2026.

The tax on the Group’s profit/(loss) before income tax differs from the theoretical amount that would arise using the tax rate of 25% for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, being the tax rate of the major subsidiaries of the Group. The difference is analysed as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Profit/(loss) before income tax	183,524	312,856	(247,903)	195,423	82,607
Tax calculated at PRC statutory income tax rate of 25%	45,881	78,214	(61,976)	48,856	20,652
Tax effects of:					
– Expenses not deductible for tax purposes	7,554	5,269	7,335	4,075	5,232
– Temporary differences not recognised . .	144	8,251	18	4,225	145
– Tax losses not recognised.	36,894	8,931	123,222	67,054	5,525
– Recognition of tax losses previously not recognised	–	(3,279)	(2,700)	(600)	(409)
– Utilization of tax losses previously not recognised	(37,118)	(24,445)	(36,292)	(18,277)	(19,543)
– Different tax rates applicable to different subsidiaries of the Group . .	(24,900)	(51,680)	126,948	(26,325)	2,599
– Super deduction for research and development expenses	(560)	(572)	(1,531)	(780)	(800)
– Preferential income tax rates applicable to subsidiaries	(12,934)	3,778	(124,290)	(58,855)	1,155
Total income tax expenses	14,961	24,467	30,734	19,373	14,556

Accounting policies of current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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15 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share is calculated on the profit/(loss) attributable to owners of the Company divided by the weighted average number of ordinary shares outstanding (excluding the ordinary shares held by the Group under the Share option schemes) during the respective year/period.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Profit/(loss) attributable to owners of the Company (<i>RMB'000</i>)	168,867	288,438	(278,810)	175,993	68,129
Weighted average number of ordinary shares in issue (thousand shares)	980,978	958,739	1,115,571	941,079	1,494,904
Basic earnings/(loss) per share (expressed in RMB cents)	17.21	30.09	(24.99)	18.70	4.56

(b) Diluted earnings/(loss) per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, the Company had convertible redeemable preferred shares, warrants, and share options that could potentially dilute earnings/(loss) per share.

Convertible redeemable preferred shares and warrants issued before the Track Record Period are considered to be potential ordinary shares and have been included in the determination of diluted earnings/(loss) per share start from the year. The CRPS and warrants have not been included in the determination of basic earnings per share.

The share options under the share option scheme have no dilutive impact on the diluted earnings/(loss) per share as they are considered as contingently issuable shares and the condition was not satisfied as at 31 December 2023, 2024 and 2025 and 30 June 2025 and 2026.

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Profit/(loss) attributable to owners of the Company (<i>RMB'000</i>)	168,867	288,438	(278,810)	175,993	68,129
Less: fair value change of convertible redeemable preferred shares	(73,418)	(163,847)	(419,052)	(99,674)	(5,061)
Profit/(loss) used in calculating diluted earnings per share	95,449	124,591	(697,862)	76,319	63,068
Weighted average number of ordinary shares in issue (thousand shares)	980,978	958,739	1,115,571	941,079	1,494,904
Dilutive effect of convertible redeemable preferred shares and warrants (thousand shares)	651,758	647,840	646,091	581,313	581,313
Weighted average number of ordinary shares used in the diluted earnings per share calculation (thousand shares) . . .	1,632,736	1,606,579	1,761,662	1,522,392	2,076,217
Diluted earnings/(loss) per share (expressed in RMB cents)	5.85	7.76	(39.61)	5.01	3.04

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16 PROPERTY, PLANT AND EQUIPMENT

	Furniture and electronic equipment	Fixtures and equipment	Leasehold improvements	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023					
Cost	40,595	71,868	193,925	543	306,931
Accumulated depreciation and impairment	(26,919)	(31,920)	(127,250)	–	(186,089)
Net book amount	13,676	39,948	66,675	543	120,842
Year ended 31 December 2023					
Opening net book amount	13,676	39,948	66,675	543	120,842
Additions	3,149	3,229	8,473	2,534	17,385
Transfers	–	–	1,718	(1,718)	–
Disposals	(1,270)	(1,621)	(2,555)	(991)	(6,437)
Depreciation	(7,456)	(11,026)	(29,618)	–	(48,100)
Impairment	(54)	(170)	(239)	–	(463)
Exchange differences	(8)	(65)	(231)	–	(304)
Closing net book amount	8,037	30,295	44,223	368	82,923
As at 31 December 2023					
Cost	38,713	69,837	187,560	368	296,478
Accumulated depreciation and impairment	(30,676)	(39,542)	(143,337)	–	(213,555)
Net book amount	8,037	30,295	44,223	368	82,923
Year ended 31 December 2024					
Opening net book amount	8,037	30,295	44,223	368	82,923
Additions	1,797	3,625	4,684	1,535	11,641
Transfers	–	–	904	(904)	–
Disposals	(723)	(4,951)	(9,165)	–	(14,839)
Depreciation	(5,060)	(9,900)	(21,492)	–	(36,452)
Reversal of impairment	4	39	85	–	128
Exchange differences	10	8	34	–	52
Closing net book amount	4,065	19,116	19,273	999	43,453
As at 31 December 2024					
Cost	37,440	61,992	173,088	999	273,519
Accumulated depreciation and impairment	(33,375)	(42,876)	(153,815)	–	(230,066)
Net book amount	4,065	19,116	19,273	999	43,453
Year ended 31 December 2025					
Opening net book amount	4,065	19,116	19,273	999	43,453
Additions	1,912	5,200	3,926	238	11,276
Transfers	–	–	1,237	(1,237)	–
Disposals	(1,072)	(3,237)	(7,150)	–	(11,459)
Depreciation	(2,504)	(1,767)	(11,437)	–	(15,708)
Reversal of impairment	7	1	24	–	32
Exchange differences	(9)	(9)	(28)	–	(46)
Closing net book amount	2,399	19,304	5,845	–	27,548
As at 31 December 2025					
Cost	34,040	57,505	159,434	–	250,979
Accumulated depreciation and impairment	(31,641)	(38,201)	(153,589)	–	(223,431)
Net book amount	2,399	19,304	5,845	–	27,548
Six months ended 30 June 2025 (Unaudited)					
Opening net book amount	4,065	19,116	19,273	999	43,453
Additions	683	3,170	1,675	238	5,766
Transfers	–	–	1,108	(1,108)	–
Disposals	(265)	(2,262)	(5,729)	–	(8,256)
Depreciation	(1,130)	(2,568)	(5,480)	–	(9,178)
Impairment	(211)	(15)	(147)	–	(373)
Exchange differences	(3)	(6)	(25)	–	(34)
Closing net book amount	3,139	17,435	10,675	129	31,378

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	Furniture and electronic equipment	Fixtures and equipment	Leasehold improvements	Construction in progress	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 30 June 2025 (Unaudited)					
Cost	36,663	60,612	165,361	129	262,765
Accumulated depreciation and impairment	(33,524)	(43,177)	(154,686)	–	(231,387)
Net book amount	3,139	17,435	10,675	129	31,378
Six months ended 30 June 2026					
Opening net book amount	2,399	19,304	5,845	–	27,548
Additions	674	3,725	3,562	–	7,961
Disposals	(28)	(46)	(188)	–	(262)
Depreciation	(839)	(2,455)	(1,834)	–	(5,128)
Exchange differences	(13)	(11)	(40)	–	(64)
Closing net book amount	2,193	20,517	7,345	–	30,055
As at 30 June 2026					
Cost	34,159	60,367	164,926	–	259,452
Accumulated depreciation and impairment	(31,966)	(39,850)	(157,581)	–	(229,397)
Net book amount	2,193	20,517	7,345	–	30,055

Depreciation expenses were charged to the following categories in the consolidated statements of comprehensive income:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
				(Unaudited)	
Cost of sales	29,815	26,045	10,335	6,270	2,674
Selling and marketing expenses	11,110	6,003	3,866	2,026	1,680
Administrative expenses	7,175	4,404	1,507	882	774
	48,100	36,452	15,708	9,178	5,128

No property, plant and equipment is pledged as security for bank borrowings as at 31 December 2023, 2024 and 2025 and 30 June 2026.

Depreciation methods and useful lives

Property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when future economic benefits associated with the item would probably flow to the Group and the cost of the item could be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over the shorter of their estimated useful lives or, in case of leasehold improvements, the lease term, as follows:

– Furniture and electronic equipment	3 – 5 years
– Fixtures and equipment	3 – 10 years
– Leasehold improvements	Shorter of estimated useful lives or lease terms

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the [REDACTED] with the carrying amount and are recognised within “other losses – net” in the consolidated statements of comprehensive income.

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No depreciation is provided for assets under construction. The carrying amount of an asset under construction is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less costs to sell and VIU. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

17 LEASE

(a) Amounts recognised in the consolidated statements of financial position

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Right-of-use assets				
– Leased premises	197,523	146,451	212,834	229,813
– Leased equipments	2,987	2,280	385	388
	<u>200,510</u>	<u>148,731</u>	<u>213,219</u>	<u>230,201</u>
Lease liabilities				
– Current	95,576	67,493	60,886	60,377
– Non-current	119,596	76,996	149,938	162,902
	<u>215,172</u>	<u>144,489</u>	<u>210,824</u>	<u>223,279</u>

Additions to the right-of-use assets for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 were RMB86,000,000, RMB113,077,000, RMB258,060,000, RMB186,087,000 and RMB62,094,000 respectively.

The Group performed impairment assessment for its non-financial assets, including the right-of-use assets, property and equipment and intangible assets, when events or changes in circumstances indicated that the related asset values may not be recoverable. The carrying value of related assets were supported by recoverable amounts which were calculated for the CGUs to which these assets belong using the value in use (“VIU”) model. Impairment provision would be made if the carrying amounts exceeded the recoverable amounts of the respective CGUs. The impairment provision made for right-of-use assets amounted to RMB596,000, RMB166,000, nil, nil and nil for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

(b) Amounts recognised in the consolidated statements of comprehensive income

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation of right-of-use assets (Note 10)	127,812	98,256	84,689	43,926	35,665
Provision for impairment losses on right-of-use assets	596	166	–	–	–
Interest expenses on lease liabilities (Note 9)	15,463	6,816	9,011	4,991	3,591
Short-term lease expense and related rental expenses (Note 10)	25,221	18,199	16,628	6,867	10,270
Net losses/(gains) on lease termination and modification (Note 8)	1,952	(4,865)	4,752	4,291	35

The total cash outflow for leases for the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026 were RMB165,912,000, RMB121,961,000, RMB92,573,000, RMB46,005,000 and RMB52,483,000 respectively.

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(c) The Group’s leasing activities and how these are accounted for

The Group leases various properties, including warehouses and stores. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security of borrowing purpose.

Leases are recognised as a right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use assets are depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the lessee’s incremental borrowing rate.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

18 INTANGIBLE ASSETS

	Software
	<i>RMB’000</i>
As at 1 January 2023	
Cost	41,663
Accumulated amortisation	(10,430)
Net book amount	31,233
Year ended 31 December 2023	
Opening net book amount	31,233
Additions	6,642
Amortisation	(4,650)
Closing net book amount	33,225
As at 31 December 2023	
Cost	48,305
Accumulated amortisation	(15,080)
Net book amount	33,225

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	Software
	<i>RMB’000</i>
Year ended 31 December 2024	
Opening net book amount	33,225
Additions	2,398
Amortisation	(4,921)
Exchange difference	4
Closing net book amount	30,706
As at 31 December 2024	
Cost	50,707
Accumulated amortisation	(20,001)
Net book amount	30,706
Year ended 31 December 2025	
Opening net book amount	30,706
Additions	803
Amortisation	(5,020)
Exchange difference	(8)
Closing net book amount	26,481
As at 31 December 2025	
Cost	51,722
Accumulated amortisation	(25,241)
Net book amount	26,481
Six months ended 30 June 2025 (Unaudited)	
Opening net book amount	30,706
Additions	341
Amortisation	(2,537)
Exchange difference	(5)
Closing net book amount	28,505
As at 30 June 2025 (Unaudited)	
Cost	51,044
Accumulated amortisation	(22,539)
Net book amount	28,505
Six months ended 30 June 2026	
Opening net book amount	26,481
Additions	332
Amortisation	(2,581)
Exchange difference	(10)
Closing net book amount	24,222
As at 30 June 2026	
Cost	52,041
Accumulated amortisation	(27,819)
Net book amount	24,222

Amortisation of intangible assets has been charged to administrative expenses in the consolidated statements of comprehensive income.

Accounting policies of intangible assets

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses. Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets’ estimated useful lives. Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software, and are amortised over their estimated useful lives of 10 years based on contractual period.

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19 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost				
Trade receivables (<i>Note 21</i>)	6,791	2,568	2,771	5,032
Deposits and other receivables (excluding prepayments) (<i>Note 22</i>)	115,008	45,496	34,438	34,516
Restricted cash (<i>Note 23</i>)	282,288	290,242	146,939	140,215
Cash and cash equivalents (<i>Note 23</i>)	714,243	775,358	1,253,296	1,258,179
	<u>1,118,330</u>	<u>1,113,664</u>	<u>1,437,444</u>	<u>1,437,942</u>
Financial assets at fair value				
Financial assets at FVOCI (<i>Note 13</i>)	5,000	8,000	8,000	8,000
Derivative financial instruments (<i>Note 32</i>)	—	—	—	1,718
	<u>5,000</u>	<u>8,000</u>	<u>8,000</u>	<u>9,718</u>
Financial liabilities at amortised cost				
Trade payables (<i>Note 28</i>)	904,150	750,045	814,431	767,262
Accruals and other payables (excluding accrued payroll and other taxes payables) (<i>Note 29</i>)	371,105	349,841	336,470	326,146
Borrowings (<i>Note 31</i>)	390,674	519,945	517,316	490,208
Lease liabilities (<i>Note 17</i>)	215,172	144,489	210,824	223,279
	<u>1,881,101</u>	<u>1,764,320</u>	<u>1,879,041</u>	<u>1,806,895</u>
Financial liabilities at fair value				
Convertible redeemable preferred shares (<i>Note 26</i>)	2,292,653	2,094,867	1,666,704	1,641,427
	<u>2,292,653</u>	<u>2,094,867</u>	<u>1,666,704</u>	<u>1,641,427</u>

Accounting policies of financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

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(c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in “finance costs-net” together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of comprehensive income.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in finance costs-net. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in “finance costs-net” and impairment expenses are presented as separate line item in the consolidated statements of comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net in profit or loss within “other (losses)/gains”, net in the period in which it arises.

(d) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the consolidated statements of financial position where the Group currently has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

(e) *Impairment of financial assets*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1.2 details how the Group determines whether there has been a significant increase in credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial assets.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets. The provision matrix is determined based on historical observed default rates over the expected life of the trade receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

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20 INVENTORIES

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Products	27,001	32,119	31,218	29,303
Consumables	6,955	5,219	6,673	7,722
	33,956	37,338	37,891	37,025

Inventories of approximately RMB10,248,331,000, RMB10,259,784,000, RMB9,799,323,000, RMB4,480,994,000 and RMB4,389,126,000 were recognised as cost of sales during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, respectively.

There was no provision of inventories during the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

Accounting policies of inventories

Inventories are stated at the lower of cost and net realisable value. The costs of inventories are determined by the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

21 TRADE RECEIVABLES

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables (<i>Note a</i>)	8,655	2,960	3,090	5,450
Less: allowance for impairment	(1,864)	(392)	(319)	(418)
	6,791	2,568	2,771	5,032

The directors of the Group considered that the carrying amounts of the trade receivables balances approximated their fair value as at 31 December 2023, 2024 and 2025 and 30 June 2026.

- (a) Trade receivables were mainly from the franchisees. The franchisees were required to settle the payment with the Group on “T+1” basis. No credit terms were granted to franchisees. Ageing analysis based on invoice date of the trade receivables at the respective balance sheet dates is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 month	6,290	2,644	2,519	4,129
1 to 3 months	671	77	440	1,054
3 to 6 months	678	—	31	78
6 to 12 months	293	10	33	132
Over 1 year	723	229	67	57
	8,655	2,960	3,090	5,450

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2023, 2024 and 2025 and 30 June 2026, provision of approximately RMB1,864,000, RMB392,000, RMB319,000 and RMB418,000 was made against the gross amounts of trade receivables (Note 3.1.2), respectively.

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- (b) The carrying amounts of the Group’s trade receivables, net of loss allowance, were denominated in the following currencies:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	4,222	1,675	1,783	3,925
HK\$	2,569	865	925	1,085
MOP	–	28	63	22
	6,791	2,568	2,771	5,032

- (c) The maximum exposure to credit risk as at 31 December 2023, 2024 and 2025 and 30 June 2026 was the carrying value of the trade receivables. The Group did not hold any collateral as security.

Accounting policies of trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1.2 for a description of the Group’s impairment policies.

22 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets				
Rental deposits	28,901	22,651	13,600	13,357
Prepayment for purchase of property, plant and equipment and intangible assets	783	289	1,152	296
Loan to a third party (<i>Note a</i>)	–	2,505	3,893	3,978
Other prepayments (<i>Note b</i>)	13	2,697	5,800	7,001
	29,697	28,142	24,445	24,632
Less: allowance for impairment	(574)	(463)	(234)	(288)
	29,123	27,679	24,211	24,344
Current assets				
Value added tax recoverable	138,246	123,235	112,030	117,552
Rental deposits	14,741	18,234	11,197	11,585
Prepayment to suppliers	3,668	7,013	13,895	3,408
Prepaid [REDACTED]	583	4,719	8,471	12,906
Amounts due from a related party (<i>Note 37(c)</i>)	69,971	–	–	–
Prepaid expenses	11,170	18,376	10,192	15,121
Others	5,234	5,970	9,117	9,191
	243,613	177,547	164,902	169,763
Less: allowance for impairment	(3,265)	(3,400)	(3,135)	(3,307)
	240,348	174,147	161,767	166,456
Total	269,471	201,826	185,978	190,800

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- (a) The balance of loan to a third party was unsecured, with an effective annual interest rate of 4.54% and are not due for repayment within 12 months.
- (b) Other prepayments represent subsidies to certain franchisees for pre-opening support services provided to the franchisees. The subsidies were recognised on a straight-line basis over the expected life cycle, aligns with the franchisee’s access to the franchise rights.

The carrying amounts of the Group’s deposits, prepayments and other receivables, net of loss allowance, were denominated in the following currencies:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	264,323	194,940	179,094	184,544
HK\$	4,720	6,200	6,242	5,418
MOP	428	686	642	838
	<u>269,471</u>	<u>201,826</u>	<u>185,978</u>	<u>190,800</u>

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Included in current assets				
Prepaid [REDACTED]	583	4,719	8,471	12,906
Prepaid expenses	–	–	–	1,411
	<u>583</u>	<u>4,719</u>	<u>8,471</u>	<u>14,317</u>

Accounting policies of other receivables

If collection of other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. See Note 3.1.2 for a description of the Group’s impairment policies.

23 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash on hand	302	100	87	131
Cash at banks	996,229	1,065,500	1,400,148	1,398,263
	<u>996,531</u>	<u>1,065,600</u>	<u>1,400,235</u>	<u>1,398,394</u>
Less: Restricted cash (<i>Note a</i>)	(282,288)	(290,242)	(146,939)	(140,215)
	<u>714,243</u>	<u>775,358</u>	<u>1,253,296</u>	<u>1,258,179</u>

- (a) As at 31 December 2023, the restricted cash mainly comprised (i) guaranteed deposits amounted to RMB141,654,000 that are restricted in use for certain banking arrangement of the Group (Note 31(a)), (ii) guaranteed deposits amounted to RMB130,000,000 that are issuing bank acceptance bills, (iii) the restricted deposits amounted to RMB8,073,000 for freeze of property protection of certain litigation cases which was adjudicated after year end, (iv) the restricted deposits amounted to RMB1,000,000 for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of the PRC, (v) other restricted deposits represented the frozen bank account as the process of changing seals not completed.

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As at 31 December 2024, the restricted cash mainly comprised (i) guaranteed deposits amounted to RMB143,768,000 that are restricted in use for certain banking arrangement of the Group (Note 31(a)), (ii) guaranteed deposits amounted to RMB141,660,000 that are issuing bank acceptance bills, (iii) the restricted deposits amounted to RMB3,719,000 for freeze of property protection of certain litigation cases which was adjudicated after year end, (iv) the restricted deposits amounted to RMB1,005,000 for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of the PRC, (v) other restricted deposits represented the frozen bank account as the process of changing seals not completed.

As at 31 December 2025, the restricted cash mainly comprised (i) guaranteed deposits amounted to RMB140,575,000 that are restricted in use for certain banking arrangement of the Group, (ii) the restricted deposits amounted RMB5,354,000 represented the frozen bank account due to pending litigation, (iii) the restricted deposits amounted to RMB1,010,000 for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of the PRC.

As at 30 June 2026, the restricted cash mainly comprised (i) the restricted deposits held in designated bank accounts as security deposits for derivative financial instruments, RMB67,631,000 are denominated in HK\$ and RMB67,196,000 are denominated in Japanese Yen (“JPY”), (ii) guaranteed deposits amounted to RMB498,000 that are restricted in accordance with the transaction agreement signed with the government, (iii) the restricted deposits amounted RMB3,880,000 represented the frozen bank account due to pending litigation, (iv) the restricted deposits amounted to RMB1,010,000 for receipts in advance of prepaid cards in accordance with relevant regulations issued by Ministry of Commerce of the PRC.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Cash at banks	301	1,594	274	1,248
	301	1,594	274	1,248

(b) Cash and cash equivalents and restricted cash were denominated in the following currencies:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	738,310	651,014	882,427	971,656
US\$	203,851	371,013	404,653	260,035
HK\$	53,756	38,832	109,686	94,762
JPY	—	—	—	67,196
MOP	614	4,741	3,469	4,745
	996,531	1,065,600	1,400,235	1,398,394

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
RMB	50	5	44	6
US\$	251	1,589	230	1,242
	301	1,594	274	1,248

Funds of the Group as at 31 December 2023, 2024 and 2025 and 30 June 2026 of RMB855,227,000, RMB924,060,000, RMB1,110,368,000 and RMB1,207,167,000 are kept in the bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange control.

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Accounting policies of cash and cash equivalents and restricted cash

For the purpose of presentation in the consolidated statements of cash flows, cash and cash equivalents include cash in hand, cash at bank, short-term deposit with initial terms within three months and cash held in accounts managed by online payment platform that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

24 SHARE CAPITAL

The Group and the Company

	Number of shares	Par value US\$	Nominal value of shares US\$'000	Equivalent nominal value of shares RMB'000
Authorised:				
As at 31 December 2023, 2024 and 2025 and 30 June 2026	5,000,000,000	0.00001	50	321
Issued and fully paid:				
As at 1 January 2023	1,172,797,000	0.00001	11	72
Cancellation of treasury shares in 2023 (<i>Note a</i>)	(5,276,935)	0.00001	*	*
As at 31 December 2023	1,167,520,065	0.00001	11	72
Cancellation of treasury shares in 2024 (<i>Note b</i>)	(39,899,441)	0.00001	*	(3)
As at 31 December 2024	1,127,620,624	0.00001	11	69
Issuance of shares (<i>Note c</i>)	618,917,203	0.00001	6	44
As at 31 December 2025 and 30 June 2026	1,746,537,827	0.00001	17	113

* The amount is less than US\$/RMB1,000.

- (a) On 10 April 2023, the Company cancelled 5,276,935 shares held by Qdama Talent Holding Limited.
- (b) On 11 June 2024, the Company repurchased 39,899,441 ordinary shares held by Mr. Feng in the consideration of RMB110,000,000.
- (c) On 8 September 2025, the Company issued 618,917,203 new ordinary shares to holders of convertible redeemable preferred shares as consideration for amending certain clauses in the convertible redeemable preferred shares agreement. These amendments primarily postponed the redemption commencement date from 1 January 2026 to 1 January 2027 and adjusted the calculation of ordinary shares available in relation to preemptive right, right of first refusal holder and co-sale rights. The related modification was accounted for in accordance with HKFRS 2, and the fair value of the newly issued ordinary shares at the grant date amounting to RMB954,563,000 was recognised as expenses in profit or loss. Please refer to Note 27 for the relevant accounting policies.

Accounting policies of share capital

Ordinary shares are classified as equity. Convertible redeemable preferred shares are classified as liabilities.

Incremental costs directly attributable to the [REDACTED] or options are shown in equity as a deduction, net of tax, from the [REDACTED].

Where any group company purchases the Company’s equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

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25 OTHER RESERVES AND RETAINED EARNINGS

The Group

	Statutory reserves	Share premium	Share-based compensation	Currency translation differences	Treasury shares	Other reserves	Total reserves
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023	9,462	1,068	37,672	929	(159)	(5,357)	43,615
Appropriation of statutory reserves . . .	1,461	–	–	–	–	–	1,461
Fair value gains of convertible redeemable preferred shares due to own credit risk (Note 26)	–	–	–	–	–	41,657	41,657
Share-based payment to employees (Note 27)	–	–	18,147	–	–	–	18,147
Currency translation differences	–	–	–	(2)	–	–	(2)
Balance at 31 December 2023	<u>10,923</u>	<u>1,068</u>	<u>55,819</u>	<u>927</u>	<u>(159)</u>	<u>36,300</u>	<u>104,878</u>
Balance at 1 January 2024	10,923	1,068	55,819	927	(159)	36,300	104,878
Appropriation of statutory reserves . . .	818	–	–	–	–	–	818
Repurchases of ordinary shares (Note 24)	–	–	–	–	(110,000)	–	(110,000)
Cancellation of treasury shares (Note 24)	–	–	–	–	3	–	3
Fair value gains of convertible redeemable preferred shares due to own credit risk (Note 26)	–	–	–	–	–	3,939	3,939
Share-based payment to employees (Note 27)	–	–	51,735	–	–	–	51,735
Currency translation differences	–	–	–	435	–	–	435
Balance at 31 December 2024	<u>11,741</u>	<u>1,068</u>	<u>107,554</u>	<u>1,362</u>	<u>(110,156)</u>	<u>40,239</u>	<u>51,808</u>
Balance at 1 January 2025	11,741	1,068	107,554	1,362	(110,156)	40,239	51,808
Appropriation of statutory reserves . . .	2,488	–	–	–	–	–	2,488
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	–	–	–	–	9,111	9,111
Share-based payment to employees (Note 27)	–	–	23,221	–	–	–	23,221
Acquisition of ownership interests in a subsidiary without change in control . . .	–	–	–	–	–	(11,042)	(11,042)
Issuance of shares (note 24(c))	–	–	–	–	–	954,519	954,519
Derecognition of subsidiaries	(1,101)	–	–	–	–	–	(1,101)
Currency translation differences	–	–	–	(1,233)	–	–	(1,233)
Balance at 31 December 2025	<u>13,128</u>	<u>1,068</u>	<u>130,775</u>	<u>129</u>	<u>(110,156)</u>	<u>992,827</u>	<u>1,027,771</u>
(Unaudited)							
Balance at 1 January 2025	11,741	1,068	107,554	1,362	(110,156)	40,239	51,808
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	–	–	–	–	74,696	74,696
Share-based payment to employees (Note 27)	–	–	8,993	–	–	–	8,993
Currency translation differences	–	–	–	(639)	–	–	(639)
Balance at 30 June 2025	<u>11,741</u>	<u>1,068</u>	<u>116,547</u>	<u>723</u>	<u>(110,156)</u>	<u>114,935</u>	<u>134,858</u>
Balance at 1 January 2026	13,128	1,068	130,775	129	(110,156)	992,827	1,027,771
Appropriation of statutory reserves . . .	–	–	–	–	–	27,262	27,262
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	–	–	–	–	–	–
Share-based payment to employees (Note 27)	–	–	25,929	–	–	–	25,929
Derecognition of subsidiaries	(2,146)	–	–	–	–	–	(2,146)
Currency translation differences	–	–	–	(2,472)	–	–	(2,472)
Balance at 30 June 2026	<u>10,982</u>	<u>1,068</u>	<u>156,704</u>	<u>(2,343)</u>	<u>(110,156)</u>	<u>1,020,089</u>	<u>1,076,344</u>

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	Share premium	Other reserves	Total reserves	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2023	1,068	110,795	111,863	416,791	528,654
Profit for the year	–	–	–	85,255	85,255
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	41,657	41,657	–	41,657
Share-based payment to employees (<i>Note 27</i>)	–	18,147	18,147	–	18,147
Balance at 31 December 2023	1,068	170,599	171,667	502,046	673,713
Balance at 1 January 2024	1,068	170,599	171,667	502,046	673,713
Profit for the year	–	–	–	142,604	142,604
Repurchases of ordinary shares	–	(110,000)	(110,000)	–	(110,000)
Cancellation of treasury shares	–	3	3	–	3
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	3,939	3,939	–	3,939
Share-based payment to employees (<i>Note 27</i>)	–	51,735	51,735	–	51,735
Balance at 31 December 2024	1,068	116,276	117,344	644,650	761,994
Balance at 1 January 2025	1,068	116,276	117,344	644,650	761,994
Loss for the year	–	–	–	(553,419)	(553,419)
Issuance of shares	–	954,519	954,519	–	954,519
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	9,111	9,111	–	9,111
Share-based payment to employees (<i>Note 27</i>)	–	23,221	23,221	–	23,221
Balance at 31 December 2025	1,068	1,103,127	1,104,195	91,231	1,195,426
(Unaudited)					
Balance at 1 January 2025	1,068	116,276	117,344	644,650	761,994
Profit for the period	–	–	–	82,898	82,898
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	74,696	74,696	–	74,696
Share-based payment to employees (<i>Note 27</i>)	–	8,993	8,993	–	8,993
Balance at 30 June 2025	1,068	199,965	201,033	727,548	928,581
Balance at 1 January 2026	1,068	1,103,127	1,104,195	91,231	1,195,426
Loss for the period	–	–	–	(8,751)	(8,751)
Fair value gains of convertible redeemable preferred shares due to own credit risk	–	27,262	27,262	–	27,262
Share-based payment to employees (<i>Note 27</i>)	–	25,929	25,929	–	25,929
Balance at 30 June 2026	1,068	1,156,318	1,157,386	82,480	1,239,866

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26 CONVERTIBLE REDEEMABLE PREFERRED SHARES

The Group and the Company

The movements of the convertible redeemable preferred shares and warrants are set out as follows:

	Convertible redeemable preferred shares and warrants
	<i>RMB'000</i>
Balance at 1 January 2023	2,407,728
Change in fair value through profit or loss (<i>Note (iii)</i>)	(73,418)
Change in fair value due to own credit risk recognised in other comprehensive income	(41,657)
Balance at 31 December 2023	2,292,653
Balance at 1 January 2024	2,292,653
Settlement of warrants (<i>Note (ii)</i>)	(30,000)
Change in fair value through profit or loss (<i>Note (iii)</i>)	(163,847)
Change in fair value due to own credit risk recognised in other comprehensive income	(3,939)
Balance at 31 December 2024	2,094,867
Balance at 1 January 2025	2,094,867
Change in fair value through profit or loss (<i>Note (iii)</i>)	(419,052)
Change in fair value due to own credit risk recognised in other comprehensive income	(9,111)
Balance at 31 December 2025	1,666,704
(Unaudited)	
Balance at 1 January 2025	2,094,867
Change in fair value through profit or loss (<i>Note (iii)</i>)	(84,972)
Change in fair value due to own credit risk recognised in other comprehensive income.	(74,696)
Balance at 30 June 2025	1,935,199
Balance at 1 January 2026	1,666,704
Change in fair value through profit or loss (<i>Note (iii)</i>)	1,985
Change in fair value due to own credit risk recognised in other comprehensive income.	(27,262)
Balance at 30 June 2026	1,641,427

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The particulars of the convertible redeemable preferred shares issuance are set out in the table below:

Series	Date of issuance/effective date	Exercise period	Number of shares	Exercise price per convertible redeemable preferred shares
Series A CRPS of Guangzhou Qdama/Series A CRPS of the Company	17 April 2015/ 26 January 2022	N/A	Preferred shares: 64,778,000 (note i)	N/A
Series B CRPS of Guangzhou Qdama/Series B CRPS of the Company	13 April 2017/ 26 January 2022	N/A	Preferred shares: 125,186,670 (note i)	N/A
Series B+ CRPS of Guangzhou Qdama/Series B+ CRPS of the Company	8 November 2017/ 26 January 2022	N/A	Preferred shares: 39,321,330 (note i)	N/A
Series C CRPS of Guangzhou Qdama/Series C CRPS of the Company	3 May 2018/ 26 January 2022	N/A	Preferred shares: 131,886,000 (note i)	N/A
Series D CRPS of Guangzhou Qdama/Series D CRPS of the Company	26 November 2019/ 26 January 2022	N/A	Preferred shares: 113,349,000 (note i)	N/A
Series Pre-A CRPS of Guangzhou Qdama/Series Pre-A CRPS of the Company	26 November 2019/ 26 January 2022	N/A	Preferred shares: 10,495,000 (note i)	N/A
Series E CRPS of the Company	26 January 2022	N/A	Preferred shares: 116,038,169 (note ii)	N/A
Series E warrants of the Company (note (ii))	26 January 2022	From 26 January 2022 to 31 March 2024	Warrants to subscribe for preferred shares: 50,704,131	US\$0.84
Series E CRPS conversion	25 March 2024	N/A	Preferred shares: 45,036,724	N/A

Note (i)

In April 2015, Guangzhou Qdama entered into an investment agreement with several independent investors (the “**Series A Investment**”), pursuant to which the investors made a total investment of RMB13,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB111,111. The Series A Investment was completed in May 2015.

In April 2017, Guangzhou Qdama entered into an investment agreement with several independent investors (the “**Series B Investment**”), pursuant to which the investors made a total investment of RMB60,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB137,174. The Series B Investment was completed in July 2017.

In November 2017, Guangzhou Qdama further entered into an investment agreement with an independent investor (the “**Series B+ Investment**”), pursuant to which the investor made a total investment of RMB25,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB39,317. The Series B+ Investment was completed in November 2017.

In May 2018, Guangzhou Qdama entered into an investment agreement with several independent investors (the “**Series C Investment**”), pursuant to which the investors made a total investment of RMB175,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB74,941. The Series C Investments was completed in May 2018.

In November 2019, Guangzhou Qdama entered into an investment agreement with several independent investors (the “**Series D Investment**”), pursuant to which the investors made a total investment of RMB600,000,000 in Guangzhou Qdama as the consideration for subscription of Guangzhou Qdama’s paid-in capital of RMB113,349. At the same time, Guangzhou Qdama entered into an investment agreement with one of the investors of the Series D Investment (the “**Equity Transfer in 2019**”), pursuant to which an existing shareholder transferred part of its ordinary shares, representing paid-in capital of RMB10,495 to the investor for a total consideration of RMB50,000,000. Concurrently with the transfer, the aforementioned ordinary shares were redesignated as Series Pre-A Convertible Redeemable Preferred Shares. The Series D Investment and Equity Transfer in 2019 was completed in November 2019.

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Pursuant to the agreement dated 26 January 2022, all issued registered capital to the investors of Guangzhou Qdama were cancelled. In consideration, the Company issued the following convertible redeemable preferred shares on 26 January 2022 to Guangzhou Qdama’s then investors:

- 10,495,000 Series Pre-A Convertible Redeemable Preferred Shares of the Company to the then holders of Series Pre-A Convertible Redeemable Preferred Shares to Guangzhou Qdama;
- 64,778,000 Series A Convertible Redeemable Preferred Shares of the Company to the then holders of Series A Investment to Guangzhou Qdama;
- 125,186,670 Series B Convertible Redeemable Preferred Shares of the Company to the then holders of Series B Investment to Guangzhou Qdama;
- 39,321,330 Series B+ Convertible Redeemable Preferred Shares of the Company to the then holders of Series B+ investment to Guangzhou Qdama;
- 131,886,000 Series C Convertible Redeemable Preferred Shares of the Company to the then holders of Series C investment to Guangzhou Qdama; and
- 80,289,000 Series D Convertible Redeemable Preferred Shares of the Company to the then holders of Series D investment to Guangzhou Qdama.

On 27 June 2023, the Company issued 33,060,000 Convertible Redeemable Preferred Shares of the Company to the then holders of Series D investment to Guangzhou Qdama at consideration of RMB175,000,000. And RMB175,000,000 was immediately refunded by Guangzhou Qdama.

Note (ii)

On 26 January 2022, the Company issued (i) 116,038,169 Series E Convertible Redeemable Preferred Shares and (ii) warrants to subscribe for 50,704,131 Series E Convertible Redeemable Preferred Shares to investors for total considerations of USD 97,124,000 (equivalent to RMB614,239,000) and USD 42,439,000 (equivalent to RMB268,399,000), respectively. The holders of the warrants and Guangzhou Qdama also entered into loan agreements totaling RMB268,399,000.

Each warrant and the corresponding loan agreement entered into with individual investors were collectively treated as a single combined instrument, which was considered equivalent to Series E Convertible Redeemable Preferred Shares deemed to have been issued by the Company.

On 25 March 2024, partial holders of warrants obtained all necessary approvals from the PRC authorities and issued a notice of exercise to the Company to subscribe for 45,036,724 Series E CRPS in accordance with the terms of the warrants, for a total consideration of RMB238,399,000.

The same amount was immediately refunded by Guangzhou Qdama to the warrant holders, who then paid it to the Company. The remaining warrants have expired and been forfeited, and the related proceeds amounting to RMB30,000,000 were refunded to the warrant holders.

Note (iii)

Change in fair value through profit or loss included the fair value changes on original CRPS and the modification adjustments on CRPS.

Pursuant to the agreement dated 26 January 2022, the key terms of each series of convertible redeemable preferred shares of the Company are summarised as follows:

(a) Conversion

Each convertible redeemable preferred share shall be convertible, at the option of the holder thereof, into such number of fully paid and non-assessable ordinary shares as determined by dividing the relevant deemed issue price by the then-effective relevant Conversion Price. The conversion price for, the Series Pre-A Shares, the Series A Convertible Redeemable Preferred Shares, the Series B Convertible Redeemable Preferred Shares, the Series B+ Convertible Redeemable Preferred Shares, the Series C Convertible Redeemable Preferred Shares, the Series D Convertible Redeemable Preferred Shares and the Series E Convertible Redeemable Preferred Shares shall initially be equal to the Series Pre-A issue price, Series A issue price, the Series B issue price, the Series B+ issue price, the Series C issue price, the Series D issue price and the Series E issue price, respectively, resulting in an initial conversion ratio of 1:1, and shall be subject to adjustment and readjustment from time to time as hereinafter provided.

Any convertible redeemable preferred shares may, at the option of the holder of thereof, be converted at any date of issuance of such shares, without the payment of any additional consideration into fully-paid and non-assessable Ordinary Shares based on the then effectively relevant Conversion Price.

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In addition, each convertible redeemable preferred share shall automatically be converted, based on the then-effective Conversion Price for such convertible redeemable preferred share, without the payment of any additional consideration, into fully-paid and non-assessable Ordinary Shares upon the earlier of

- (i) the closing of an [REDACTED], or
- (ii) with respect to any class of convertible redeemable preferred shares, the written notice signed by the holders representing one-hundred percent (100%) of the voting power of the outstanding convertible redeemable preferred shares of such class, voting as a separate class and calculated on an as-converted basis.

(b) Redemption right

Upon the written request of each series investments holders, the Company shall redeem all or a portion of all the previously issued paid-in capital, at any time after the occurrence of any of the following events, whichever is earlier:

- (i) the Company has not consummated a Qualified [REDACTED] on or prior to 31 December 2024. After several extensions by the holders of convertible redeemable preferred shares during the Track Record Period, the redemption commencement date was further extended to 1 January 2028 by the holders pursuant to agreements dated 26 March 2026;
- (ii) there is a material breach or violation of any of the transaction documents by any group companies, any founder or any founder’s company that has not been rectified within thirty days after the first receipt of the notice from such investments holders; and
- (iii) only as for the Series E CRPS, there is any cash shortage of the Group. Cash shortage means the average daily cash balance in the account of the Group within any ten consecutive days is less than RMB50 million.

For Series Pre-A to D CRPS, the redemption price shall be paid by the Company to each series investments holder in an amount equal to: (i) one hundred percent (100%) of the original investment amount on each series investment, plus (ii) an eight percent (8%) compound annum interest of the original issue price on each convertible redeemable preferred share accrued during the period from the issue date of each convertible redeemable preferred share until the date on which the redemption price is paid in full, and (iii) any declared but unpaid dividends thereon.

For Series E CRPS, the redemption price shall be paid by the Company to Series E investments holder in an amount equal to: (i) one hundred percent (100%) of the original investment amount on each series investment, plus (ii) a fifteen percent (15%) simple annum interest of the original issue price on each convertible redeemable preferred share accrued during the period from the issue date of each convertible redeemable preferred share until the date on which the redemption price is paid in full, and (iii) any declared but unpaid dividends thereon.

(c) Voting rights

Each convertible redeemable preferred share has voting rights equivalent to the number of ordinary shares into which such convertible redeemable preferred shares could then be convertible.

(d) Liquidation preferences

For the Series Pre-A to D CRPS, in the event of any liquidation, dissolution or winding up of the Company, each series investment holder shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the other equity holders, the liquidation preference amount is equal to: (i) one hundred percent (100%) of the original investment amount on each series investments, plus (ii) a compound interest rate of eight percent (8%) per annum of the original investment amount on each series investment, and (iii) any declared but unpaid dividends thereon up to the date of liquidation.

For the Series E CRPS, in the event of any liquidation, dissolution or winding up of the Company, the Series E Convertible Redeemable Preferred Shares investment holder shall be entitled to receive, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the other equity holders, the liquidation preference amount is equal to: (i) two hundred percent (200%) of the original investment amount on Series E investments, plus (ii) any declared but unpaid dividends thereon up to the date of liquidation.

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The liquidation preference amount will be paid to the each series CRPS holder in the following order: first to holders of the Series E CRPS, second to holders of the Series D CRPS, third to holders of the Series C CRPS, forth to holders of the Series B+ CRPS and the Series B CRPS, fifth to holders of Series A CRPS and lastly to holders of Series Pre-A CRPS. After distributing or paying in full the liquidation preference amount to all of each series investments holders, the remaining assets of the Company available for distribution to member, if any, shall be distributed to the other ordinary equity holders and each series investments holders on a pro rata basis, based on the paid-in capital then held by each shareholder on an as converted basis. If the value of the remaining assets of the Company is less than aggregate liquidation preference amount payable to the holders of a particular series of investment, then remaining assets of the Company shall be distributed pro rata amongst the holders of all paid-in capital of that series.

The Group applied the discounted cash flow method to determine the underlying equity value of the Group and adopted Binomial option-pricing method and equity allocation model to determine the fair value of the convertible redeemable preferred shares and warrants. Key assumptions are set as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Discount rate	13.50%	13.00%	11.50%	11.50%
Risk-free interest rate	2.21%	1.09%	1.34%	1.18%
DLOM	15.00%	15.00%	15.00%	15.00%
Expected volatility	53.40%	66.73%	57.79%	56.23%

Discount rate was estimated by weighted average cost of capital as of each appraisal date. The Group estimated the risk-free interest rate based on the yield of treasury with a maturity life equal to period from the respective appraisal dates to expected liquidation date. Volatility was estimated at the dates of appraisal based on average of historical volatilities of the comparable companies in the same industry for a period from the respective appraisal dates to expected liquidation date. In addition to the assumptions adopted above, the Company’s projections of future performance were also factored into the determination of the fair value of Series A, Series B, Series B+, Series C, Series D and Series E Investment on each appraisal date.

Increasing/decreasing expected volatility by 5% would decrease the fair value of convertible redeemable preferred shares by RMB11,981,000, RMB6,808,000, RMB8,717,000 and RMB13,356,000 or increase the fair value of convertible redeemable preferred shares by RMB10,738,000, RMB6,269,000, RMB8,083,000 and RMB12,992,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively. Increasing/decreasing discount rate by 1% would decrease the fair value of convertible redeemable preferred shares by RMB173,668,000, RMB151,245,000, RMB117,511,000 and RMB112,773,000 or increase the fair value of convertible redeemable preferred shares by RMB207,600,000, RMB181,337,000, RMB141,842,000 and RMB135,927,000 as at 31 December 2023, 2024 and 2025 and 30 June 2026, respectively.

Accounting policies of convertible redeemable preferred shares

Convertible redeemable preferred shares issued by the Group are redeemable upon the occurrence of certain conditions.

The Group designated the convertible redeemable preferred shares as financial liabilities at fair value through profit or loss. They are initially recognised at fair value. Any directly attributable transaction costs are recognised as finance costs in profit or loss. Subsequent to initial recognition, the convertible redeemable preferred shares are carried at fair value. The component of fair value changes relating to the Company’s own credit risk is recognised in other comprehensive income. Amounts recorded in other comprehensive income related to credit risk are not subject to recycling in profit or loss, but are transferred to retained earnings when realised. Fair value changes relating to market risk are recognised in profit or loss.

The Group’s convertible redeemable preferred shares were classified as current liabilities as the convertible redeemable preferred shares may be converted into ordinary shares at the option of the preferred shareholders at any time and the conversion feature does not meet the “fixed-for-fixed” criteria.

27 SHARE-BASED PAYMENTS

Share option schemes

The Group adopted a share incentive plan (the “Pre-[REDACTED] Share Incentive Plan”), an equity-settled share-based compensation plan for the purpose of providing incentives and rewards to its senior managements and key employees (“Grantees”) of the Group. Under the Pre-[REDACTED] Share Incentive Plan, the Company issued 251,633,875 ordinary shares to Qdama Talent Holding Limited (“Qdama Talent”), the employee stock ownership platform which is controlled by the Company.

The share options have graded vesting terms, and will be vested immediately or over two to four years from the grant date on the condition that employees remain in service together with a performance requirement.

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The options may be exercised at any time after the [REDACTED] of the Company provided the options have vested and subject to the terms of the Pre-[REDACTED] Share Incentive Plan.

Set out below are summaries of options granted under the plan:

	No. of share options	Weighted average exercise price
		<i>RMB cents</i>
Outstanding at 1 January 2023	155,405,213	0.73
Granted	13,558,888	0.73
Forfeited	(4,644,635)	0.73
Cancelled	(5,063,996)	0.73
Outstanding at 31 December 2023	159,255,470	0.73
Outstanding at 1 January 2024	159,255,470	0.73
Granted	37,141,775	0.73
Forfeited	(1,061,548)	0.73
Cancelled	(2,028,211)	0.73
Outstanding at 31 December 2024	193,307,486	0.73
Outstanding at 1 January 2025	193,307,486	0.73
Granted	72,672,912	0.73
Forfeited	(955,241)	0.73
Cancelled	(13,391,282)	0.73
Outstanding at 31 December 2025	251,633,875	0.73
(Unaudited)		
Outstanding at 1 January 2025	193,307,486	0.73
Granted	2,636,536	0.73
Forfeited	(615,461)	0.73
Cancelled	(1,842,651)	0.73
Outstanding at 30 June 2025	193,485,910	0.73
Outstanding at 1 January 2026	251,633,875	0.73
Forfeited	(1,290,453)	0.73
Cancelled	(2,438,133)	0.73
Outstanding at 30 June 2026	247,905,289	0.73

Share options outstanding at the end of the year have the following exercise price and vesting year.

Grant date	Exercise price	Vesting year	As at 31 December			As at 30 June
			2023	2024	2025	2026
	<i>RMB cents</i>					
26 January 2017	0.73	4 years from grant date	31,995,793	31,995,793	27,681,401	27,681,401
9 January 2018	0.73	4 years from grant date	23,964,698	23,964,698	18,355,484	18,134,995
9 March 2019	0.73	4 years from grant date	22,500,544	22,500,544	21,373,231	21,099,692
2 March 2020	0.73	Up to 4 years from grant date*	20,449,924	19,853,111	19,743,502	19,743,502
1 March 2021	0.73	Up to 4 years from grant date*	21,293,084	19,875,091	18,309,004	17,987,549
1 March 2022	0.73	Up to 4 years from grant date*	25,492,539	24,519,711	23,539,154	23,397,203
1 March 2023	0.73	Up to 4 years from grant date*	6,393,093	6,333,505	6,082,435	5,784,796
7 April 2023	0.73	Up to 4 years from grant date*	3,547,423	3,547,423	3,547,423	2,660,567
2 July 2023	0.73	Up to 4 years from grant date*	2,483,197	2,483,197	2,483,197	2,483,197
24 July 2023	0.73	Up to 4 years from grant date*	603,062	603,062	603,062	603,062
8 August 2023	0.73	Up to 4 years from grant date*	532,113	532,113	532,113	532,113
24 January 2024	0.73	Up to 4 years from grant date*	–	68,702	68,702	68,702
1 March 2024	0.73	Immediately	–	23,985,798	23,985,798	23,985,798
1 March 2024	0.73	Up to 4 years from grant date*	–	6,056,739	5,668,458	5,272,772
23 July 2024	0.73	Up to 4 years from grant date*	–	4,256,908	4,256,908	4,256,908
30 July 2024	0.73	Up to 4 years from grant date*	–	2,128,454	2,128,454	2,128,454
20 November 2024	0.73	Up to 4 years from grant date*	–	188,324	188,324	188,324
22 November 2024	0.73	Up to 4 years from grant date*	–	188,324	188,324	188,324
17 December 2024	0.73	Up to 4 years from grant date*	–	225,989	225,989	225,989
1 March 2025	0.73	Up to 4 years from grant date*	–	–	1,694,916	1,694,916
2 March 2025	0.73	Up to 4 years from grant date*	–	–	941,620	–
30 September 2025	0.73	Immediately	–	–	6,500,000	6,500,000
31 December 2025	0.73	Up to 4 years from grant date*	–	–	13,691,507	13,442,156
31 December 2025	0.73	25% per year over 4 years	–	–	49,844,869	49,844,869
			159,255,470	193,307,486	251,633,875	247,905,289

* 50%, 25% and 25% of the share options will be vested in 2, 3 and 4 years after the grant date, respectively.

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(a) Fair value of options

The directors of the Company have used the binomial model to determine the fair value of the options as at the respective grant dates, which is to be expensed over the relevant vesting period.

Other than the exercise price mentioned above, significant judgment on parameter such as risk free rate, dividend yield and expected volatility, are required to be made by the directors in applying the binomial model, which are summarised as below:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
				(Unaudited)	
Fair value per share (in RMB)	2.47-2.58	2.25-2.32	1.51-2.12	2.12	N/A
Exercise prices (in RMB cents)	0.73	0.73	0.73	0.73	N/A
Risk-free interest rate	2.83%-3.14%	2.02%-2.63%	2.03%-2.25%	2.03%	N/A
Expected volatility	43.26%-43.55%	43.95%-45.82%	47.63%-48.33%	47.63%	N/A
Dividend yield	–	–	–	–	N/A

(b) Expenses arising from share-based payment transactions

For the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, expenses arising from share-based payment transaction are as follows:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Unaudited)	
Equity settled share-based payments to employees	18,147	51,735	23,221	8,993	25,929
Equity settled share-based payment to CRPS holders (<i>Note 24(c)</i>)	–	–	954,563	–	–
	18,147	51,735	977,784	8,993	25,929

Accounting policies of share-based payments

Equity-settled share-based payment transactions

The Group operates share options granted to directors and employees, under which the entity receives services from employees as consideration for equity instruments of the Group.

The fair value of the employee services received in exchange for the grant of options is recognised as an expense on the consolidated statements of comprehensive income. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the entity’s share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

Non-market performance and services conditions are included in the calculation of the number of the options expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The cash subscribed for the shares issued when the options are exercised is credited to share capital (nominal value) and share premium, net of any directly attributable transaction costs.

The grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution in the separate financial statements of the Company. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investments in subsidiaries undertakings, with a corresponding credit to equity in separate financial statements of the Company.

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28 TRADE PAYABLES

Trade payables primarily include payables for inventories. As at 31 December 2023, 2024 and 2025 and 30 June 2026, the carrying amounts of trade payables were primarily denominated in RMB.

Trade payables and their ageing analysis based on the invoice date are as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 3 months	893,396	743,255	805,961	758,199
3 to 6 months	4,139	3,920	3,958	4,917
6 months to 1 year	1,732	1,297	2,775	2,499
Over 1 year	4,883	1,573	1,737	1,647
	<u>904,150</u>	<u>750,045</u>	<u>814,431</u>	<u>767,262</u>
	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
RMB	891,916	729,604	798,089	731,715
HK\$	10,736	14,322	14,681	32,338
MOP	1,498	6,119	1,661	3,209
	<u>904,150</u>	<u>750,045</u>	<u>814,431</u>	<u>767,262</u>

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the carrying amounts of trade payables approximated their fair values.

29 ACCRUALS AND OTHER PAYABLES

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-current				
Deposits from franchisees (Note b) . .	96,558	73,063	72,611	91,463
	<u>96,558</u>	<u>73,063</u>	<u>72,611</u>	<u>91,463</u>
Current				
Employee benefits payable	81,960	88,857	71,184	54,339
Deposits from franchisees (Note b) . .	20,560	46,156	50,031	31,635
Deposits from suppliers	87,879	81,862	77,346	74,114
Net receipt of sale proceeds on behalf of franchisees (Note c)	30,545	28,420	30,918	29,742
Deposit from consumers (Note d) . .	58,154	58,424	48,661	46,871
Logistics expenses payables	44,455	24,360	21,857	25,273
Other taxes payables	30,129	23,197	22,645	30,730
Accrued [REDACTED]	3,368	8,071	14,053	3,679
Accrued other expenses	24,365	24,646	15,151	14,697
Others	5,221	4,839	5,842	8,672
	<u>386,636</u>	<u>388,832</u>	<u>357,688</u>	<u>319,752</u>
Total (Note a)	<u>483,194</u>	<u>461,895</u>	<u>430,299</u>	<u>411,215</u>

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- (a) The carrying amounts of the Group’s other payables were denominated as:

The Group

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
RMB	468,711	445,867	412,312	393,481
HK\$	14,125	15,096	17,058	16,896
MOP	358	932	929	838
	<u>483,194</u>	<u>461,895</u>	<u>430,299</u>	<u>411,215</u>

- (b) The balance represents the refundable initial deposit received from franchisees upon entering into franchising agreements. The deposit will be refunded to the franchisees at the end of franchise period net of any penalties incurred.
- (c) The amount would normally be repaid to the franchisees on a daily basis, subject to provisions set out in the franchising agreements.
- (d) Deposits from consumers represent cash deposits into their membership accounts, which include stored value balances and prepaid cards. These deposits are refundable and can be used for purchases at both the Group’s self-operated and franchised stores. The relationship between the Group and its customers is governed by the membership account’s terms and conditions.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the carrying amounts of other payables approximated their fair values.

The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Current				
Accrued [REDACTED].	2,539	5,284	11,221	793
	<u>2,539</u>	<u>5,284</u>	<u>11,221</u>	<u>793</u>

Accounting policies of accruals and other payables

Accruals and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Accruals and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

30 DEFERRED INCOME TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purpose:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Net deferred tax assets recognised in the consolidated statements of financial position	12,372	9,414	9,439	6,101
Net deferred tax liabilities recognised in the consolidated statements of financial position	(792)	(580)	(788)	(2,149)
	<u>11,580</u>	<u>8,834</u>	<u>8,651</u>	<u>3,952</u>

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Movements in deferred income tax assets and liabilities during the Track Record Period, without taking into consideration the offsetting of balance within the same tax jurisdiction, are as follows:

	Deferred tax assets – tax losses	Deferred tax assets – lease liabilities	Deferred tax assets – unrealised gains from internal transfers of intangible assets	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
As at 1 January 2023	–	93,763	–	93,763
Credited/(charged) to the consolidated statements of comprehensive income	6,955	(45,381)	–	(38,426)
As at 31 December 2023	6,955	48,382	–	55,337
Offset of deferred tax liabilities pursuant to set-off provisions	–	(42,965)	–	(42,965)
Net deferred tax assets at 31 December 2023	6,955	5,417	–	12,372
As at 1 January 2024	6,955	48,382	–	55,337
Credited/(charged) to the consolidated statements of comprehensive income	1,538	(29,425)	–	(27,887)
As at 31 December 2024	8,493	18,957	–	27,450
Offset of deferred tax liabilities pursuant to set-off provisions	–	(18,036)	–	(18,036)
Net deferred tax assets at 31 December 2024	8,493	921	–	9,414
As at 1 January 2025	8,493	18,957	–	27,450
(Charged)/credited to the consolidated statements of comprehensive income	(2,599)	20,553	3,201	21,155
As at 31 December 2025	5,894	39,510	3,201	48,605
Offset of deferred tax liabilities pursuant to set-off provisions	–	(39,166)	–	(39,166)
Net deferred tax assets at 31 December 2025	5,894	344	3,201	9,439
(Unaudited)				
As at 1 January 2025	8,493	18,957	–	27,450
(Charged)/credited to the consolidated statements of comprehensive income	(1,196)	27,693	–	26,497
As at 30 June 2025	7,297	46,650	–	53,947
Offset of deferred tax liabilities pursuant to set-off provisions	–	(46,596)	–	(46,596)
Net deferred tax assets at 30 June 2025 (Unaudited)	7,297	54	–	7,351
As at 1 January 2026	5,894	39,510	3,201	48,605
Charged to the consolidated statements of comprehensive income	(3,378)	(2,202)	(127)	(5,707)
As at 30 June 2026	2,516	37,308	3,074	42,898
Offset of deferred tax liabilities pursuant to set-off provisions	–	(36,797)	–	(36,797)
Net deferred tax assets at 30 June 2026	2,516	511	3,074	6,101

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	Deferred tax liabilities – right-of-use assets	Deferred tax liabilities – Unrealized Gain from Derivative Instruments	Total
	RMB'000	RMB'000	RMB'000
As at 1 January 2023	89,244	–	89,244
Credited to the consolidated statements of comprehensive income	(45,487)	–	(45,487)
As at 31 December 2023	43,757	–	43,757
Offset of deferred tax assets pursuant to set-off provisions . . .	(42,965)	–	(42,965)
Net deferred tax liabilities at 31 December 2023	792	–	792
As at 1 January 2024	43,757	–	43,757
Credited to the consolidated statements of comprehensive income	(25,141)	–	(25,141)
As at 31 December 2024	18,616	–	18,616
Offset of deferred tax assets pursuant to set-off provisions . . .	(18,036)	–	(18,036)
Net deferred tax liabilities at 31 December 2024	580	–	580
As at 1 January 2025	18,616	–	18,616
Charged to the consolidated statements of comprehensive income	21,338	–	21,338
As at 31 December 2025	39,954	–	39,954
Offset of deferred tax assets pursuant to set-off provisions . . .	(39,166)	–	(39,166)
Net deferred tax liabilities at 31 December 2025	788	–	788
(Unaudited)			
As at 1 January 2025	18,616	–	18,616
Charged to the consolidated statements of comprehensive income	29,088	–	29,088
As at 30 June 2025	47,704	–	47,704
Offset of deferred tax assets pursuant to set-off provisions . . .	(46,596)	–	(46,596)
Net deferred tax liabilities at 30 June 2025 (Unaudited)	1,108	–	1,108
As at 1 January 2026	39,954	–	39,954
(Credited)/charged to the consolidated statements of comprehensive income	(1,177)	169	(1,008)
As at 30 June 2026	38,777	169	38,946
Offset of deferred tax assets pursuant to set-off provisions . . .	(36,797)	–	(36,797)
Net deferred tax liabilities at 30 June 2026	1,980	169	2,149

The Group has recognised deferred tax assets in respect of cumulative tax losses, as it is probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB2,137,136,000, RMB2,050,045,000, RMB1,605,293,000 and RMB1,512,848,000, respectively as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses shall expire in five years from the year of occurrence under current tax legislation.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the Group had cumulative deductible temporary differences of approximately RMB27,212,000, RMB17,170,000, RMB13,540,000 and RMB13,424,000 mainly arising from impairment of right-of-use assets and property, plant and equipment, retirement benefit obligations and allowance on doubtful debts. No deferred tax assets has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

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In accordance with the Corporation Income Tax Law of the PRC and its implementation rules (the “CIT Law”), non-resident enterprises shall pay enterprise income tax on income derived from the PRC, and the applicable tax rate is 10.0%. Deferred taxation has not been provided for the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries as the Group is able to control the timing of reversal of the temporary differences.

Unused tax losses for which no deferred tax asset was recognised as follows:

Expiry year	As at 31 December			As at 30 June
	2023	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
2024	25,385	–	–	–
2025	531,447	479,453	–	–
2026	1,051,830	971,888	603,174	521,263
2027	322,301	310,068	207,831	189,111
2028	193,878	193,472	184,628	177,022
2029	–	89,966	85,660	67,632
2030	–	–	524,000	508,237
2031	–	–	–	49,583
No expiry dates	12,295	5,198	–	–
	<u>2,137,136</u>	<u>2,050,045</u>	<u>1,605,293</u>	<u>1,512,848</u>

Accounting policies of deferred income tax

Inside basis differences

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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31 BANK BORROWINGS

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Secured				
Short-term bank borrowings (<i>Note a</i>)	260,268	369,660	382,000	132,000
Long-term bank borrowings (<i>Note a</i>)	—	—	85,000	308,000
	260,268	369,660	467,000	440,000
Unsecured				
Short-term bank borrowings (<i>Note a</i>)	130,000	150,000	50,000	1,000
Long-term bank borrowings (<i>Note a</i>)	—	—	—	48,900
Interest payables	406	285	316	308
	130,406	150,285	50,316	50,208
	390,674	519,945	517,316	490,208

- (a) As at 31 December 2023, borrowings of RMB260,268,000 were secured by certain restricted cash with the carrying amount of RMB141,654,000 (Note 23), and the remaining bank borrowings of RMB130,000,000 were unsecured. The remaining unutilised facility amounted to RMB70,000,000 was unsecured.

As at 31 December 2024, borrowings of RMB369,660,000 were secured by certain restricted cash with the carrying amount of RMB143,768,000 (Note 23), and the remaining bank borrowings of RMB150,000,000 were unsecured. The remaining unutilised facility amounted to RMB122,000,000 was secured by certain restricted cash.

As at 31 December 2025, borrowings of RMB345,000,000 were secured by certain restricted cash with the carrying amount of RMB140,575,000 (Note 23), borrowing of RMB122,000,000 were secured by a subsidiary of the Group, and the remaining bank borrowings of RMB50,000,000 were interest bearing, unsecured and repayable within one year. The remaining unutilised facilities amounted to RMB49,900,000, RMB50,000,000 and RMB205,000,000 were unsecured, secured by certain restricted cash and secured by a subsidiary of the Group, respectively.

As at 30 June 2026, borrowing of RMB440,000,000 were interest bearing and secured by certain subsidiaries of the Group, borrowing of RMB1,000,000 were interest bearing, unsecured and repayable within one year, and the remaining bank borrowings of RMB48,900,000 were interest bearing, unsecured and repayable over one year. The remaining unutilised facilities amounted to RMB200,000,000 were secured by certain subsidiaries of the Group.

As at 31 December 2023, 2024 and 2025 and 30 June 2026, the carrying amount of the borrowings approximated their respective fair values. For the years ended 2023, 2024, and 2025 and the six months ended 30 June 2026, the weighted average interest rates per annum were 2.61%, 3.49%, 2.57% and 2.51%, respectively.

The carrying amounts of the Group’s borrowings were denominated in RMB.

The Group’s borrowings were repayable as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Within 1 year	390,674	519,945	432,316	133,308
Between 1 and 2 years	—	—	20,000	103,000
Between 2 and 5 years	—	—	65,000	253,900
	390,674	519,945	517,316	490,208

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Accounting policies of borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the [REDACTED] (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the group has a right to defer settlement of the liability for at least 12 months after the reporting period.

32 DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Fair value of derivatives not under hedge accounting:				
Cross currency swaps	—	—	—	1,718

As of 30 June 2026, the maturities of the derivative financial instruments are all within one year.

33 DIVIDEND

No dividends have been paid or declared by the Company during each of the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026.

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34 NOTES TO THE CONSOLIDATED STATEMENTS OF CASH FLOWS

(a) Cash generated from operations

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Profit/(loss) before income tax . . .	183,524	312,856	(247,903)	195,423	82,607
Adjustments for:					
Depreciation of property, plant and equipment (<i>Note 16</i>)	48,100	36,452	15,708	9,178	5,128
Amortisation of intangible assets (<i>Note 18</i>)	4,650	4,921	5,020	2,537	2,581
Depreciation of right-of-use assets (<i>Note 17</i>)	127,812	98,256	84,689	43,926	35,665
Fair value changes on convertible redeemable preference shares (<i>Note 26</i>)	(73,418)	(163,847)	(419,052)	(84,972)	1,985
Modification adjustments on convertible redeemable preference shares (<i>Note 27</i>) . . .	–	–	954,563	–	–
Fair value gains on derivative financial instruments (<i>Note 8</i>) .	–	–	–	–	(1,718)
Net provision for/(reversal of) impairment losses on financial assets (<i>Note 3.1.2</i>)	528	(555)	658	(376)	329
Net provision for/(reversal of) non-financial assets (<i>Note 10</i>) .	1,059	38	(32)	373	–
Net losses on disposal of property, plant and equipment (<i>Note 8</i>)	157	8,793	6,590	5,152	37
Net (gains)/losses on lease termination and modification . .	(2,327)	(5,515)	2,381	(5,418)	18
Share-based payment to employees (<i>Note 27</i>)	18,147	51,735	23,221	8,993	25,929
Interest expenses on lease liabilities (<i>Note 9</i>)	15,463	6,816	9,011	4,991	3,591
Unwinding of discount on deposits from franchisees (<i>Note 9</i>)	4,226	4,604	3,832	2,135	2,017
Interest income from bank deposits (<i>Note 9</i>)	(9,948)	(13,811)	(18,085)	(8,786)	(6,277)
Unwinding of discount from rental deposits (<i>Note 9</i>)	(1,281)	(1,126)	(684)	(391)	(302)
Net gains on disposal of an associate	(101)	–	–	–	–
Interest income on loans to a related party (<i>Note 7</i>)	(6,126)	(2,575)	–	–	–
Interest income on loans to a third party (<i>Note 7</i>)	–	(5)	(122)	(39)	(84)
Interest expense on the borrowings (<i>Note 9</i>)	10,341	10,043	14,561	7,458	6,748
	<u>320,806</u>	<u>347,080</u>	<u>434,356</u>	<u>180,184</u>	<u>158,254</u>

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Changes in working capital:					
– Inventories	13,270	(3,349)	(592)	1,984	800
– Trade receivables	(3,054)	4,883	(290)	(239)	(2,398)
– Prepayments, deposits and other receivables	33,228	641	(1,591)	(64)	(15,663)
– Restricted cash	(10,480)	5,820	(1,549)	(3,157)	975
– Trade payables	(107,520)	(158,481)	69,939	50,844	(38,183)
– Accruals and other payables .	(99,418)	(28,847)	(32,569)	(55,981)	(16,227)
– Contract liabilities	(2,587)	(9,315)	(314)	156	4,851
Cash generated from operations .	<u>144,245</u>	<u>158,432</u>	<u>467,390</u>	<u>173,727</u>	<u>92,409</u>

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(b) Reconciliation of proceeds from disposal of property, plant and equipment:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000 (Unaudited)	RMB'000
Net book amount	6,437	14,839	11,459	8,256	262
Net losses on disposal of property, plant and equipment (Note 8)	(157)	(8,793)	(6,590)	(5,152)	(37)
Proceeds from disposal of property, plant and equipment .	6,280	6,046	4,869	3,104	225

(c) Net debt reconciliation

	Bank borrowings	Other borrowings	Convertible redeemable preferred shares	Lease liabilities	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2023	160,000	104	2,407,728	424,767	2,992,599
Interest payments on borrowings	(10,039)	—	—	—	(10,039)
Other changes from financing cash flows . . .	230,268	—	—	(140,691)	89,577
Lease addition	—	—	—	85,848	85,848
Other changes (i)	10,250	91	(115,075)	(155,000)	(259,734)
Exchange differences	—	—	—	248	248
As at 31 December 2023	390,479	195	2,292,653	215,172	2,898,499
As at 1 January 2024	390,479	195	2,292,653	215,172	2,898,499
Interest payments on borrowings	(9,946)	(218)	—	—	(10,164)
Other changes from financing cash flows . . .	129,392	—	(30,000)	(103,762)	(4,370)
Lease addition	—	—	—	110,156	110,156
Other changes (i)	10,020	23	(167,786)	(77,647)	(235,390)
Exchange differences	—	—	—	570	570
As at 31 December 2024	519,945	—	2,094,867	144,489	2,759,301
As at 1 January 2025	519,945	—	2,094,867	144,489	2,759,301
Interest payments on borrowings	(14,530)	—	—	—	(14,530)
Other changes from financing cash flows . . .	(2,660)	—	—	(75,945)	(78,605)
Lease addition	—	—	—	247,849	247,849
Other changes (i)	14,561	—	(428,163)	(104,794)	(518,396)
Exchange differences	—	—	—	(775)	(775)
As at 31 December 2025	517,316	—	1,666,704	210,824	2,394,844
(Unaudited)					
As at 1 January 2025	519,945	—	2,094,867	144,489	2,759,301
Interest payments on borrowings	(7,407)	—	—	—	(7,407)
Other changes from financing cash flows . . .	(26,760)	—	—	(39,138)	(65,898)
Lease addition	—	—	—	176,235	176,235
Other changes (i)	7,458	—	(159,668)	(38,082)	(190,292)
Exchange differences	—	—	—	(443)	(443)
As at 30 June 2025	493,236	—	1,935,199	243,061	2,671,496
As at 1 January 2026	517,316	—	1,666,704	210,824	2,394,844
Interest payments on borrowings	(6,756)	—	—	—	(6,756)
Other changes from financing cash flows . . .	(27,100)	—	—	(42,213)	(69,313)
Lease addition	—	—	—	60,040	60,040
Other changes (i)	6,748	—	(25,277)	(4,311)	(22,840)
Exchange differences	—	—	—	(1,061)	(1,061)
As at 30 June 2026	490,208	—	1,641,427	223,279	2,354,914

(i) Other changes include non-cash movements, such as accrued interest expense, early termination of lease contract and fair value changes.

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35 COMMITMENTS

(a) Capital commitments

During the Track Record Period, the Group’s capital commitments mainly related to the purchase of property, plant and equipment and intangible assets.

The details of commitments relating to property, plant and equipment are set as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year	237	1,707	1,474	418
1-2 years	18	124	29	109
2-3 years	—	24	107	—
	<u>255</u>	<u>1,855</u>	<u>1,610</u>	<u>527</u>

The details of commitments relating to intangible assets are set as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year	225	155	—	99
1-2 years	252	—	—	—
	<u>477</u>	<u>155</u>	<u>—</u>	<u>99</u>

The Group and the Company have recognised right-of-use assets for leases, except for short-term leases, see Note 17 for further information.

Minimum lease payments under non-cancellable short-term leases not recognised in the consolidated statement of financial position are payables as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB’000	RMB’000	RMB’000	RMB’000
Within 1 year	12,677	6,910	13,019	18,802

36 CONTINGENCIES

There was no significant contingent liabilities as at 31 December 2023, 2024 and 2025 and 30 June 2026.

37 RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the Track Record Period.

Name	Relationship
Mr. Feng	A former Ultimate Controlling Shareholder (Note .1.1)
Yangjiang Chuan Popo Food Co., Ltd.	The company is jointly controlled by Mr. Feng Weiguo, a
(Chuan Popo Food)	former non-executive director who was appointed on 25
	December 2024 and resigned on 11 January 2026

(b) Significant transactions with related parties

The following significant transactions were carried out between the Group and its related parties during the Track Record Period. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated at arm’s length basis between the Group and the respective related parties.

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During the Track Record Period, the following transactions were carried out with related parties:

	Year ended 31 December			Six months ended 30 June	
	2023	2024	2025	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Loans to a related party					
– Mr. Feng	–	4,500	N/A	N/A	N/A
Total	–	4,500	N/A	N/A	N/A
Interest income on loans to a related party					
– Mr. Feng	6,126	2,575	N/A	N/A	N/A
Total	6,126	2,575	N/A	N/A	N/A
Purchase from a related party					
– Chuan Popo Food	–	1,336	59,397	24,011	2,254
Total	–	1,336	59,397	24,011	2,254

(c) Balances with related parties

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Amounts due from a related party:				
Non-trade				
– Mr. Feng	69,971	–	N/A	N/A
	69,971	–	N/A	N/A

The amounts due from Mr. Feng was unsecured, interest-bearing at 2.4%-5% per annum and repayable on demand and in non-trade nature. The balances have been fully settled in July 2024.

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables:				
Trade				
– Chuan Popo Food	–	1,521	2,023	N/A
	–	1,521	2,023	N/A
Other payables:				
Trade				
– Chuan Popo Food	–	200	200	N/A
	–	200	200	N/A

The ageing analysis of the trade payables to a related party based on invoice dates is as follows:

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Up to 3 months	–	1,521	2,023	N/A

As at 31 December 2024 and 2025 and 30 June 2026, trade payables and other payables are unsecured, interest-free, repayable on demand and the carrying amounts of balances with the related party approximate their fair values and are denominated in RMB.

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The Company

	As at 31 December			As at 30 June
	2023	2024	2025	2026
	RMB'000	RMB'000	RMB'000	RMB'000
Non-trade nature				
Amounts due from subsidiaries.	663	729	783	758
Non-trade nature				
Amounts due to subsidiaries	58,063	184,183	195,768	215,925

As at 31 December 2023, 2024 and 2025 and 30 June 2026, amounts due from/to subsidiaries are unsecured, interest free and repayable on demand. The carrying amounts of balances with subsidiaries approximate their fair values and are denominated in RMB.

38 DIRECTORS’ BENEFITS AND INTERESTS

(a) Directors’ emoluments

The remuneration shown below represented remunerations received by the directors in their capacity as employees/directors of the companies now comprising the Group during the Track Record Period.

None of the directors of the Company and of the companies comprising the Group waived any emoluments during the Track Record Period. All of these directors have not received any emoluments from the Group as an inducement to join or upon join the Group or as compensation for the loss of office during the Track Record Period.

Details of the emoluments paid and payable to the directors of the Company are as follows:

	Year ended 31 December 2023					
Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	1,403	–	27	–	1,430
Mr. Feng Jisheng (“Mr. Feng”) (Note (ii))	–	1,400	–	24	–	1,424
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	–	–	–	–	–
Total	–	2,803	–	51	–	2,854
Non-executive Director						
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

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Year ended 31 December 2024

Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	1,125	280	27	27,482	28,914
Mr. Feng Jisheng (“Mr. Feng”) (Note (ii))	–	1,120	280	27	–	1,427
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	–	–	–	–	–
Total	–	2,245	560	54	27,482	30,341
Non-executive Director						
Mr. Feng Weiguo (Note (iv))	–	–	–	–	–	–
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

Year ended 31 December 2025

Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	984	420	29	113	1,546
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	–	–	–	–	–
Total	–	984	420	29	113	1,546
Non-executive Director						
Mr. Feng Weiguo (Note (iv))	–	–	–	–	–	–
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

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Six months ended 30 June 2025 (Unaudited)

Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	494	210	14	–	718
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	–	–	–	–	–
Total	–	494	210	14	–	718
Non-executive Director						
Mr. Feng Weiguo (Note (iv))	–	–	–	–	–	–
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

Six months ended 30 June 2026

Name	Director's fee	Salaries	Discretionary bonuses	Housing allowances and contributions to a retirement benefit scheme	Share-based payment expenses	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Executive Director						
Ms. Feng Weihua (“Ms. Feng”) (Note (i))	–	490	210	30	17,826	18,556
Mr. Zhou Lin (“Mr. Zhou”) (Note (iii))	–	522	225	26	–	773
Total	–	1,012	435	56	17,826	19,329
Non-executive Director						
Mr. Feng Weiguo (Note (iv))	–	–	–	–	–	–
Mr. Feng Qin (Note (v))	–	–	–	–	–	–
Mr. Han Rui (“Mr. Han”) (Note (vi))	–	–	–	–	–	–
Ms. Ma Chuqiao (“Ms. Ma”) (Note (vii))	–	–	–	–	–	–
Ms. Xiao Qiongchan (“Ms. Xiao”) (Note (viii))	–	–	–	–	–	–
Mr. Zhang Xinzhaoh (“Mr. Zhang”) (Note (ix))	–	–	–	–	–	–
Ms. Huang Jianhui (“Ms. Huang”) (Note (x))	–	–	–	–	–	–
Mr. Lin Ling (“Mr. Lin”) (Note (xi))	–	–	–	–	–	–
Total	–	–	–	–	–	–

- (i) Ms. Feng was appointed as the Company’s executive director on 12 May 2021.
- (ii) Mr. Feng was appointed as the Company’s executive director on 12 May 2021 and was resigned on 25 December 2024.
- (iii) Mr. Zhou was appointed as the Company’s executive director on 11 January 2026. During the Track Record Period, he had not been yet appointed and no emolument was paid/payable for director’s services.
- (iv) Mr. Feng Weiguo was appointed as the Company’s non-executive director on 25 December 2024 and resigned on 11 January 2026.
- (v) Mr. Feng Qin was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.

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- (vi) Mr. Han was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (vii) Ms. Ma was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (viii) Ms. Xiao was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (ix) Mr. Zhang was appointed as the Company’s non-executive director on 26 January 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (x) Ms. Huang was appointed as the Company’s non-executive director on 11 February 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (xi) Mr. Lin was appointed as the Company’s non-executive director on 1 September 2022 and resigned on 11 January 2026. No emolument was paid/payable during the Track Record Period.
- (xii) The independent non-executive directors, Mr. Lee Wai Kong Albert, Mr. Shi Kangping and Mr. Chung Chong Sun’s appointment will be effective from the date of this Document.

(b) Retirement benefits of directors

There were no retirement benefits was paid to or receivable by directors during the Track Record Period by defined benefit pension plans operated by the Group.

(c) Termination benefits of directors

There were no director’s termination benefits subsisted during the Track Record Period.

(d) Consideration provided to third parties for making available the services of directors

There was no consideration provided to third parties for making available directors’ services subsisted during the Track Record Period.

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, there were no loans, quasi-loans and other dealings entered into by the Company or subsidiaries undertaking of the Company, where applicable, in favour of directors.

(f) Material interests of directors in transactions, arrangements or contracts

During the years ended 31 December 2023, 2024 and 2025 and the six months ended 30 June 2025 and 2026, there were no significant transactions, arrangements and contracts in relation to the Group’s business to which the Company was a party and in which a director of the Company had interests, whether directly or indirectly, subsisted at the end of the Track Record Periods or at any time during the Track Record Periods.

(g) Key management compensation

The directors consider the key management personnel to be the members of the Board of Directors of the Company who have the responsibilities for planning, directing and controlling the activities of the Group. Their compensations are disclosed in Note 38(a).

39 SUBSEQUENT EVENTS

In July 2026, the Company repurchased 8,961,021 CRPS and 19,445,920 ordinary shares from Yunrui Capital, a holder of Series E CRPS, for a consideration of RMB 49.9 million (approximately US\$7.34 million).

APPENDIX I

ACCOUNTANT’S REPORT

40 SUMMARY OF OTHER ACCOUNTING POLICIES

40.1 Principles of consolidation

(a) *Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully combined from the date on which control is transferred to the Group. They are separated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of financial position respectively.

(b) *Associates*

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. All investments in associates in the form of ordinary shares with significant influence are accounted for using the equity method of accounting, after initially being recognised at cost and adjusted thereafter to recognise the Group’s share of the post-acquisition profits or losses of the investee, and the Group’s share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group’s interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that investments accounted for using the equity method are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value and recognises the amount in “other (losses)/gains — net” in the consolidated statements of comprehensive income.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) *Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

(d) *Changes in ownership interests*

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to retained earnings.

APPENDIX I

ACCOUNTANT’S REPORT

40.2 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

40.3 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The functional currency of the Company is RMB. The Company’s primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency. Since the majority of the assets and operations of the Group are located in the PRC, the Historical Financial Information are presented in RMB (unless otherwise stated).

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised within “other gain/loss” in the consolidated statements of comprehensive income on a net basis.

Transaction differences on non-monetary financial assets and liabilities are recognised in profit or loss as part of the fair value changes.

(c) *Group companies*

The results and financial position of all the Group’s entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

40.4 Accounting policies of separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee’s net assets including goodwill.

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ACCOUNTANT’S REPORT

40.5 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

40.6 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s and the Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders or directors, where appropriate.

40.7 Earnings/(loss) per share

(a) Basic earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings/(loss) per share

Diluted earning/(loss) per share adjusts the figures used in the determination of basic earnings/(loss) per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

40.8 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statements of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

40.9 Research and development expenditures

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are capitalised as intangible assets when recognition criteria are fulfilled. These criteria includes: (i) it is technically feasible to complete the software so that it will be available for use; (ii) management intends to complete the software and use or sell it; (iii) there is an ability to use or sell the software; (iv) it can be demonstrated how the software will generate probable future economic benefits; (v) adequate technical, financial and other resources to complete the development and to use or sell the software are available; and (vi) the expenditure attributable to the software during its development can be reliably measured. Other development expenditures that do not meet those criteria are recognised as expenses as incurred. During the Track Record Period, there were no development costs meeting these criteria and capitalised as intangible assets.

Development costs previously recognised as expenses are not recognised as assets in subsequent periods. Capitalised development costs are amortised from the point at which the assets are ready for use on a straight-line basis over their useful lives.

Research and development expenses consist primarily of salary and benefits for the Group’s research and development personnel.

During the Track Record Period, all research and development expenditures were recognised in the consolidated statements of comprehensive income as dissatisfaction of the recognition criteria for [REDACTED].

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 30 June 2026 and up to the date of this report.

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II	UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

SUMMARY OF THE CONSTITUTION OF THE COMPANY

1 Memorandum of Association

The Memorandum of Association of the Company was conditionally adopted on [REDACTED] and states, inter alia, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

The Memorandum of Association is on display on the websites of the Stock Exchange and the Company as specified in Appendix V in the section headed "Documents delivered to the Registrar of Companies and Available on Display".

2 Articles of Association

The Articles of Association of the Company were conditionally adopted on [REDACTED] and include provisions to the following effect:

2.1 Directors

(a) Power to allot and issue Shares

Subject to the provisions in the Memorandum of Association (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing shares, the Directors may allot, issue, grant options over or otherwise dispose of shares with or without preferred, deferred or other rights or restrictions, whether in regard to dividend or other distribution, voting, return of capital or otherwise and to such persons, at such times and on such other terms as the Directors think proper.

(b) Power to dispose of the assets of the Company or any subsidiary

Subject to the provisions of the Companies Act, the Memorandum and Articles of Association and to any directions given by special resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum and Articles of Association and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given.

(c) Compensation or payment for loss of office

There are no provisions in the Articles of Association relating to compensation or payment for loss of office of a Director.

(d) Loans to Directors

There are no provisions in the Articles of Association relating to making of loans to Directors.

(e) Financial assistance to purchase Shares

There are no provisions in the Articles of Association relating to the giving of financial assistance by the Company to purchase shares in the Company or its subsidiaries.

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(f) Disclosure of interest in contracts with the Company or any of its subsidiaries

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realized by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding office or of the fiduciary relationship thereby established, provided that the nature of the interest of any Director or any alternate Director in any such contract or transaction shall be disclosed by them at or prior to its consideration and any vote thereon.

A Director shall not be entitled to vote on (nor shall the Director be counted in the quorum in relation to) any resolution of the Directors in respect of any contract or arrangement or any other proposal in which the Director or any of his close associates has any material interest, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for the resolution), but this prohibition shall not apply to any of the following matters, namely:

- (i) the giving to such Director or any of his close associates of any security or indemnity in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his close associates has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an [REDACTED], debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his close associates is/are or is/are to be interested as a participant in the [REDACTED] or [REDACTED] of the [REDACTED];
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries including:
 - (A) the adoption, modification or operation of any employees' share scheme or any share incentive scheme or share option scheme under which the Director or any of his close associates may benefit; or

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- (B) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or any of his close associates, as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
 - (v) any contract or arrangement in which the Director or any of his close associates is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of their interest in shares or debentures or other securities of the Company.
- (g) *Remuneration*

The remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to be paid all traveling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any class of shares or debentures of the Company, or otherwise in connection with the business of the Company or the discharge of their duties as a Director, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.

The Directors may approve additional remuneration to any Director for any services which in the opinion of the Directors go beyond that Director's ordinary routine work as a Director. Any fees paid to a Director who is also counsel, attorney or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to their remuneration as a Director.

(h) *Retirement, appointment and removal*

The Company may by ordinary resolution appoint any person to be a Director, either to fill a vacancy or as an additional Director.

The Company may by ordinary resolution remove any Director (including a managing or other executive Director) before the expiration of such Director's term of office, notwithstanding anything in the Articles of Association or in any agreement between the Company and such Director, and may by ordinary resolution elect another person in their stead. Nothing shall be taken as depriving a Director so removed of compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The Directors may appoint any person to be a Director, either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Articles of Association as the maximum number of Directors. Any Director so appointed shall hold office only until the first annual general meeting of the Company after such Director's appointment and shall then be eligible for re-election at that meeting.

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There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

The office of a Director shall be vacated if:

- (i) the Director gives notice in writing to the Company that he resigns the office of Director;
- (ii) the Director is absent (for the avoidance of doubt, without being represented by proxy or an alternate Director appointed by him) for a continuous period of 12 months without special leave of absence from the Directors, and the Directors pass a resolution that he has by reason of such absence vacated office;
- (iii) the Director dies, becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (iv) the Director is found to be or becomes of unsound mind; or
- (v) the Director is removed from office by notice in writing served upon such Director signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors then in office (including such Director).

At every annual general meeting of the Company one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election at such meeting. The Company at any annual general meeting at which any Directors retire may fill the vacated office by electing a like number of persons to be Directors.

(i) Borrowing powers

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

2.2 Alteration to constitutional documents

No alteration or amendment to the Memorandum or Articles of Association may be made except by special resolution.

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2.3 *Variation of rights of existing shares or classes of shares*

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class for the time being issued (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied only with the consent in writing of the holders of not less than three-fourths of the voting rights of the issued shares of that class, or with the approval of a resolution passed by a majority of not less than three-fourths of the votes cast at a separate meeting of the holders of the shares of that class. To any such meeting all the provisions of the Articles of Association relating to general meetings shall apply *mutatis mutandis*, except that the necessary quorum shall be one or more persons holding or representing by proxy or duly authorized representative at least one-third of the voting rights of the issued shares of that class.

The rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

2.4 *Alteration of capital*

The Company may by ordinary resolution:

- (a) increase its share capital by such sum as the ordinary resolution shall prescribe and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;
- (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares. On any consolidation of fully paid shares and division into shares of larger amount, the Directors may settle any difficulty which may arise as they think expedient and in particular (but without prejudice to the generality of the foregoing) may as between the holders of shares to be consolidated determine which particular shares are to be consolidated into each consolidated share, and if it shall happen that any person shall become entitled to fractions of a consolidated share or shares, such fractions may be sold by some person appointed by the Directors for that purpose and the person so appointed may transfer the shares so sold to the purchasers thereof and the validity of such transfer shall not be questioned, and so that the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated share or shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
- (c) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the Memorandum of Association or into shares without par value; and
- (d) cancel any shares that at the date of the passing of the ordinary resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so canceled.

The Company may by special resolution reduce its share capital or any capital redemption reserve fund, subject to the provisions of the Companies Act.

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2.5 *Special resolution – majority required*

A “special resolution” is defined in the Articles of Association to have the same meaning as in the Companies Act, for which purpose, the requisite majority shall be not less than three-fourths of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given and includes a special resolution approved in writing by all of the members of the Company entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of such members, and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments (if more than one) is executed.

In contrast, an “ordinary resolution” is defined in the Articles of Association to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorized representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles of Association and includes an ordinary resolution approved in writing by all the members of the Company aforesaid.

2.6 *Voting rights*

Subject to any rights or restrictions attached to any shares, at any general meeting every member of the Company present in person (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have (a) the right to speak; (b) one vote on a show of hands; and (c) one vote for every share of which he is the holder on a poll.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint holders the vote of the senior holder who tenders a vote, whether in person or by proxy (or in the case of a corporation or other non-natural person, by its duly authorized representative or proxy) shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by their committee, receiver, curator bonis, or other person on such member’s behalf appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy.

No person shall be counted in a quorum or be entitled to vote at any general meeting unless he is registered as a member on the record date for such meeting, nor unless all calls or other monies then payable by him in respect of shares have been paid.

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At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairperson of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

Any corporation or other non-natural person which is a member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorized shall be entitled to exercise the same powers as the corporation could exercise if it were an individual member.

If a recognized clearing house (or its nominee(s)) is a member of the Company it may authorize such person or persons as it thinks fit to act as its representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company, provided that, if more than one person is so authorized, the authorization shall specify the number and class of shares in respect of which each such person is so authorized. A person authorized pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognized clearing house (or its nominee(s)) which that person represents as that recognized clearing house (or its nominee(s)) could exercise as if such person were an individual member of the Company holding the number and class of shares specified in such authorization, including the right to speak and, where a show of hands is allowed, the right to vote individually on a show of hands.

2.7 *Annual general meetings and extraordinary general meetings*

The Company shall hold a general meeting as its annual general meeting for each financial year within six months (or such other period as may be permitted by the Listing Rules or the Stock Exchange) after the end of such financial year. An annual general meeting shall be specified as such in the notices calling it.

The Directors may call general meetings, and they shall on a members' requisition forthwith proceed to convene an extraordinary general meeting of the Company. A members' requisition is a requisition of one or more members holding at the date of deposit of the requisition not less than 10% of the voting rights, on a one vote per share basis, of the issued shares which as at that date carry the right to vote at general meetings of the Company. The members' requisition must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists and deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, and may consist of several documents in like form each signed by one or more requisitionists. If there are no Directors as at the date of the deposit of the members' requisition or if the Directors do not within 21 days from the date of the deposit of the members' requisition duly proceed to convene a general meeting to be held within a further 21 days, the requisitionists, or any of them representing more than one-half of the total voting rights of all the requisitionists, may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said 21 day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

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2.8 *Accounts and audit*

The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Such books of account must be retained for a minimum period of five years from the date on which they are prepared. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

The Directors shall determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members of the Company not being Directors, and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by the Companies Act or authorized by the Directors or by the Company in general meeting.

The Directors shall cause to be prepared and to be laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditors' report on such accounts and such other reports and accounts as may be required by law.

2.9 *Auditors*

The Company shall at every annual general meeting by ordinary resolution appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. The Company may by ordinary resolution remove an auditor before the expiration of his period of office. No person may be appointed as an auditor of the Company unless such person is independent of the Company. The remuneration of the auditors shall be fixed by the Company at the annual general meeting at which they are appointed by ordinary resolution, or in the manner specified in such resolution.

2.10 *Notice of meetings and business to be conducted thereat*

An annual general meeting shall be called by not less than 21 days' notice and any extraordinary general meeting shall be called by not less than 14 days' notice, which shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Every notice shall specify the place (which, in the case of a virtual meeting, includes a virtual place), the day and the hour of the meeting, particulars of the resolutions and the general nature of the business to be conducted at the meeting. Notwithstanding the foregoing, a general meeting of the Company shall, whether or not the notice specified has been given and whether or not the provisions of the Articles of Association regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

- (a) in the case of an annual general meeting, by all members of the Company entitled to attend and vote at the meeting; and

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- (b) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at the meeting, together holding not less than 95% in par value of the shares giving that right.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place (whether physical or virtual) specified in the notice calling such meeting, they may change or postpone the meeting to another date, time and place (whether physical or virtual).

The Directors also have the power to provide in every notice calling a general meeting that in the event of a gale warning or a black rainstorm warning is in force at any time on the day of the general meeting (unless such warning is canceled at least a minimum period of time prior to the general meeting as the Directors may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

- (a) the Company shall endeavor to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning or black rainstorm warning being in force on the day of the general meeting;
- (b) the Directors shall fix the date, time and place (whether physical or virtual) for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting; and such notice shall specify the date, time and place (which, in the case of a virtual meeting, includes a virtual place) at which the postponed meeting will be reconvened and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and
- (c) only the business set out in the notice of the original meeting shall be transacted at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be transacted at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be transacted at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles of Association.

2.11 *Transfer of shares*

Transfers of shares may be effected by an instrument of transfer, which shall be in writing and in any standard form of transfer as prescribed by the Stock Exchange or such other form as the Directors may approve. The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company.

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The Directors may decline to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be canceled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;
- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) the shares concerned are free of any lien in favor of the Company; and
- (f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall notify the transferor and the transferee within two months of such refusal.

The registration of transfers shall be suspended during such periods as the register of members of the Company is closed. The Directors may, on at least 10 business days' notice (or on at least 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, close the register of members at such times and for such periods as the Directors may from time to time determine, provided that the register of members shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

2.12 Power of the Company to purchase its own shares

Subject to the provisions of the Companies Act, the Company may purchase its own shares provided that (a) the manner of purchase has first been authorized by the members of the Company by ordinary resolution, and (b) any such purchase shall only be made in accordance with any relevant code, rules or regulations issued by the Stock Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.

2.13 Power of any subsidiary of the Company to own shares

There are no provisions in the Articles of Association relating to the ownership of shares by a subsidiary.

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2.14 Dividends and other methods of distribution

Subject to the Companies Act and the Articles of Association, the Company may by ordinary resolution resolve to pay dividends and other distributions on shares in issue and authorize payment of the dividends or other distributions out of the funds of the Company lawfully available therefor, provided no dividends shall exceed the amount recommended by the Directors. No dividend or other distribution shall be paid except out of the realized or unreleased profits of the Company, out of the share premium account or as otherwise permitted by law.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may in addition from time to time declare and pay special dividends on shares of such amounts and on such dates as they think fit.

Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the amounts paid up on the shares that a member holds during any portion or portions of the period in respect of which the dividend is paid. For this purpose no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may deduct from any dividends or other distribution payable to any member of the Company all sums of money (if any) then payable by the member to the Company on account of calls or otherwise. The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

No dividend shall carry interest against the Company. Except as otherwise provided by the rights attached to any shares, dividends and other distributions may be paid in any currency.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

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Any dividend, interest or other monies payable in cash in respect of shares may be paid by wire transfer to the holder or by check or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the register of members of the Company or to such person and to such address as the holder or joint holders may in writing direct. Every such check or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, other distributions, bonuses, or other monies payable in respect of the shares held by them as joint holders.

Any dividend or other distribution which remains unclaimed after a period of six years from the date on which such dividend or distribution becomes payable shall be forfeited and shall revert to the Company.

The Directors, with the sanction of the members of the Company by ordinary resolution, may resolve that any dividend or other distribution be paid wholly or partly by the distribution of specific assets, and in particular (but without limitation) by the distribution of shares, debentures, or securities of any other company or in any one or more of such ways, and where any difficulty arises in regard to such distribution, the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members of the Company upon the basis of the value so fixed in order to adjust the rights of all members, and may vest any such specific assets in trustees as may seem expedient to the Directors.

2.15 Proxies

A member of the Company entitled to attend and vote at a general meeting of the Company shall be entitled to appoint another person who must be an individual as his proxy to attend and vote instead of him and a proxy so appointed shall have the same right as the member to speak at the meeting. Votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member may appoint any number of proxies to attend in his stead at any one general meeting or at any one class meeting.

The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation or other non-natural person, under the hand of its duly authorized representative.

The Directors shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner (including by electronic means) by which the instrument appointing a proxy shall be deposited and the place and the time (being not later than the time appointed for the commencement of the meeting or adjourned meeting to which the proxy relates) at which the instrument appointing a proxy shall be deposited.

The instrument appointing a proxy may be in any usual or common form (or such other form as the Directors may approve) and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked.

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2.16 Calls on shares and forfeiture of shares

Subject to the terms of the allotment and issue of any shares, the Directors may make calls upon the members of the Company in respect of any monies unpaid on their shares (whether in respect of par value or premium), and each member of the Company shall (subject to receiving at least 14 clear days' notice specifying the times or times of payment) pay to the Company at the time or times so specified the amount called on his shares. A call may be revoked or postponed, in whole or in part, as the Directors may determine. A call may be required to be paid by instalments. A person upon whom a call is made shall remain liable for calls made upon him, notwithstanding the subsequent transfer of the shares in respect of which the call was made.

A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect of such share.

If a call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the day it became due and payable until it is paid at such rate as the Directors may determine (and in addition all expenses that have been incurred by the Company by reason of such non-payment), but the Directors may waive payment of the interest or expenses wholly or in part.

If any call or instalment of a call remains unpaid after it has become due and payable, the Directors may give to the person from whom it is due not less than 14 clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. The notice shall specify where payment is to be made and shall state if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

If such notice is not complied with, any share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors. Such forfeiture shall include all dividends, other distributions or other monies payable in respect of the forfeited shares and not paid before the forfeiture.

A forfeited share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit.

A person any of whose shares have been forfeited shall cease to be a member of the Company in respect of the forfeited shares and shall surrender to the Company for cancellation the certificate for the shares forfeited and shall remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of the shares, together with interest at such rate as the Directors may determine, but that person's liability shall cease if and when the Company shall have received payment in full of all monies due and payable by them in respect of those shares.

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2.17 Inspection of register of members

The Company shall maintain or cause to be maintained the register of members of the Company in accordance with the Companies Act. The Directors may, on giving 10 business days' notice (or 6 business days' notice in the case of a rights issue) by advertisement published on the Stock Exchange's website or, subject to the Listing Rules, in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, close the register of members at such times and for such periods as the Directors may determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

Except when the register is closed, the register of members shall during business hours be kept open for inspection by any member of the Company without charge.

2.18 Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present. Two members of the Company present in person or by proxy, or if a corporation or other non-natural person by its duly authorized representative or proxy, shall be a quorum unless the Company has only one member entitled to vote at such general meeting in which case the quorum shall be that one member present in person or by proxy, or in the case of a corporation or other non-natural person by its duly authorized representative or proxy.

The quorum for a separate general meeting of the holders of a separate class of shares of the Company is described in paragraph 2.3 above.

2.19 Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles of Association concerning the rights of minority shareholders in relation to fraud or oppression.

2.20 Procedure on liquidation

Subject to the Companies Act, the Company may by special resolution resolve that the Company be wound up voluntarily.

Subject to the rights attaching to any shares, in a winding up:

- (a) if the assets available for distribution amongst the members of the Company shall be insufficient to repay the whole of the Company's paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, on the shares held by them at the commencement of the winding up;
- (b) if the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the Company's paid up capital at the commencement of the winding up, the surplus shall be distributed amongst the members of the Company in proportion to the capital paid up on the shares held by them at the commencement of the winding up.

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If the Company shall be wound up, the liquidator may with the approval of a special resolution of the Company and any other approval required by the Companies Act, divide amongst the members of the Company in kind the whole or any part of the assets of the Company (whether such assets shall consist of property of the same kind or not) and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like approval, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like approval, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

2.21 Untraceable members

The Company shall be entitled to sell any shares of a member of the Company or the shares to which a person is entitled by virtue of transmission on death or bankruptcy or operation of law if: (a) all checks or warrants, not being less than three in number, for any sums payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (b) the Company has not during that time or before the expiry of the three month period referred to in (d) below received any indication of the whereabouts or existence of the member; (c) during the 12-year period, at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and (d) upon expiry of the 12-year period, the Company has caused an advertisement to be published in the newspapers or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association, giving notice of its intention to sell such shares and a period of three months has elapsed since such advertisement and the Stock Exchange has been notified of such intention. The net [REDACTED] of any such sale shall belong to the Company and upon receipt by the Company of such net [REDACTED] it shall become indebted to the former member for an amount equal to such net [REDACTED].

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

1 Introduction

The Companies Act is derived, to a large extent, from the older Companies Acts of England, although there are significant differences between the Companies Act and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Act, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

2 Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 May 2021 under the Companies Act. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorized share capital.

3 Share Capital

The Companies Act permits a company to issue ordinary shares, preferred shares, redeemable shares or any combination thereof.

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The Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premia on those shares shall be transferred to an account called the "share premium account". At the option of a company, these provisions may not apply to premia on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancelation of shares in any other company and issued at a premium. The Companies Act provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Act);
- (d) writing-off the preliminary expenses of the company;
- (e) writing-off the expenses of, or the commission paid or [REDACTED] allowed on, any [REDACTED] or debentures of the company; and
- (f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Act provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Act, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorized by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorized to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorized either by the articles of association or by an ordinary resolution of the company. The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

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4 Dividends and Distributions

With the exception of section 34 of the Companies Act, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Act permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see paragraph 3 above for details).

5 Shareholders' Suits

The Cayman Islands courts can be expected to follow English case law precedents. The rule in *Foss v. Harbottle* (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is *ultra vires* the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

6 Protection of Minorities

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the courts of the Cayman Islands.

7 Disposal of Assets

The Companies Act contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

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8 Accounting and Auditing Requirements

The Companies Act requires that a company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- (b) all sales and purchases of goods by the company; and
- (c) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

9 Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

10 Inspection of Books and Records

Members of a company will have no general right under the Companies Act to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

11 Special Resolutions

The Companies Act provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorized by the articles of association of the company.

12 Subsidiary Owning Shares in Parent

The Companies Act does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

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13 Mergers and Consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

14 Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (a) 75% in value of shareholders, or (b) a majority in number representing 75% in value of creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting shareholder would have the right to express to the Grand Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Grand Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management and if the transaction were approved and consummated the dissenting shareholder would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of his shares) ordinarily available, for example, to dissenting shareholders of United States corporations.

15 Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may at any time within two months after the expiration of the said four months, by notice require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Grand Court of the Cayman Islands within one month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Grand Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

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16 Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

17 Restructuring

A company may present a petition to the Grand Court of the Cayman Islands for the appointment of a restructuring officer on the grounds that the company:

- (a) is or is likely to become unable to pay its debts; and
- (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring.

The Grand Court may, among other things, make an order appointing a restructuring officer upon hearing of such petition, with such powers and to carry out such functions as the court may order. At any time (i) after the presentation of a petition for the appointment of a restructuring officer but before an order for the appointment of a restructuring officer has been made, and (ii) when an order for the appointment of a restructuring officer is made, until such order has been discharged, no suit, action or other proceedings (other than criminal proceedings) shall be proceeded with or commenced against the company, no resolution to wind up the company shall be passed, and no winding up petition may be presented against the company, except with the leave of the court. However, notwithstanding the presentation of a petition for the appointment of a restructuring officer or the appointment of a restructuring officer, a creditor who has security over the whole or part of the assets of the company is entitled to enforce the security without the leave of the court and without reference to the restructuring officer appointed.

18 Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

19 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

APPENDIX III

SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

20 Taxation

Pursuant to section 6 of the Tax Concessions Act (As Revised) of the Cayman Islands, the Company has obtained an undertaking from the Financial Secretary of the Cayman Islands:

- (a) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- (b) in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - (i) on or in respect of the shares, debentures or other obligations of the Company; or
 - (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (As Revised).

The undertaking is for a period of twenty years from 21 May 2025.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are not party to any double tax treaties that are applicable to any payments made by or to the Company.

21 Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

22 General

Maples and Calder (Hong Kong) LLP, the Company's legal advisors on Cayman Islands law, have sent to the Company a letter of advice summarizing aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is on display on the websites as referred to in the section headed "Documents delivered to the Registrar of Companies and Available on Display" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

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FURTHER INFORMATION ABOUT OUR GROUP

Incorporation

The Company was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on May 12, 2021. The registered office address of our Company is at Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. Accordingly, our Company’s corporate structure and Memorandum and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles of Association is set out in Appendix III to this document.

The Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on February 17, 2022. The place of business of the Company in Hong Kong is at Flat 01, 21/F, China Shipbuilding Tower, 650 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong. Mr. Wong Keith Shing Cheung (王承鐸先生) has been appointed as the Company’s authorized representative for the acceptance of service of process and notices in Hong Kong. The address for service of process is Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As of the date of this document, the Company’s head office was located at Building 69, Zone A, Guangzhou Venture Town, Nos. 1601-1603, Guangzhou Avenue South, Haizhu District, Guangzhou, PRC.

Changes in the Share Capital

A summary of the corporate information and the particulars of the subsidiaries of our Company are set out in the Accountant’s Report in Appendix I to this document. For details of the major subsidiaries and operating entities of our Company, see “History, Reorganization and Corporate Structure — Our Major Subsidiaries”.

The following are the changes in the share capital of the members of our Group that took place during the two years immediately preceding the date of this document:

Hainan Qianxianda Agricultural Products

On April 17, 2026, Hainan Qianxianda Agricultural Products Co., Ltd. (海南錢鮮達農產品有限公司) was established in the PRC with a registered capital of RMB1 million.

Guangzhou Qdama Information Technology

On December 20, 2024, the registered capital of Guangzhou Qdama Information Technology Co., Ltd. (廣州市錢大媽信息科技有限公司), currently known as Guangzhou Qinghe Zhiyun Technology Co., Ltd. (廣州青禾智雲科技有限公司), was increased from RMB10 million to RMB15 million.

Chongqing Qdama Supply Chain

On August 27, 2025, the registered capital of Chongqing Qdama Supply Chain Management Co., Ltd. (重慶市錢大媽供應鏈管理有限公司) was increased from RMB5 million to RMB35 million.

Save as disclosed above, there has been no alteration in the share capital of the subsidiaries of the Company within two years immediately preceding the date of this document.

Resolutions of the Shareholders

On [REDACTED], resolutions of the Company were passed by the Shareholders that, among other things, conditional upon the satisfaction (or, if applicable, waiver) of the conditions set out in “Structure of the [REDACTED] — Conditions of the [REDACTED]” and pursuant to the terms set out therein:

- (a) the Company approved and adopted the Memorandum and Articles of Association with effect conditional and immediately upon the [REDACTED];

APPENDIX IV

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- (b) the [REDACTED] and the grant of the [REDACTED] were approved and any one Director or one joint company secretary of our Company from time to time or (if applicable), any of his/her/their duly authorized attorney (the "**Authorized Signatory**") were authorized to allot, issue and transfer the Shares pursuant to the [REDACTED] and the exercise of the [REDACTED];
- (c) the [REDACTED] was approved and any Authorized Signatory would be authorized to implement the [REDACTED];
- (d) subject to the "lock-up" provisions under Rule 10.08 of the Listing Rules, a general unconditional mandate would be granted to the Directors to approve, confirm and ratify that the Company allot, issue and deal with the Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for the Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers whether during or after the end of the Relevant Period (as defined below), provided that the aggregate number of Shares allotted or agreed to be allotted by the Directors other than pursuant to a (i) rights issue, (ii) any scrip dividend scheme or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares; and (iii) a specific authority granted by the Shareholders in general meeting, shall not exceed the aggregate of:
 - (A) [REDACTED]% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED]); and
 - (B) the aggregate number of Shares repurchased by the Company (if any) under the general mandate to repurchase Shares referred to in paragraph below.

Such mandate to remain in effect during the period from the passing of the resolution until the earliest of (i) the conclusion of the next annual general meeting of the Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association or any applicable laws to be held, and (iii) the date on which the mandate is varied or revoked by an ordinary resolution of the Shareholders in general meeting (the "**Relevant Period**"); and

- (e) a general unconditional mandate would be granted to the Directors to exercise all the powers of the Company to repurchase the Shares on the Stock Exchange, or on any other stock exchange on which the Shares may be [REDACTED] (and which is recognized by the SFC and the Stock Exchange for this purpose) not exceeding in aggregate [REDACTED]% of the total number of Shares in issue immediately following the completion of the [REDACTED] but excluding (where applicable) any Shares which may be issued pursuant to the exercise of the [REDACTED] of the Company in accordance with all applicable laws and the requirements of the Listing Rules, such mandate to remain in effect during the period from the passing of the resolution until the earliest of (i) the conclusion of the next annual general meeting of the Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association or any applicable laws to be held, and (iii) the date on which the mandate is varied or revoked by an ordinary resolution of the Shareholders in general meeting.

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Repurchase of Our Own Shares

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary [REDACTED] is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important restrictions are summarized below:

(i) Shareholders’ Approval

All proposed repurchases of our Shares (which must be fully paid up) by a company with a primary [REDACTED] on the Stock Exchange must be approved in advance by an ordinary resolution of our Shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on [REDACTED], a general mandate (the “**Repurchase Mandate**”) was given to our Directors authorizing them to exercise all powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose, with a total nominal value up to 10% of the aggregate nominal value of our Shares in issue immediately following the completion of the [REDACTED] (excluding any Shares which may be issued under the [REDACTED]), with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company (unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions), (ii) the expiration of the period within which our Company’s next annual general meeting is required by the Memorandum and Articles of Association or any other applicable laws to be held, and (iii) the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

(ii) Source of Funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands law, any purchases by the Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Companies Act.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the

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purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or, otherwise) is automatically canceled and the relative certificates must be canceled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the directors of the Company resolve to hold the shares purchased by the Company as treasury shares, shares purchased by the Company shall be treated as canceled and the amount of the Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under Cayman Companies Act.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Procedural and Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his/her securities to the company.

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(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. Our Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, our Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Cayman Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles of Association and subject to Cayman Companies Act, out of capital.

However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), could accordingly result in up to approximately [REDACTED] Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or
- the date when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to our Company.

No core connected person (as defined in the Listing Rules) has notified us that he/she or it has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

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If, as a result of any repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of Shareholders’ interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than the applicable minimum public float requirement under Rule 8.08 of the Listing Rules, as referred to above, could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding public shareholding.

FURTHER INFORMATION ABOUT THE BUSINESS

Summary of Material Contracts

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

- (a) the supplemental agreement to the shareholders agreement of Qdama International Holding Ltd. (《錢大媽國際控股有限公司有限公司股東協議》之補充協議) dated January 11, 2026 entered into among Qdama International Holding Ltd. (錢大媽國際控股有限公司) (our Company), Qdama International Investment Holding Ltd., Qdama (Hong Kong) Investment Holding Limited, Guangzhou Qdama Agricultural Products Co., Ltd. (廣州市錢大媽農產品有限公司), Feng WH, Ms. Feng, FWH Holding Ltd., WH Feng Ltd., Qdama Talent Holding Limited, Guangzhou Qdama Supply Chain Co., Ltd. (廣州市錢大媽供應鏈有限公司), Guangzhou Qdama E-commerce Co., Ltd. (廣州市錢大媽電子商務有限公司) (currently known as Guangzhou Zhuixian Food Co., Ltd. (廣州市追鮮食品有限公司)), Guangzhou Caiba Technology Co., Ltd. (廣州市菜吧科技有限公司), Shenzhen Qdama Agricultural Products Co., Ltd. (深圳市錢大媽農產品有限公司), Shanghai Qdama Agricultural Products Co., Ltd. (上海錢大媽農產品有限公司), Shanghai Qdama Enterprise Management Co., Ltd. (上海錢大媽企業管理有限公司), Guangzhou Qdama Fresh Food Chain Co., Ltd. (廣州市錢大媽生鮮食品連鎖有限公司), Qingyuan Qdama Agricultural Products Co., Ltd. (清遠市錢大媽農產品有限公司), Zhuhai Qian Cunchang Agricultural Products Co., Ltd. (珠海市錢村長農產品有限公司), Zhongshan Qdama Agricultural Products Co., Ltd. (中山市錢大媽農產品有限公司), Foshan Qian Cunchang Agricultural and Sideline Products Co., Ltd. (佛山市錢村長農副產品有限公司), Dongguan Qdama Agricultural Products Co., Ltd. (東莞市錢大媽農產品有限公司), Shenzhen Fresh Food Technology Holdings Co., Ltd. (深圳市鮮食科技控股有限公司), Hong Kong Qdama Fresh Foods Chain Store Co., Limited (香港錢大媽生鮮食品連鎖有限公司), JG Queens Holding Limited, HJRY Holding Limited, HJHY Holding Limited, Generation Alpha Investment Ltd., HHZY Holding Limited, Gaorong QDM Holding Limited, Super Fresh Ltd., SHENZHEN LINGYU CO-STONE PRIVATE EQUITY PARTNERSHIP (LIMITED PARTNERSHIP) (深圳市領譽基石股權投資基金合夥企業(有限合夥)), Shenzhen Linghui Cornerstone Equity Investment Fund Partnership (Limited Partnership) (深圳市領匯基石股權投資基金合夥企業(有限合夥)), Taikang Life Insurance Co., Ltd. (泰康人壽保險有限責任公司), Lighthouse Gotrays Limited, Generation Alpha Omega Investment Ltd., STARSEA INTERNATIONAL LIMITED, Yunrui Capital, Immensus Capital China PE Fund II LP - SPV I, Hezhi Fresh Food (Shenzhen) Enterprise Chain Management Partnership Enterprise (Limited Partnership) (和智鮮食(深圳)企業連鎖管理合夥企業(有限合夥)), Guangzhou Hezhi Fresh Enterprise Management Center (Limited Partnership) (廣州和智鮮生企業管理中心(有限合夥)), Shenzhen Hanyuan Investment Center (Limited Partnership) (深圳瀚源投資中心(有限合夥)) pursuant to which Shareholders’ special rights were to be terminated accordingly; and

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- (b) the share purchase agreement dated July 20, 2026 entered into between Qdama International Holding Ltd. (錢大媽國際控股有限公司) (our Company) and Yunrui Capital, pursuant to which our Company purchased from Yunrui Capital 28,406,941 Shares of our Company, comprising 8,961,021 Series E Preferred Shares and 19,445,920 Ordinary Shares, for a consideration of RMB49,865,301 or its equivalent in U.S. dollars.
- (c) the [REDACTED].

Intellectual Property

As of the Latest Practicable Date, the following intellectual property rights are material to the Group’s business:

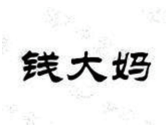
Trademarks

As of the Latest Practicable Date, the Group had registered the following trademarks which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1. . .		16	Guangzhou Qdama	Chinese Mainland	70806822	December 6, 2033
2. . .		29	Guangzhou Qdama	Chinese Mainland	70830824	December 13, 2033
3. . .		9	Guangzhou Qdama	Chinese Mainland	70805835	December 13, 2033
4. . .		35	Guangzhou Qdama	Chinese Mainland	70796814	November 20, 2033
5. . .		25	Guangzhou Qdama	Chinese Mainland	70797908	December 13, 2033
6. . .		35	Guangzhou Qdama	Chinese Mainland	70817573	December 6, 2033

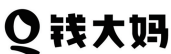
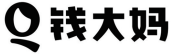
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No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
7. . .		29	Guangzhou Qdama	Chinese Mainland	66932756	November 6, 2033
8. . .		9	Guangzhou Qdama	Chinese Mainland	66931862	November 6, 2033
9. . .		29	Guangzhou Qdama	Chinese Mainland	63008700	August 27, 2033
10. . .		43	Guangzhou Qdama	Chinese Mainland	61071661	May 27, 2032
11. . .		35	Guangzhou Qdama	Chinese Mainland	61021016	July 6, 2033
12. . .		29	Guangzhou Qdama	Chinese Mainland	61048654	November 6, 2033
13. . .		31	Guangzhou Qdama	Chinese Mainland	61008564	November 6, 2033
14. . .		16	Guangzhou Qdama	Chinese Mainland	61065945	May 27, 2032
15. . .		35	Guangzhou Qdama	Chinese Mainland	53669985	September 13, 2031
16. . .		30	Guangzhou Qdama	Chinese Mainland	48441348	April 6, 2031

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No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
17. . .		35	Guangzhou Qdama	Chinese Mainland	12922347	December 13, 2034
18. . .		29	Guangzhou Qdama	Chinese Mainland	8970330	December 27, 2031
19. . .		35	Guangzhou Qdama	Chinese Mainland	73452708	November 20, 2034
20. . .		29	Guangzhou Qdama	Chinese Mainland	82052636	June 27, 2035
21. . .		31	Guangzhou Qdama	Chinese Mainland	82041479	July 20, 2035
22. . .		16	Guangzhou Qdama	Chinese Mainland	80735983	September 6, 2035
23. . .		35	Guangzhou Caiba	Chinese Mainland	57458192	November 20, 2032
24. . .		35	Guangzhou Caiba	Chinese Mainland	79094404	December 6, 2034
25. . .		29	Guangzhou Caiba	Chinese Mainland	79107631	December 6, 2034
26. . .		31	Guangzhou Caiba	Chinese Mainland	79115318	December 6, 2034
27. . .		35	Guangzhou Caiba	Chinese Mainland	79100774	December 6, 2034
28. . .		35	Guangzhou Caiba	Chinese Mainland	86219713	February 6, 2036
29. . .		31	Guangzhou Qdama	Chinese Mainland	69052015	June 20, 2036
30. . .		31	Guangzhou Qdama	Chinese Mainland	59507933	June 27, 2036
31. . .		35	Guangzhou Qdama	Macau	N/182847	October 8, 2028

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No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
32 . .		9, 16, 25, 29, 30, 31, 32, 35	Guangzhou Qdama	Hong Kong	305821155	December 2, 2031
33 . .		35	Guangzhou Qdama	Macau	N/191084	April 26, 2029
34 . .		9, 16, 25, 29, 30, 31, 32, 35	Guangzhou Qdama	Hong Kong	305821137	December 2, 2031
35 . .		35	Guangzhou Qdama	Macau	N/191128	April 26, 2029
36 . .		9, 16, 25, 29, 30, 31, 32, 35	Guangzhou Qdama	Hong Kong	306249826	May 21, 2033
37 . .		9, 16, 25, 29, 30, 31, 32, 35	Guangzhou Qdama	Hong Kong	306249835	May 21, 2033
38 . .		35	Guangzhou Qdama	Macau	N/209517	October 10, 2030

Domain Name

As of the Latest Practicable Date, the Group had registered the following domain name which is material to its business:

No.	Domain Name	Registered Owner	Expiry Date
1. . . .	qdama.com	Guangzhou Qdama	October 3, 2033
2. . . .	qdm.com	Guangzhou Qdama	May 6, 2034
3. . . .	qdama.com.cn	Guangzhou Qdama	April 10, 2034
4. . . .	qdama.net	Guangzhou Qdama	April 10, 2034
5. . . .	錢大媽.cn	Guangzhou Qdama	August 5, 2033
6. . . .	錢大媽.com	Guangzhou Qdama	March 17, 2034
7. . . .	錢大媽.net	Guangzhou Qdama	August 5, 2033
8. . . .	錢大媽.中國	Guangzhou Qdama	August 5, 2033
9. . . .	qiandama.cn	Guangzhou Qdama	January 25, 2034
10. . .	qiandama.com	Guangzhou Qdama	April 14, 2034
11. . .	qdama.cn	Guangzhou Qdama	April 2, 2034
12. . .	qdm-mall.cn	Guangzhou Zhuixian	January 11, 2034
13. . .	qdm-mall.com	Guangzhou Zhuixian	January 11, 2034

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Patents

As of the Latest Practicable Date, the Group had registered the following patents which are material to its business:

No.	Patent Holder	Patent Name	Patent Number	Type	Date of Application	Patent Term	Jurisdiction of Registration
1. . .	Guangzhou Qdama	A pesticide safety interval monitoring system and method (一種打藥安全間隔期監管系統及方法)	ZL202311092350.0	Invention	August 28, 2023	20 years	Chinese Mainland
2. . .	Guangzhou Qdama	Storefront (門店門面)	ZL202330221685.2	Design	April 20, 2023	15 years	Chinese Mainland
3. . .	Guangzhou Qdama	A shelf (一種貨架)	ZL202122458425.5	Utility model	October 12, 2021	10 years	Chinese Mainland
4. . .	Guangzhou Qdama	A method and system for handling fresh product inventory (一種生鮮商品的庫存處理方法及系統)	ZL202011357411.8	Invention	November 27, 2020	20 years	Chinese Mainland
5. . .	Guangzhou Qdama	Mascot doll (black fur) (吉祥物公仔(黑毛))	ZL201830099060.2	Design	March 16, 2018	10 years	Chinese Mainland
6. . .	Dongguan Qdama Agricultural Products	Label (beef) (標貼(黃牛肉))	ZL201730270733.1	Design	June 27, 2017	10 years	Chinese Mainland
7. . .	Guangzhou Qdama	Label (premium fresh meat) (標貼(優鮮肉))	ZL201730270691.1	Design	June 27, 2017	10 years	Chinese Mainland
8. . .	Guangzhou Qdama	Label (fresh lamb) (標貼(新鮮羊肉))	ZL201730270731.2	Design	June 27, 2017	10 years	Chinese Mainland
9. . .	Guangzhou Qdama	Toy (black fur) (玩具(黑毛))	ZL202430226185.2	Design	April 22, 2024	15 years	Chinese Mainland
10. .	Guangzhou Qdama	Fresh-keeping partition board (保鮮隔板)	ZL202430518370.9	Design	August 15, 2024	15 years	Chinese Mainland
11. .	Guangzhou Qdama Supply Chain	Label (seafood) (標貼(海產品))	ZL201730270698.3	Design	June 27, 2017	10 years	Chinese Mainland
12. .	Guangzhou Qinghe	Intelligent scheduling method, device, computer equipment and storage medium (智能調度方法、裝置、計算機設備及存儲介質)	ZL202111191387.X	Invention	October 13, 2021	20 years	Chinese Mainland
13. .	Guangzhou Qinghe	Method and device for controlling moving average price when creating material vouchers in SAP system (SAP系統創建物料憑證控制移動平均價的方法及裝置)	ZL202111135674.9	Invention	September 27, 2021	20 years	Chinese Mainland

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Patent Holder	Patent Name	Patent Number	Type	Date of Application	Patent Term	Jurisdiction of Registration
14.	Shenzhen Qdama Agricultural	Label (selected vegetables) (標貼(精選蔬菜))	ZL201730270732.7	Design	June 27, 2017	10 years	Chinese Mainland
15.	Shenzhen Qdama Agricultural	Label (freshwater fish) (標貼(淡水魚))	ZL201730270680.3	Design	June 27, 2017	10 years	Chinese Mainland
16.	Guangzhou Qdama	Toy (White-brow Elder) (公仔(白眉長老))	ZL202030727984.X	Design	November 27, 2020	10 years	Chinese Mainland
17.	Guangzhou Qdama	Toy (mascot doll Hua Xiaobao) (公仔(吉祥物花小豹))	ZL202030720489.6	Design	November 26, 2020	10 years	Chinese Mainland
18.	Guangzhou Qdama	Mascot doll (La Xiaofei) (吉祥物公仔(辣小飛))	ZL201830101610.X	Design	March 19, 2018	10 years	Chinese Mainland
19.	Guangzhou Qdama	Mascot doll (Bai Tuo) (吉祥物公仔(白陀))	ZL201830098871.0	Design	March 16, 2018	10 years	Chinese Mainland
20.	Guangzhou Qdama	Mascot doll (Li Bai) (吉祥物公仔(里白))	ZL201830099068.9	Design	March 16, 2018	10 years	Chinese Mainland
21.	Guangzhou Qdama	Mascot doll (Sha Gu) (吉祥物公仔(沙姑))	ZL201830098854.7	Design	March 16, 2018	10 years	Chinese Mainland
22.	Guangzhou Qdama	Mascot doll (Qing Yishan) (吉祥物公仔(青一山))	ZL201830099067.4	Design	March 16, 2018	10 years	Chinese Mainland
23.	Guangzhou Qdama	Mascot doll (Master Calculator) (吉祥物公仔(神算子))	ZL201830098862.1	Design	March 16, 2018	10 years	Chinese Mainland
24.	Guangzhou Qdama	Mascot doll (Mao Tou) (吉祥物公仔(毛頭))	ZL201830098865.5	Design	March 16, 2018	10 years	Chinese Mainland
25.	Guangzhou Caiba	Toy (big orange) (公仔(大橘))	ZL202230514259.3	Design	August 8, 2022	15 years	Chinese Mainland
26.	Guangzhou Qinghe	A Store Checkout Management Method, Apparatus, Computer Device and Storage Medium (一種門店收銀管理方法、裝置、計算機設備及存儲介質)	ZL202310062390.4	Invention	January 18, 2023	20 years	Chinese Mainland

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Copyrights

As of the Latest Practicable Date, the Group had registered the following copyrights which are material to its business:

No.	Copyright	Copyright type	Registered Owner	Registration Number	Registration Date
1.	Qdama Data Service Development Platform (錢大媽數據服務開發平台)	Computer Software	Guangzhou Qinghe	2025SR1794697	September 17, 2025
2.	Qdama Data Visualization Dashboard System (錢大媽數據可視化大屏系統)	Computer Software	Guangzhou Qinghe	2025SR1794696	September 17, 2025
3.	Qdama Smart Store Location Selection System (錢大媽門店智慧選址系統)	Computer Software	Guangzhou Qinghe	2025SR1794700	September 17, 2025
4.	Qdama Fresh Produce Quality Control System (錢大媽生鮮品控系統)	Computer Software	Guangzhou Qinghe	2025SR1794698	September 17, 2025
5.	Qdama Store Management System (錢大媽門店管理系統)	Computer Software	Guangzhou Qinghe	2025SR1794688	September 17, 2025
6.	Qdama Supply Chain Assistant System (錢大媽供應鏈助手系統)	Computer Software	Guangzhou Qinghe	2025SR1794677	September 17, 2025
7.	Qdama Order Management System (錢大媽訂單管理系統)	Computer Software	Guangzhou Qinghe	2025SR1794686	September 17, 2025
8.	Qdama Product Management System (錢大媽商品管理系統)	Computer Software	Guangzhou Qinghe	2025SR1794682	September 17, 2025
9.	Qdama Fresh Warehouse Material Management System (錢大媽生鮮倉物料倉管理系統)	Computer Software	Guangzhou Qinghe	2023SR1030457	September 8, 2023
10.	Smart Middle Platform Store Inspection System (智慧中台巡店系統)	Computer Software	Guangzhou Qinghe	2023SR0497318	April 24, 2023
11.	Supplier Settlement Automation Platform (供應商結算自動化平台)	Computer Software	Guangzhou Qinghe	2023SR0376072	March 21, 2023
12.	Qdama Fresh Warehouse Smart WMS Efficiency Management System (錢大媽生鮮倉智慧WMS人效管理系統)	Computer Software	Guangzhou Qinghe	2023SR0375236	March 21, 2023

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No.	Copyright	Copyright type	Registered Owner	Registration Number	Registration Date
13.	Event Data Analysis Platform (事件數據分析平台)	Computer Software	Guangzhou Qinghe	2023SR0275699	February 23, 2023
14.	Qdama ITSM Work Order Platform (錢大媽ITSM工單平台)	Computer Software	Guangzhou Qinghe	2023SR0128723	January 20, 2023
15.	Qdama Real-Time Data Dashboard System (錢大媽實時數據大屏系統)	Computer Software	Guangzhou Qinghe	2023SR0113148	January 18, 2023
16.	Qdama Franchisee Management Platform (錢大媽加盟商管理平台)	Computer Software	Guangzhou Qinghe	2023SR0089150	January 16, 2023
17.	Smart Middle Platform AI Inspection System (智慧中台AI巡檢系統)	Computer Software	Guangzhou Qinghe	2025SR0335132	February 26, 2025
18.	Qian Nong Hui Monitoring Management System (錢農慧監控管理系統)	Computer Software	Guangzhou Qdama	2025SR0365277	March 3, 2025
19.	Qdama Indicator Management Platform (錢大媽指標管理平台)	Computer Software	Guangzhou Qinghe	2025SR1794695	September 17, 2025
20.	Qdama TMS Intelligent Dispatch System (錢大媽TMS智能調度系統)	Computer Software	Guangzhou Qinghe	2025SR1794693	September 17, 2025
21.	Qdama E-commerce WMS System Picking Wall Platform (錢大媽電商WMS系統播種牆平台)	Computer Software	Guangzhou Qinghe	2025SR1794699	September 17, 2025
22.	Qdama Price Information Platform (錢大媽價格信息平台)	Computer Software	Guangzhou Qinghe	2025SR1794694	September 17, 2025
23.	Qdama Supply Chain Assistant PC System (錢大媽供應鏈助手PC系統)	Computer Software	Guangzhou Qinghe	2025SR1794676	September 17, 2025
24.	Qdama Smart Fresh Warehouse Management System (錢大媽智慧生鮮倉庫管理系統)	Computer Software	Guangzhou Qinghe	2025SR1794683	September 17, 2025
25.	Qdama Omnichannel Middle Platform Price Strategy Platform (錢大媽全渠道中台系統價格策略平台)	Computer Software	Guangzhou Qinghe	2025SR1794678	September 17, 2025

APPENDIX IV STATUTORY AND GENERAL INFORMATION

No.	Copyright	Copyright type	Registered Owner	Registration Number	Registration Date
26.	Qdama Omnichannel Middle Platform Store Promotion Management Platform (錢大媽全渠道中台系統門店促銷管理平台)	Computer Software	Guangzhou Qinghe	2025SR1794679	September 17, 2025
27.	Qdama Omnichannel Middle Platform Store Ordering Management Platform (錢大媽全渠道中台系統門店訂購管理平台)	Computer Software	Guangzhou Qinghe	2025SR1794680	September 17, 2025
28.	Qdama Store 2.0 New Image Design (錢大媽門店2.0版本新形象設計)	Copyright of Works	Guangzhou Qdama	國作登字-2023-F-00136257	July 6, 2023
29.	Qdama (Store Song) – Fresh Life Defined by Me Sheet Music (錢大媽(門店曲)——新鮮生活我定義歌譜)	Copyright of Works	Guangzhou Qdama Fresh Food Chain Co., Ltd., (廣州市錢大媽生鮮食品連鎖有限公司)	國作登字-2020-B-01215196	December 29, 2020
30.	Qdama (Store Song) – Fresh Life Defined by Me Lyrics (錢大媽(門店曲)——新鮮生活我定義歌詞)	Copyright of Works	Guangzhou Qdama Fresh Food Chain Co., Ltd.,	國作登字-2020-A-01215195	December 29, 2020
31.	Qdama “Fresh” Clock (錢大媽「鮮」時鐘)	Copyright of Works	Guangzhou Qdama	國作登字-2025-F-00333909	November 14, 2025
32.	Qdama Fresh Distribution Center Intelligent WMS Processing Warehouse Management System (錢大媽生鮮倉智慧WMS加工倉管理系統)	Computer Software	Guangzhou Qinghe	2026SR0489283	March 25, 2026
33.	Store Expansion Management Platform (拓展管理平台)	Computer Software	Guangzhou Qinghe	2026SR0485619	March 25, 2026
34.	Qdama Carrier Automatic Payment Request System (錢大媽承運商自動請款系統)	Computer Software	Guangzhou Qinghe	2026SR0489198	March 25, 2026
35.	Fresh and Trustworthy Selection Icon (真新鮮●安心選圖標)	Copyright of Works	Guangzhou Qdama	國作登字-2026-F-00116917	May 20, 2026
36.	Huajia Marketplace (花家市集)	Copyright of Works	Guangzhou Caiba	國作登字-2026-F-00130508	June 2, 2026

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors and Chief Executive in the Company and Associated Corporations

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the interests or short positions of our Directors and chief executives in the Shares, underlying shares and debentures of our Company, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Name of Director or chief executive	Nature of interest ⁽¹⁾	Number of Shares as of the Latest Practicable Date	Approximate percentage of interest in our Company immediately after [REDACTED]
Ms. FENG ⁽²⁾⁽³⁾⁽⁴⁾	Interest in controlled corporations	1,211,858,719	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) As of the Latest Practicable Date, Feng WH was wholly owned by FWH Holding Ltd., which in turn was wholly owned by Ms. Feng. Therefore, each of Ms. Feng and FWH Holding Ltd. is deemed to be interested in the Shares held by Feng WH in the Company under the SFO.
- (3) Qdama Talent is a platform holding the underlying incentive Shares under the Pre-[REDACTED] Share Incentive Scheme. A total of 251,633,875 Shares were allotted and issued to Qdama Talent for the purpose of the Pre-[REDACTED] Share Incentive Scheme. As of the Latest Practicable Date, Qdama Talent is legally owned by TMF Trust (HK) Limited as trustee of the QDM Employee Trust, which was established by the Company as the settlor for the purpose of the Pre-[REDACTED] Share Incentive Scheme. Qdama Talent is ultimately controlled by Ms. Feng. As such, each of TMF Trust (HK) Limited and Ms. Feng is deemed to be interested in the 251,633,875 Shares held by TMF Trust (HK) Limited. See “Statutory and General Information — Further Information about the Directors — The Pre-[REDACTED] Share Incentive Scheme” in Appendix IV to this document.
- (4) As of the Latest Practicable Date, WH Feng Ltd. held 74,016,285 Shares of the Company. As of the Latest Practicable Date, WH Feng Ltd. was wholly owned by FWH Holding Ltd., which in turn was wholly owned by Ms. Feng. Therefore, each of Ms. Feng and FWH Holding Ltd. is deemed to be interested in the Shares held by WH Feng Ltd. in the Company under the SFO.

Disclosure of Interests of Substantial Shareholders in Other Members of The Company

As of the Latest Practicable Date, so far as our Directors are aware, the following persons (other than our Directors or chief executive of our Company) were interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of other member of our Group:

Name of Members of our Group	Name of Shareholder	Percentage of Shareholding
1 Shenzhen Fresh Food Technology Holdings Co., Ltd. (深圳市鮮食科技控股有限公司)	Mr. XUE Junnan (薛俊男先生)	20.00%

So far as set out above, as of the Latest Practicable Date, our Directors are not aware of any persons who would, immediately following the completion of the [REDACTED], be directly or indirectly interested in 10% or more of the issued voting Shares of the other members of the Company (other than our Company).

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STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT THE DIRECTORS

Particulars of Directors’ Service Contracts

(a) Executive Directors

Each of our executive Directors [has entered into] a service contract with us pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the date of his/her appointment as a Director or since the [REDACTED] (whichever ends earlier). Either party has the right to give not less than three months’ written notice to terminate the agreement. Details of the Company’s remuneration policy is described in section headed “Directors and Senior Management — Compensation of Directors and Senior Management.”

(b) Independent non-executive Directors

Each of the independent non-executive Directors has entered into an appointment letter with our Company on January 11, 2026. The initial term for their appointment letters shall be three years from January 11, 2026 (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month’s prior notice in writing.

Remuneration of Directors

- Save as disclosed above, none of our Directors has or is proposed to have a service contract with the Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).
- Save as disclosed in “Directors and Senior Management” and the Accountant’s Report set out in Appendix I to this document, none of our Directors received other remunerations or benefits in kind from us for the three financial years ended December 31, 2023, 2024, 2025 and the six months ended June 30, 2026.
- Under the arrangements currently in force, the aggregate amount of remuneration (including any discretionary bonus which may be paid) payable by our Group to our Directors for the financial year ending December 31, 2026 is expected to be approximately RMB39.0 million.
- No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. During the Track Record Period, no compensation was paid to, or has been received by, our Directors, former Directors or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period.
- Save as disclosed above, no other payments have been paid or are payable in respect of the Track Record Period to our Directors by our Group.

Disclaimers

- (a) None of the Directors nor any of the experts referred to in “— Other Information — Qualifications and Consents of Experts” below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (b) Save in connection with the [REDACTED], none of the Directors nor any of the experts referred to in “— Other Information — Qualifications and Consents of Experts” below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group;
- (c) No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this document to any promoter of the Company nor is any such cash, securities or benefit intended to be paid, allotted or given on the basis of the [REDACTED] or related transactions as mentioned;
- (d) Taking no account of any Shares which may be taken up under the [REDACTED], so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the [REDACTED], have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group;
- (e) None of the Directors or chief executives of the Company has any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of [REDACTED] Issuers, to be notified to the Company and the Stock Exchange once the Shares are [REDACTED] thereon; and
- (f) So far as is known to our Directors, none of our Directors, their respective close associates or our Shareholders who are interested in more than 5% of the share capital of our Group has any interests in the five largest customers or the five largest suppliers of our Group in each year of the Track Record Period.

THE PRE-[REDACTED] SHARE INCENTIVE PLAN

The below is a summary of the principal terms of the Share Incentive Scheme adopted by the Company on November 30, 2021. The Pre-[REDACTED] Share Incentive Scheme was the continuation of the then share incentive scheme adopted by Guangzhou Qdama, our main operating entity in the PRC. The terms of the Share Incentive Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve the grant of shares or options over our shares of our Company after [REDACTED].

Given that all the underlying Shares of the options under the Pre-[REDACTED] Share Incentive Scheme have been issued and allotted to Qdama Talent Holdings Limited (the “**ESOP Platform**”) for future exercise of the options, there will not be any dilutive effect to the total issued Shares upon the exercise of the options under the Pre-[REDACTED] Share Incentive Scheme.

As of the Latest Practicable Date, the total number of underlying Shares of all the options granted under the Pre-[REDACTED] Share Incentive Scheme shall not in aggregate exceed 251,633,875 Shares, equivalent to 10.64% of the total issued Shares of the Company. For details of the ESOP Platform, see “History, Reorganization and Corporate Structure.”

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

(a) Purposes

The purpose of the Pre-[REDACTED] Share Incentive Scheme is to recognize the contribution of our employees to the Group and motivate them to further promote the development of our Group.

(b) Eligible participants

Persons eligible to participate in the Pre-[REDACTED] Share Incentive Scheme are the management members and key employees of our Group.

The Board, or the general manager of the Company duly authorised by the Board, may, make an offer of the grant of option to the Directors, employees or other persons who have contributed or will contribute to the Group (the “Participants”).

(c) Grant of the Option

As of the Latest Practicable Date, all the options under the Pre-[REDACTED] Share Incentive Scheme have been granted to 286 selected Participants at nil consideration.

The table below sets forth the spread of the Shares underlying the options granted to selected Participants of the Pre-[REDACTED] Share Incentive Scheme.

Range of Shares underlying the options granted	Total number of grantees	Number of Shares underlying the Options granted	Approximate percentage of shareholding as of the Latest Practicable Date	Approximate percentage of shareholding immediately following completion of the [REDACTED]	
				Assuming the [REDACTED] is not exercised	Assuming the [REDACTED] is exercised in full
10,000–99,999	63	4,657,760	0.20%	[REDACTED]%	[REDACTED]%
100,000–199,999 . . .	58	8,493,130	0.36%	[REDACTED]%	[REDACTED]%
200,000–499,999 . . .	87	27,918,296	1.18%	[REDACTED]%	[REDACTED]%
500,000–999,999 . . .	42	27,572,507	1.17%	[REDACTED]%	[REDACTED]%
1,000,000–1,999,999 . .	20	29,741,288	1.26%	[REDACTED]%	[REDACTED]%
2,000,000–4,999,999 . .	12	32,701,674	1.38%	[REDACTED]%	[REDACTED]%
5,000,000 and above . .	4	120,549,220	5.10%	[REDACTED]%	[REDACTED]%
Total	286	251,633,875	10.64%	[REDACTED]%	[REDACTED]%

(d) Vesting Period

The major vesting period arrangements are as follows.

	Vesting period	Maximum percentage that can be vested
First vesting period	24 months after the grant date	50%
Second vesting period	36 months after the grant date	25%
Third vesting period	48 months after the grant date	25%

The Advisory Committee may set vesting conditions, including performance targets. The Board may waive or accelerate any vesting requirement for any outstanding and unexercised options.

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(e) Exercise of Options

The exercise price of the option is RMB0.007332 per Share. The options may be exercised only after the [REDACTED].

(f) Duration of Options

This plan shall continue in effect for a term of 20 years from the adoption date, subject to earlier lapse in accordance with the scheme rules.

(g) Maximum Number of Shares Available under the Pre-[REDACTED] Share Incentive Scheme

The total number of Shares underlying all the options granted under the Pre-[REDACTED] Share Incentive Scheme shall not in aggregate exceed 251,633,875 Shares, equivalent to 10.64% of the total issued Shares of the Company as of the Latest Practicable Date and being [REDACTED]% of the enlarged total issued Shares in the Company immediately after completion of the [REDACTED] (assuming that the [REDACTED] are not exercised), which have been issued and allotted to the ESOP Platform in full. The maximum number of Shares may be adjusted, in the event of a capitalization issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company, provided that any such adjustment shall comply with the Listing Rules and the guidance from the Stock Exchange from time to time.

OTHER INFORMATION

Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group.

Litigation

As of the Latest Practicable Date, the Company was not engaged in any outstanding litigation or arbitration which may have material adverse effect on the [REDACTED] and, so far as the Directors are aware, no material litigation or claim was pending or threatened by or against the Company.

Preliminary Expenses

As of the Latest Practicable Date, our Company has not incurred any material preliminary expenses.

Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the Shares in issue, the Shares to be issued pursuant to the [REDACTED] (including any Shares which may be issued pursuant to the exercise of the [REDACTED]). All necessary arrangements have been made enabling the Shares to be admitted into [REDACTED].

Each of the Joint Sponsors satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

Our Company has entered into an engagement agreement with the Joint Sponsors, pursuant to which our Company agreed to pay each Joint Sponsor a fee of US\$500,000 to act as a sponsor to our Company in connection with the [REDACTED].

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No Material Adverse Change

Our Directors confirm that up to the Latest Practicable Date, there has been no material adverse change in our financial, operational or trading positions or prospects since June 30, 2026, being the end of the period reported on as set out in the Accountant’s Report in Appendix I to this document.

Qualifications and Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with inclusion of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they respectively appear.

As of the Latest Practicable Date, none of the experts named below has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document are as follows:

Name of Expert	Qualifications
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
ABCI Capital Limited	A licensed corporation under the SFO for type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
Jingtian & Gongcheng Maples and Calder (Hong Kong) LLP	Legal advisor to our Company as to PRC law Legal advisor as to Cayman Islands laws
China Insights Consultancy	Independent industry consultant

Each of the experts listed above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Bilingual [REDACTED]

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

- (a) within the two years preceding the date of this document:
 - a. Save as otherwise disclosed in “— Further Information About Our Group,” no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - b. Save as otherwise disclosed in “— Further Information About Our Group,” no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - c. Save as disclosed in “Financial Information — [REDACTED]” and “[REDACTED],” no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries; and
 - d. Save as disclosed in “Financial Information — [REDACTED]” and “[REDACTED],” no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.
- (b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;
- (c) there has not been any interruption in the business of the Company which may have or has had a significant effect on the financial position of the Company in the 12 months preceding the date of this document;
- (d) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;
- (e) our Company has no outstanding convertible debt securities or debentures;
- (f) there is no arrangement under which future dividends are waived or agreed to be waived;
- (g) none of our equity and debt securities is [REDACTED] or dealt with in any other stock exchange nor is any [REDACTED] or permission to deal being or proposed to be sought.

APPENDIX V	DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) a copy of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contracts”; and
- (b) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts.”

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and the Company’s website at www.qdama.cn during a period of 14 days from the date of this document:

- (a) the Memorandum of Association and the Articles of Association;
- (b) the Accountant’s Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this document;
- (c) the report from PricewaterhouseCoopers on the unaudited [REDACTED] financial information, the text of which is set out in Appendix II to this document;
- (d) the audited consolidated financial statements of the Group for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026;
- (e) the legal opinion from Jingtian & Gongcheng, the Company’s PRC Legal Advisor, in respect of, among other things, the general matters and property interests of the Group under the PRC laws;
- (f) the letter of advice prepared by Maples and Calder (Hong Kong) LLP, our legal advisor as to Cayman Islands law, summarizing certain aspects of the Cayman Islands company law referred to in Appendix III to this document;
- (g) the Cayman Companies Act;
- (h) the industry report prepared by China Insights Consultancy referred to in the section headed “Industry Overview” in this document;
- (i) the service contracts between each of the Directors and the Company referred to in “Appendix IV — Statutory and General Information — Further Information about the Directors — Particulars of Directors’ Service Contracts”;
- (j) each of the material contracts referred to in “Appendix IV — Statutory and General Information — Further Information about the Business — Summary of Material Contracts”; and
- (k) the written consents referred to in “Appendix IV — Statutory and General Information — Other Information — Qualifications and Consents of Experts”.